

Ticker Symbol: 601012

Stock Name: LONGi

# **LONGi Green Energy Technology Co., Ltd.**

## **2019 Financial Report**

**Kindly reminder: The annual report 2019 in English is for reference only. The Report in Chinese shall prevail in case of any discrepancy between the two versions.**

## Important Notes

- I. The Company's Board of Directors, Board of Supervisors, directors, supervisors, and senior managers ensure that the content of the annual report is true, accurate, and complete, without false records, misleading statements or major omissions, and bear individual and joint legal liabilities.**
- II. All directors of the Company attend the board meeting.**
- III. PricewaterhouseCoopers Zhongtian Certified Public Accountants (Special General Partnership) issues a standard unqualified audit report for the Company.**
- IV. Li Zhenguo, the head of the Company, Liu Xuewen, the accounting officer of the Company, and the head (accounting officer) of accounting organization hereby confirm that the financial report in the annual report is true, accurate and complete.**
- V. Plan for profit distribution or plan for transfer of reserve to share capital for the reporting period reviewed by the Board of Directors**

The Company's 2019 plan for profit distribution is as follows:

As of December 31, 2019, the total share capital of the Company was 3,772,016,757 shares. Taking the total share capital on the date of record at the time of the equity distribution after being deducted of 189,406 proposed repurchased restricted shares that are not involved in the equity distribution as the base, the Company plans to distribute a cash dividend of 2 yuan (including tax) for every 10 shares to all shareholders. Based on this, a total cash dividend distributed is 754,365,470.20 yuan (including tax), and the cash dividend ratio of the Company for the year is 14.29%.

If the total share capital of the Company changes from the date when the above plan is disclosed to the date when the equity is distributed and recorded, the Company intends to maintain the distribution ratio per share unchanged and adjust the total amount distributed accordingly. The above plan needs to be submitted to the shareholders' meeting for approval.

### **VI. Risk disclosure statement of forward-looking statement**

Applicable  Non-applicable

The forward-looking statement such as future plans and development plans involved in this report do not constitute a substantive commitment of the Company to investors. Investors are advised to pay attention to investment risks.

### **VII. Whether there is any non-operating capital occupied by the controlling shareholders and their related parties?**

No

### **VIII. Are there any external guarantees that violate the prescribed decision-making procedures?**

No

### **IX. Material risk warning**

The Company has described the possible risks in detail in this report. Please see the "Possible risks" in Section IV "Discussion and Analysis of Business Operation".

### **X. Others**

Applicable  Non-applicable

## Contents

Section I Definition .....	4
Section II Company Profile and Main Financial Indicators .....	7
Section III Company Business Overview.....	11
Section IV Discussion and Analysis of Business Operation .....	14
Section V Important Matters .....	37
Section VI Changes in Common Shares and Shareholders .....	73
Section VII Preferred Stock .....	82
Section VIII Directors, Supervisors, Senior Managers and Employees .....	83
Section IX Corporate Governance .....	90
Section X Relevant Information about Corporate Bonds .....	93
Section XI Financial Report .....	96
Section XII Contents of Reference Documents.....	275

## Section I Definition

### I. Definition

In this report, unless the context otherwise requires, the following terms are defined as follows:

Definition of frequently-used terms		
LONGi, the Company	Refers to	LONGi Green Energy Technology Co., Ltd., which is changed from the former name of "Xi'an LONGi Silicon Materials Corp." in February 2017
Wuxi LONGi	Refers to	Wuxi LONGi Silicon Materials Ltd., a wholly-owned subsidiary of the Company
Yinchuan LONGi	Refers to	Yinchuan LONGi Silicon Materials Ltd., a wholly-owned subsidiary of the Company
Ningxia LONGi	Refers to	Ningxia LONGi Silicon Materials Ltd., a wholly-owned subsidiary of the Company
LONGi (H.K.)	Refers to	LONGi (H.K.) Trading Limited, a wholly-owned subsidiary of the Company
LONGi (KUCHING)	Refers to	LONGi (KUCHING) SDN. BHD., a wholly-owned subsidiary of the LONGi (H.K.)
Lijiang LONGi	Refers to	Lijiang LONGi Silicon Materials Ltd., a wholly-owned subsidiary of the Company
Baoshan LONGi	Refers to	Baoshan LONGi Silicon Materials Ltd., a wholly-owned subsidiary of the Company
Chuxiong LONGi	Refers to	Chuxiong LONGi Silicon Materials Ltd., a wholly-owned subsidiary of the Company
LONGi Solar	Refers to	LONGi Solar Technology Ltd., a wholly-owned subsidiary of the Company
Taizhou LONGi Solar	Refers to	Taizhou LONGi Solar Technology Ltd., a wholly-owned subsidiary of LONGi Solar
Zhejiang LONGi Solar	Refers to	Zhejiang LONGi Solar Technology Ltd., a wholly-owned subsidiary of LONGi Solar
Chuzhou LONGi Solar	Refers to	Chuzhou LONGi Solar Technology Ltd., a wholly-owned subsidiary of LONGi Solar
Ningxia LONGi Solar	Refers to	Ningxia LONGi Solar Technology Ltd., a wholly-owned subsidiary of LONGi Solar
Yinchuan LONGi Solar	Refers to	Yinchuan LONGi Solar Technology Ltd., a wholly-owned subsidiary of LONGi Solar
LONGi TECHNOLOGY (KUCHING)	Refers to	LONGi TECHNOLOGY (KUCHING) SDN. BHD., a wholly-owned subsidiary of LONGi Solar
Clean Energy	Refers to	Xi'an LONGi Clean Energy Ltd., a wholly-owned subsidiary of the Company
LONGi New Energy	Refers to	Xi'an LONGi New Energy Ltd., a wholly-owned subsidiary of the Company
Cao-County Lezhao	Refers to	Cao-County Lezhao Solar Technology Ltd., a wholly-owned subsidiary of LONGi New Energy
Shouguang Jinhe	Refers to	Shouguang Jinhe Solar Technology Ltd., a wholly-owned subsidiary of LONGi New Energy
Hami Liurui	Refers to	Hami Liurui New Energy Development Ltd., a wholly-owned subsidiary of Clean Energy
Hami Liuyang	Refers to	Hami Liuyang Solar Technology Development Ltd., a wholly-owned subsidiary of Clean Energy
Longxing New Energy	Refers to	Huludao Longxing New Energy Ltd., a wholly-owned subsidiary of Clean Energy
Lingwu New Energy	Refers to	Lingwu Longqiao Solar New Energy Ltd., a wholly-owned subsidiary of Clean Energy
Longle Solar	Refers to	Guangzhou Longle Solar Technology Ltd., a wholly-owned subsidiary of LONGi New Energy
Ningde LONGi	Refers to	Ningde LONGi Solar Energy Ltd., a wholly-owned subsidiary of LONGi

Solar		New Energy
Lechang Solar	Refers to	Xiangcheng Lechang Solar Energy Ltd., a wholly-owned subsidiary of LONGi New Energy
Jinli New Energy	Refers to	Xinyang Jinli New Energy Equipment Ltd., a wholly-owned subsidiary of LONGi New Energy
Xinwei New Energy	Refers to	Xuzhou Xinwei New Energy Technology Ltd., a wholly-owned subsidiary of LONGi New Energy
Datong Clean Energy	Refers to	LONGi Green & Clean Energy Ltd. in Yunzhou District, Datong City, a wholly-owned subsidiary of Clean Energy
Guangling Clean Energy	Refers to	Guangling Longxing Green & Clean Energy Ltd., a wholly-owned subsidiary of Clean Energy
Xuanli Solar	Refers to	Hami Liushuquan Xuanli Solar Power Generation Ltd., a wholly-owned subsidiary of Clean Energy
Tongxin LONGi	Refers to	Tongxin LONGi New Energy Ltd., a joint stock company of Wuxi LONGi and Ningxia LONGi
LONGi Tianhua	Refers to	Zhongning LONGi Tianhua New Energy Ltd., a joint stock company of Ningxia LONGi
Daqing New Energy	Refers to	Daqing Huiqing New Energy Ltd., a joint stock company of Clean Energy
Zhongning New Energy	Refers to	Zhongning LONGi Solar New Energy Ltd., a joint stock company of Clean Energy
Zhaozhou New Energy	Refers to	Zhaozhou Longhui New Energy Ltd., a joint stock company of Clean Energy
Pingmei LONGi	Refers to	Pingmei LONGi New Energy Technology Ltd., a joint stock company of the Company
Sichuan Yongxiang	Refers to	Sichuan Yongxiang New Energy Ltd., a joint stock company of the Company
Tongchuan Xiaguang	Refers to	Tongchuan Xiaguang New Energy Power Generation Ltd., a joint stock company of the Company
Zhejiang MTCN	Refers to	Zhejiang MTCN Technology Ltd., a joint stock company of the Company
Germany LONGi	Refers to	LONGi Solar Technologie GmbH, a wholly-owned subsidiary of the Company
LONGi Solar U.S.	Refers to	LONGi SOLAR TECHNOLOGY (U.S.) INC., a wholly-owned subsidiary of the Company
Ruicheng Lvlong	Refers to	Ruicheng Lvlong Clean Energy Ltd., a holding subsidiary of Clean Energy
Huaping LONGi	Refers to	Huaping LONGi Silicon Materials Ltd., a wholly-owned subsidiary of the Company
Jiangsu LONGi Solar	Refers to	Jiangsu LONGi Solar Technology Ltd., a wholly-owned subsidiary of LONGi Solar
Xianyang LONGi Solar	Refers to	Xianyang LONGi Solar Technology Ltd., a wholly-owned subsidiary of LONGi Solar
Shaanxi LONGi Solar	Refers to	Shaanxi LONGi Solar Technology Ltd., a wholly-owned subsidiary of LONGi Solar
Jiaxing LONGi Solar	Refers to	Jiaxing LONGi Solar Technology Ltd., a wholly-owned subsidiary of LONGi Solar
Xi'an LONGi Solar	Refers to	Xi'an LONGi Solar Technology Ltd., a wholly-owned subsidiary of LONGi Solar
Hefei LONGi Solar	Refers to	Hefei LONGi Solar Technology Ltd., a wholly-owned subsidiary of LONGi Solar
Yinchuan LONGi Solar	Refers to	Yinchuan LONGi Solar Technology Ltd., a wholly-owned subsidiary of the Company
Datong LONGi Solar	Refers to	Datong LONGi Solar Technology Ltd., a wholly-owned subsidiary of LONGi Solar
CSRC	Refers to	China Securities Regulatory Commission
Company Law	Refers to	Company Law of the People's Republic of China
Articles of association	Refers to	Articles of Association of LONGi Green Energy Technology Co., Ltd.
Reporting period	Refers to	The period from January 1, 2019 to December 31, 2019.
Yuan	Refers to	RMB Yuan, unless otherwise specified.

Monocrystalline silicon	Refers to	Mono Crystalline Silicon, with all silicon atoms are arranged in periodica array, is made from high-purity polysilicon in Czochralski (CZ) or Float Zone (FZ) method.
Wafer	Refers to	A square or octagonal slice cut from mono or poly ingots.
Ingot	Refers to	The mono ingot, in rod shape, is made from polysilicon through Czochralski (CZ) or Float Zone (FZ) method.
Cell	Refers to	Solar cell; a device that converts the radiated solar energy into electricity through semiconductors in PV conversion principle, which is also known as PV cell.
Module	Refers to	Solar module is composed of several solar energy generation units through series-parallel connection. Its function is to magnify the solar energy generation units with smaller power into optoelectronic devices that can be used alone. Generally, with high power, it can serve for charging various types of batteries independently, or serve as power generating unit of off-grid or grid-connected solar power supply system with multiple pieces in series or parallel.
PERC	Refers to	Passivation Emitter and Rear Cell forms passivation layer on the rear of the cell by doping SiNx or AL2O. As a rear reflector, the layer increases long-wave light capture and maximizes the potential difference between P-N junctions to reduce the electronic recombination, significantly improving the cell efficiency.
MW	Refers to	Megawatt, the power unit of solar cells, 1MW = 1,000 kW
GW	Refers to	Gigawatt, the power unit of solar cells, 1GW=1,000MW
Conversion efficiency of cell	Refers to	The ratio of optimal output power of solar cells to the radiated power on its surface
SSE	Refers to	Shanghai Stock Exchange

Note: ① In this report, if the sum of each sub-item value does not match the total number, it is caused by rounding off;

② Unless otherwise specified, the unit of the amount is Yuan.

## Section II Company Profile and Main Financial Indicators

### I. Company profile

Full name of the Company in Chinese	隆基绿能科技股份有限公司
Name of the Company in Chinese for short	隆基股份
Full name of the Company in English	LONGi Green Energy Technology Co., Ltd.
Name of the Company in English for short	LONGi
Legal representative of the Company	Li Zhenguo

### II. Contact person and information

	Secretary of the Board of Directors	Securities affairs representative
Name	Liu Xiaodong	Wang Hao
Contact address	Block B, Innovation Incubation Center, Xi'an Service-outsourcing Industrial Park, No. 8989 Shangji Road, Economic and Technological Development Zone, Xi'an	Block B, Innovation Incubation Center, Xi'an Service-outsourcing Industrial Park, No. 8989 Shangji Road, Economic and Technological Development Zone, Xi'an
Tel.	029-81566863	029-81566863
Fax	029-86689601	029-86689601
E-mail	<a href="mailto:longi-board@longigroup.com">longi-board@longigroup.com</a>	<a href="mailto:longi-board@longigroup.com">longi-board@longigroup.com</a>

### III. Basic information

Registered address of the Company	No. 388 Middle Aerospace Rd., Chang'an District, Xi'an
Postal code of registered address	710100
Business address of the Company	Block B, Innovation Incubation Center, Xi'an Service-outsourcing Industrial Park, No. 8989 Shangji Road, Economic and Technological Development Zone, Xi'an
Postal code of business address	710018
Company website	<a href="http://www.longigroup.com">http://www.longigroup.com</a>
E-mail	<a href="mailto:longi-board@longigroup.com">longi-board@longigroup.com</a>

### IV. Information disclosure and place of the report

Selected media for company information disclosure	China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily
Website designated by CSRC (China Securities Regulatory Commission) to publish the Annual Report	<a href="http://www.sse.com.cn">www.sse.com.cn</a>
Place where the Annual Report is available for inspection	Office of the Board of Directors

### V. Company stock profile

Company stock profile				
Stock type	Listed on	Stock name	Ticker symbol	Stock name before change
A share	Shanghai Stock Exchange	LONGi	601012	None

### VI. Other relevant information

Certified public accountants hired by the Company (domestic)	Name	PricewaterhouseCoopers Zhongtian Certified Public Accountants (Special General Partnership)
	Business address	Floor 11, PricewaterhouseCoopers Center, Block 2, Enterprise Link Square, No. 202 Hubin Road, Huangpu District, Shanghai
	Name of the accountants for signature	Zheng Jiayan, Han Tao

Sponsors performing continuous supervision duties during the reporting period	Name	Guosen Securities Co., Ltd.
	Business address	Floor 16-26, Guosen Securities Building, No. 1012 Hongling Middle Road, Shenzhen
	Name of the sponsor representative for signature	Jiang Zhigang, Xu Qing
	Period of continuous supervision	The period from April 29, 2019 to December 31, 2020.

## VII. Main accounting data and financial indicators for the past three years

### (I) Main accounting data

Unit: Yuan; Currency: RMB

Main accounting data	Year 2019	Year 2018		Increase or decrease in the current period over the same period of the previous year (%)	Year 2017	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Revenues	32,897,455,384.24	21,987,614,949.84	21,987,614,949.84	49.62	16,362,284,494.30	16,362,284,494.30
Net profits attributable to shareholders of the Company	5,279,552,073.55	2,557,964,089.73	2,557,964,089.73	106.40	3,564,525,604.84	3,564,525,604.84
Net profits attributable to shareholders of the Company after non-recurring profit and loss deduction	5,093,620,143.93	2,343,546,683.13	2,343,546,683.13	117.35	3,464,581,782.39	3,464,581,782.39
Net cash flows from operating activities	8,158,241,026.53	1,173,271,527.53	1,173,271,527.53	595.34	1,328,349,619.05	1,328,349,619.05
	End of 2019	End of 2018		Increase or decrease at the end of current period over the end of same period of the previous year (%)	End of 2017	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Net assets attributable to shareholders of the Company	27,628,794,072.78	16,451,586,754.06	16,451,586,754.06	67.94	14,195,358,022.75	14,195,358,022.75
Total assets	59,303,973,110.53	39,659,244,130.93	39,659,244,130.93	49.53	20,597,214,897.39	20,597,214,897.39

### (II) Main financial indicators

Main financial indicators	Year 2019	Year 2018		Increase or decrease in the current period over the same period of the previous year (%)	Year 2017	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Basic earnings per share (yuan/share)	1.47	0.75	0.93	96.00	1.05	1.29
Diluted earnings per share (yuan/share)	1.47	0.75	0.92	96.00	1.04	1.29
Basic earnings per share after non-recurring profit and loss deduction (yuan/share)	1.42	0.69	0.85	105.80	1.02	1.26



Weighted average return on equity (%)	23.93	16.71	16.71	Increased by 7.22 pcts	30.14	30.14
Weighted average return on equity after non-recurring profit and loss deduction (%)	23.09	15.31	15.31	Increased by 7.78 pcts	29.29	29.29

Description of the Company's main accounting data and financial indicators for the first three years after the end of the reporting period

Applicable  Non-applicable

The reason for the adjustment of earnings per share in 2018 and 2017 is that the Company completed the rights issue in April 2019 and recalculated the indicators for the same period in 2018 and 2017.

### VIII. Differences in accounting data calculated in accordance with domestic and foreign accounting standards respectively

(I) Differences in the net profits and the net assets attributable to the shareholders of the Company in the financial statement disclosed in accordance with international accounting standards and Chinese accounting standards respectively

Applicable  Non-applicable

(II) Differences in the net profits and the net assets attributable to the shareholders of the Company in the financial statement disclosed in accordance with foreign accounting standards and Chinese accounting standards respectively

Applicable  Non-applicable

(III) Explanation of the differences between domestic and foreign accounting standards:

Applicable  Non-applicable

### IX. Main Financial Data Quarterly in 2019

Unit: Yuan; Currency: RMB

	1st quarter (January to March)	2nd quarter (April to June)	3rd quarter (July to September)	4th quarter (October to December)
Revenues	5,710,190,062.64	8,401,191,409.43	8,581,998,471.00	10,204,075,441.17
Net profits attributable to shareholders of the Company	611,284,942.45	1,398,302,849.08	1,474,686,845.34	1,795,277,436.68
Net profits attributable to shareholders of the Company after non-recurring profit and loss deduction	596,115,341.04	1,400,252,487.19	1,414,161,612.66	1,683,090,703.04
Net cash flows from operating activities	938,339,750.24	1,488,462,197.51	1,587,490,884.54	4,143,948,194.24

Explanation of the differences between quarterly data and data disclosed in periodic reports

Applicable  Non-applicable

**X. Non-recurring items and amounts**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Non-recurring items	Amount in 2019	Amount in 2018	Amount in 2017
Profits and losses from disposal of non-current assets	-68,878,970.62	-5,230,991.11	-14,544,326.19
Government subsidies included in the current profits and losses, except for government subsidies that are closely related to the normal business operations of the company and that are in compliance with national policies and are subject to constant or fixed amount of certain standards	228,852,546.77	173,940,878.85	99,940,402.35
Except for the effective hedging business related to the normal business of the Company, profits and losses from changes in fair value arising from the holding of trading financial assets and trading financial liabilities, and investment incomes from the disposal of trading financial assets, trading financial liabilities and held-for-sale financial assets		84,773,124.69	35,140,423.97
Except for the effective hedging business related to the normal business of the Company, profits and losses from changes in fair value arising from the holding of trading financial assets, derivative financial assets, trading financial liabilities, and derivative financial liabilities, and investment incomes from the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debts	109,984,235.52		
Return of impairment reserves of receivables that are individually tested for impairment	500,000.00		
Other non-operating incomes and expenses other than the above	-40,467,513.83	-946,559.80	-4,761,147.77
Amount affected of minority shareholders' equity	-9,826,197.60		
Amount affected of income tax	-34,232,170.62	-38,119,046.03	-15,831,529.91
Total	185,931,929.62	214,417,406.60	99,943,822.45

**XI. Items measured at fair value**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

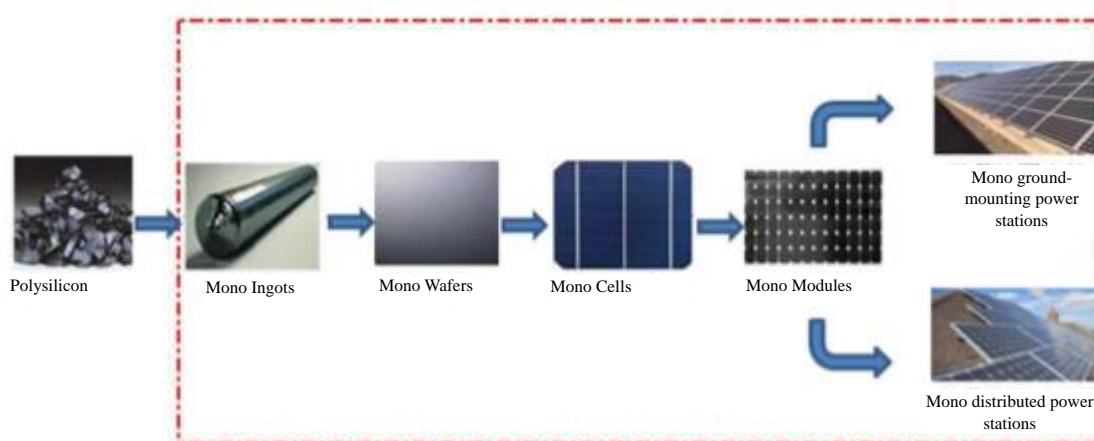
Item name	Beginning balance	Ending balance	Current change	Amount affected of current profits
Receivable financing	443,080,447.21	829,052,223.55	385,971,776.34	
Other equity instrument investment	82,842,967.88	21,959,667.68	-60,883,300.20	
Trading financial assets				109,984,235.52
Total	525,923,415.09	851,011,891.23	325,088,476.14	109,984,235.52

**XII. Others** Applicable √ Non-applicable

## Section III Company Business Overview

### I. Description of the Company's main business, business model and industry situation during the reporting period

The Company has been long focused on providing high-efficiency monocrystalline solar power generation solutions to global customers, mainly engaged in the R&D, manufacturing and sales of monocrystalline silicon ingots, wafers, cells and modules, solar power project development and solar power system solutions. At present, the Company's monocrystalline silicon ingot and wafer production bases are mainly concentrated at Xi'an in Shaanxi, Yinchuan and Zhongning in Ningxia, Lijiang, Huaping, Baoshan, Tengchong, Qujing and Chuxiong in Yunnan, Wuxi in Jiangsu and Kuching in Malaysia; The production bases of monocrystalline cells and modules are mainly concentrated at Taizhou in Jiangsu, Quzhou and Jiaxing in Zhejiang, Hefei and Chuzhou in Anhui, Yinchuan in Ningxia, Xi'an and Xianyang in Shaanxi, Datong in Shanxi and Kuching in Malaysia. The Company develops solar power projects and provides systematic solutions at home and abroad. During the reporting period, there was no significant change in the Company's main business and business model compared with 2018. The position of the main business and products in the PV industry chain is as follows:



Remarks: The scope of the Company's business in the industry chain is shown in the red box above

For the PV industry situation during the reporting period, the Company discussed in detail in the "Discussion and Analysis of the Business Situation". Please see Section IV of this report for details.

### II. Explanation of major changes in the Company's main assets during the reporting period

Applicable  Non-applicable

For details, see the relevant contents of "Asset and Liability Analysis" in Section IV of this report, "Discussion and Analysis of Business Situation".

Where, foreign assets 79.90 (Unit: 100 million yuan, Currency: CNY) accounts for 13.47% of the total assets.

### III. Analysis of core competitiveness during the reporting period

Applicable  Non-applicable

- (I) **The core management team has forward-looking strategic planning capabilities and efficient strategic execution capabilities**

The Company's core management team is stable and with reasonable age structure. Through long-term deep ploughing PV industry, they have accumulated rich management experience, with strong strategic thinking ability and efficient strategic execution capabilities. The Company has always persisted in creating value for customers, maintaining product leadership and technological innovation, and has made outstanding contributions to leading and promoting industry revolution and the widespread application of solar energy around the world. In terms of technological route selection, in 2006, after in-depth study of various technological routes in the PV industry, the Company chose the monocrystalline route as the direction of technological development, kept focused with the spirit of craftsmen, and developed into the world's largest supplier of mono wafers. In recent years, under the guidance of the Company, mono market share in globe has been rapidly increased and now it has reversed into the market mainstream; In terms of wafer slicing technology, the Company has taken the lead in realizing diamond wire cutting instead of traditional slurry cutting technology in the industry, and promoted the localization of cutting equipment and diamond wire saws, resulting in a rapid reduction in the cost of cutting process and a substantial increase in production efficiency. In terms of cells and modules, the Company laid out earlier in the industry and realized the mass production of high-efficiency mono PERC cells, and continuously improved the conversion efficiency and other technical indicators, which continued to promote the reduction of levelized cost of energy in the industry.

## **(II) Strong technological reserves and leading R&D advantages**

The Company is the world's largest mono PV product manufacturing enterprise integrating R&D, production, sales and services. It's always adhering to the promotion of customer value as the core, and through technological innovation drive to enhance the Company's market competitiveness. A number of core technologies and products are in a leading position in the industry. Through the active introduction and rational allocation of talents, the Company has built up a professional R&D team of 630 people, and set up a Silicon Material R&D Center, Cell R&D Center and Module R&D Center. It has one National Enterprise Technology Center and 5 Provincial Enterprise Technology Centers. It also has built a globally competitive R&D system. The proportion of R&D investment as of its revenues has surpassed 5% for many years. By the end of December 2019, it has obtained a total of 702 patents of various types. Strong technology accumulation has been formed in the aspects of mono ingot growing, quality control, mono wafer slicing technology, efficiency improvement of monocrystalline cells and industrial application research of modules, etc., and the reserves of iterative technology and new products are sufficient. Meanwhile, the capacity for independent innovation continues to grow. The highest conversion efficiency of the Company's monocrystalline PERC cells reached 24.06%, breaking the bottleneck of 24% previously recognized by the industry. Tested by the third-party authoritative certification and testing organization, TUV Rheinland, the conversion efficiency of the Company's modules has reached 22.38% which continues to refresh the new world record. While continuously strengthening and improving the technological innovation and R&D system, the Company also attaches great importance to the industrial transformation of R&D achievements, gradually introducing leading technological achievements into mass production, and continuously reducing the levelized cost of energy. At the same time, while ensuring to continuously usher the technological development of the industry, the Company has broken the competitive situation of homogenization of products and technology in the industry, and effectively maintained the competitive advantage of the company's research and development.

## **(III) Globally renowned brand advantages and quality assurance**

The Company is committed to becoming the world's most valuable solar technology company, providing global customers with high-efficiency monocrystalline solutions and enhancing customer value. Relying on the advantages of the whole industry chain from upstream silicon materials to downstream modules, the

Company continues to introduce a large number of leading R&D achievements into mass production, ensuring the high efficiency, high reliability and high returns of its products, and the brand influence of "LONGi" in the global monocrystalline silicon wafers and modules continues to improve. The Company is the only photovoltaic manufacturer selected among the first batch of manufacturing champion demonstration enterprises of the Ministry of Industry and Information Technology. The new wafer standard led by the Company is included in the SEMI standard and released to the whole world. The modules have been certified by TUV, UL, CQC, JET-PV, SII and other authoritative organizations. LONGi was not only listed as "The Global Tier 1 Module Supplier" by BNEF, the world-known research institution, but also ranked as the only AAA-rated module supplier in 2020Q1 by PV ModuleTech, the highest grade achievable. With premium brand and quality advantages, the Company has established a prestigious reputation in the industry, and has won the recognition and trust of many customers at home and abroad.

**(IV) The ability of risk controlling by steady operations**

The Company adheres to the principle of steady management and focuses on risk control. In the process of continuously rapid growth of the Company's business scale, the asset-liability ratio has always been maintained at a reasonable level, demonstrating good solvency and anti-risk level. Over the years, the Company has led the industry in the financial health index and won various honors such as "New Wealth Best Listed Company" for its excellent and steady financial indicators. According to the "Global Photovoltaic Market Report 2020Q1" released by Bloomberg New Energy Finance (BNEF), LONGi once again topped the ranking of Financial Health Index (Altman-Z) scores among global photovoltaic companies, fully demonstrating good risk control ability and steady sustainable development ability.

## Section IV Discussion and Analysis of Business Operation

### I. Discussion and analysis of business operation

In recent years, the global energy system has changed rapidly. Renewable energy has become the main driving force for changes in the global energy structure. Technological advances and cost reductions drive the growth of renewable energy far faster than any other types of energy. Under the change of global energy demand, the energy consumption moving towards electricity and the electricity generation towards cleanness was further enhanced.

With the continuous advancement of technology in the PV industry and the decline of the cost per kilowatt hour of the electricity, the advantage of solar on cost and wide application have become more and more significant. Solar has become the most competitive energy source in many countries and regions of the world. The solar bidding price has hit a low of 1.60 us cents/KWh, and the number of countries with GW-level annual increments has greatly increased from 3 in 2010 to 16, which was expected to expand in the future. The solar market was shifting from policy-driven model to the market-driven one. The risk of large fluctuations in market demand was declining, and the overall fluctuations in the industry were reduced increasingly with the more balanced and diversified market structure, which drives the global PV industry status more balanced and sustainable.

In 2019, the global PV industry maintains a good momentum of development. Driven by the rapid growth of overseas market demand, the applications of solar were expanded rapidly, especially in overseas markets. According to the statistics of the China Photovoltaic Industry Association (CPIA), during the reporting period, the global new PV installed capacity was approximately 120GW, among which the domestic installed capacity was about 30GW, and the overseas installed capacity was about 90GW. By the end of 2019 in China, the accumulated PV installed capacity increased to 204GW, a year-on-year increase of 17%. Moreover, the new and accumulated PV installed capacity ranked first continually in the world, and the development scale of PV industry take the lead around the world.

The year of 2019 is the first year of PV "grid parity" in China. The National Energy Administration issued the "Notices on Matters Related to the Construction of Wind and Solar Power in 2019" and other policies to officially launch the grid parity and auction projects under the subsidy mechanism so that the development of the industry is more market-oriented, and the signal of subsidy reduction and withdrawal is clearer, which effectively guide the stable development of the industry. During the reporting period, with the further decline in the price of cells and modules, domestic solar companies continued to launch and apply various high-efficiency products with new technologies to survival and develop in fierce competition, the integration of the industrial chain was accelerated, the market concentration of products in all links has been further improved, and the proportion of high-efficiency mono products was increased, which effectively reduce the cost per kilowatt hour of the electricity generated by PV system.

Looking back on 2019, with the mission of "Utilizing solar energy, building a green world", the business principles of "Leading Products, Efficient Operation, Pragmatic Cooperation, and Stable Operation", and the corporate culture of "Reliable, Value-added & Delighted", the Company seized the development opportunities of the industry, accelerated the pace of production capacity construction, promoted the quick increase of the market share of mono products, and realized the rapid growth of operating performance. During the reporting period, the Company achieved a revenue of 32.897 billion yuan, a year-on-year increase of 49.62%; a net profit attributable to the parent company of 5.280 billion yuan, a year-on-year increase of 106.4%; a basic earnings per share of 1.47 yuan, a year-on-year increase of 96%; a weighted average return

on equity after non-recurring profit and loss deduction of 23.09%, a year-on-year increase of 7.78pcts; and a net cash flows from operating activities was 8.158 billion yuan, a year-on-year increase of 595.34%. The main work of the Company in 2019 set forth below:

**(I) Adhering to the customer value as the core, actively implementing the globalization strategy, significantly expanding the overseas market, and rapidly increasing the market share of mono products**

During the reporting period, the Company focused on enhancing customer value, and relying on mono technology and cost advantages, effectively ensured the market demand for mono products. The sales of mono wafers and modules have increased significantly. In 2019, the Company's overseas sales of mono wafers were 4.702 billion pieces, a year-on-year increase of 139.17%, with 1.846 billion pieces for self-consumption; the overseas sales of mono modules were 7,394 MW, a year-on-year increase of 23.43%, with 971 MW for self-consumption, and the overseas sales of mono cells were 715 MW. In 2019, the Company actively implemented the globalization strategy, flexibly adjusted the sales structure, and strengthened its overseas sales force and service guarantee capabilities to largely expand the overseas market and global sales area, significantly rise the overseas revenue and quickly increase the market share of modules. For the Company's modules, the market share was about 7%, overseas sales reached 4,991 MW, a year-on-year increase of 154%, accounting for 67% of total overseas sales of mono modules. Under the guidance of the Company, the mono market share continued to expand in the world with the increasing downstream demand for mono products, and obvious advantage of the cost performance of mono products. According to PV InfoLink statistics, the global mono market share has increased to 62% in 2019, and it was expected to be further increased to above 85% in 2021.

**(II) Deepening the product leading strategy, continuously increasing R&D investment, and improving product and service quality**

In 2019, the Company focused on creating value for customers, and took it as the starting point to persistently guide customer needs, continuously deepen the product leading strategy, maintain high-intensity R&D investment, put high-value results into mass production, and improve the product and service value. In 2009, the Company obtained 242 patents, with 702 patents in total as of the end of the reporting period, and invested 1.677 billion yuan for R&D, accounting for 5.1% of revenues. In the aspect of ingot pulling and wafer slicing, the Company has achieved important results in process improvement, energy consumption control, thinning application, wafer thinning, domestic replacement of auxiliary materials and intelligent manufacturing. The non-silicon cost has been further reduced, among which, the average non-silicon cost of ingot pulling decreased by 25.46% year on year, while the average non-silicon cost of wafer slicing decreased by 26.5% year on year. The core key quality indicators continued to be optimized and improved, and the quality and cost of wafers maintained the leading position in the industry. In terms of cells and modules, the Company has achieved continuous technological breakthroughs, constantly explored the limits of product conversion efficiency, proposed lots of mass production technology solutions, and continuously improved product performance. In January 2019, after being tested by the China Photovoltaic Quality Testing Center (CPVT), the front-side conversion efficiency of the Company's bifacial mono PERC cells reached 24.06%, breaking the previous conversion efficiency record of 24% in the industry, causing the Company's PERC technology industry leading. After being tested by the third-party authoritative certification and testing agency of TUV Rheinland, the Company's module conversion efficiency has reached 22.38%, which continues to set a new world record. During the reporting period, the Company launched new products of M6 wafers and Hi-Mo4 modules, which further increased product output power, leadingly promoted the continuous reduction of the overall cost of the industry chain and the cost per kilowatt hour of the electricity, and continuously met the

market's demand for high-efficiency products. Meanwhile, the Company paid close attention to technology and application trends, and had sufficient reserves of new technologies and new products at all links. During the reporting period, the Company completed basic research and development and product finalization for new business of BIPV, which was expected to be put into mass production in 2020, laying a foundation for the Company to enter into new areas.

**(III) Accelerating the capacity expansion project for being put into production, and ensuring the supply of high-efficiency mono products in the market**

During the reporting period, as the global market share of mono products increased rapidly, the Company accelerated the planned capacity expansion for being put into production in order to ensure the supply of high-efficiency mono products in the market, among which 6GW mono ingot project in Lijiang Huaping LONGi, 6GW mono ingot project in Baoshan LONGi, 10GW mono wafer project (Phase II) in Chuxiong LONGi, 5GW cell project (Phase I) in Yinchuan LONGi Solar, 1.25GW annual cell project (Phase I) in LONGi (KUCHING), and 5GW module project (Phase I) in Chuzhou LONGi Solar have been put into production in advance. As of the end of 2019, the Company's capacity of mono wafers reached 42GW, and that of mono modules reached 14GW, which exceeded the expected capacity. During the reporting period, the output of mono wafers was 6,477.4628 million pieces, a year-on-year increase of 77.83%, and the output of modules was 8,906.36 MW, a year-on-year increase of 24.11%. The scale advantage of mono products was further consolidated, and the market's demand for high-efficiency mono products was met to the greatest extent. In addition, the planning for construction of Company's high-power module capacity project has been accelerated to ensure its leading position in world's high-power products.

**(IV) Enhancing the organization's ability to create value through various management activities**

With the rapid expansion of the Company's business scale and the comprehensive expansion of international business, global operation and management has become a new topic. Adhering to the business principles of "Leading Products, Efficient Operation, Pragmatic Cooperation, and Stable Operation", and according to the market changes, the Company flexibly adjusted the strategic planning, asset and liability structure, customer credit, risk management and other business policies, comprehensively established and improved a scientific evaluation system, quantified and implemented the evaluation indicators of various business policies, and strictly controlled the operating risks while accelerating the expansion of various businesses. During the reporting period, the Company ensured the safety and reasonableness of cash reserves through capital operation, financial and capital management advantages, the financial security indicators and financing evaluation continued to maintain the highest level in the industry, and the operational efficiency improved. Among them, the asset-liability ratio was controlled at 52.29%, and days sales outstanding decreased by 23 year on year. In 2019, with increased brand value and expanded external influences, the Company was awarded the "The 13<sup>th</sup> Top 100 Chinese companies listed in the mainboard" and selected as one of the 50 constituent stocks of SSE. Moreover, the Company carried out the activities of "Granting empowerment to stimulate vitality" in the internal, and improved operating efficiency through core management, lean management, internal operation evaluation and other management methods, established and improved the systems of legal risk prevention and control, internal control management, investment management, supply chain management, project management, etc., orderly advanced the financial budget management, optimized the three-pillar model of human resources, achieved staged results in ecological construction of supply chain, sped up to complete the deployment of business information system in the main value chain by IT, effectively supported the business development with finance, legal affairs, and intellectual property management. The group's management capability has been further optimized and improved.

**II. Major operating conditions during the reporting period**



Please see “Discussion and Analysis of Business Operation” in this section for details.

## (I) Analysis of main business

### 1. Analysis of changes in related accounts of income statement and cash flow statement

Unit: Yuan; Currency: RMB

Items	Amount in current period	Concurrent amount in the previous year	Variable proportion (%)
Revenues	32,897,455,384.24	21,987,614,949.84	49.62
Costs of revenues	23,389,364,451.22	17,095,694,430.48	36.81
Selling and marketing expenses	1,329,748,334.67	1,017,354,564.70	30.71
General and administrative expenses	971,025,108.82	622,866,363.12	55.90
R&D expenses	304,198,315.84	201,837,031.74	50.71
Financial expenses	249,608,430.73	266,876,523.25	-6.47
Net cash flows from operating activities	8,158,241,026.53	1,173,271,527.53	595.34
Net cash flows from investing activities	-2,752,859,297.04	-3,168,987,213.72	-13.13
Net cash flows from financing activities	4,560,047,505.65	267,454,484.19	1,604.98

### 2. Analysis of income and cost

√ Applicable □ Non-applicable

During the reporting period, the Company's shipments of mono wafers and modules increased significantly, achieving revenues of 32.897 billion yuan, a year-on-year increase of 49.62%, and costs of revenues of 23.389 billion yuan, a year-on-year increase of 36.81%.

#### (1) Main business by industries, products, and regions

Unit: Yuan; Currency: RMB

Main business by industries						
Industries	Revenues	Costs of revenues	Gross margin (%)	Increase or decrease of revenues over the previous year (%)	Increase or decrease of costs of revenues over the previous year (%)	Increase or decrease of gross margin over the previous year (%)
PV industry	32,897,455,384.24	23,389,364,451.22	28.90	49.62	36.81	Increased by 6.65pcts
Main business by products						
Products	Revenues	Costs of revenues	Gross margin (%)	Increase or decrease of revenues over the previous year (%)	Increase or decrease of costs of revenues over the previous year (%)	Increase or decrease of gross margin over the previous year (%)
Solar modules	14,569,960,166.79	10,901,327,959.64	25.18	11.30	9.32	Increase by 1.35pcts
Wafers	12,912,556,719.59	8,756,979,089.49	32.18	111.13	71.00	Increase by 15.91pcts
Power project	2,830,801,545.54	2,079,925,925.79	26.53	315.13	238.98	Increase by 16.51pcts

construction and service						
Ingots	864,192,848.26	648,817,681.84	24.92	171.52	133.10	Increase by 12.37pcts
Electricity	773,229,031.68	269,862,428.72	65.10	-2.97	-8.20	Increase by 1.99pcts
Mono cells	540,165,549.54	496,567,341.11	8.07	3.44	4.99	Decreased by 1.36pcts
PV systems	986,367.52	784,507.86	20.46	-98.62	-98.59	Decreased by 1.94pcts
Others	405,563,155.32	235,099,516.77	42.03	38.31	63.32	Decreased by 8.88pcts
Main business by regions						
Regions	Revenues	Costs of revenues	Gross margin (%)	Increase or decrease of revenues over the previous year (%)	Increase or decrease of costs of revenues over the previous year (%)	Increase or decrease of gross margin over the previous year (%)
China	20,272,990,881.45	14,184,040,644.20	30.03	37.00	23.53	Increase by 7.62pcts
Asian-Pacific	3,265,569,952.49	2,257,827,579.26	30.86	-22.38	-33.87	Increase by 12.01pcts
America	4,555,583,732.27	3,307,664,717.49	27.39	136.20	130.74	Increase by 1.72pcts
Europe	4,775,819,646.86	3,619,193,141.36	24.22	353.90	373.45	Decreased by 3.13pcts
Africa	27,491,171.17	20,638,368.91	24.93	1,058.37	1,111.79	Decreased by 3.31pcts

## (2) Analysis table of production and sales

√ Applicable □ Non-applicable

Main products	Unit	Production	Sales volume	Inventory	Increase or decrease of production over previous year (%)	Increase or decrease of sales volume over previous year (%)	Increase or decrease of inventory over previous year (%)
Wafer	10,000 pieces	647,746.28	470,232.22	24,655.30	77.83	139.17	-22.26
Module	MW	8,906.36	7,394.47	1,814.51	24.11	23.43	99.28

### Description of production and sales volume

- ① In the above table, the solar mono wafers refer only to self-produced products and commissioned processing products, which have been converted into standard wafers.
- ② The module production refers to the production of self-produced products and the outsourcing processing products.
- ③ The sales volume regarding the above related products does not include any for self-consumption. In 2019, the self-consumption of solar mono wafers was 1,845,7211 million pieces, while that of mono modules was 971.16 MW.

## (3) Analysis table of costs

Unit: Yuan

By industries							
Industries	Cost components	Current amount	Proportion of current amount to total costs (%)	Concurrent amount in the previous year	Proportion of concurrent amount in total costs (%)	Variable proportion of current amount over the concurrent amount in previous year (%)	Remark
PV industry	Costs of revenues	23,389,364,451.22	100.00	17,095,694,430.48	100.00	36.81	Increase in sales of modules and wafers
By products							
Products	Cost components	Current amount	Proportion of current amount to total costs (%)	Concurrent amount in the previous year	Proportion of concurrent amount in total costs (%)	Variable proportion of current amount over the concurrent amount in previous year (%)	Remark
PV products	Raw materials	16,924,597,861.29	72.36	12,525,319,996.88	73.27	35.12	Expansion of business scale, changes in product structure, and increase in raw material costs
PV products	Direct labor	1,260,062,842.17	5.39	961,563,188.25	5.62	31.04	Expansion in sales scale, and increase in labor costs
PV products	Depreciation	1,290,179,163.97	5.52	1,056,590,227.13	6.18	22.11	Increase in capacity, and increase in production and sales of modules and wafers
PV products	Energy and power	1,318,800,417.20	5.64	930,439,925.15	5.44	41.74	Increase in sales of modules and wafers
PV products	Manufacturing overhead	2,595,724,166.59	11.09	1,621,781,093.07	9.49	60.05	Increase in sales of modules and wafers, and increase in manufacturing overhead caused by the transforming of modules to half

							wafers
Total		23,389,364,451.22	100.00	17,095,694,430.48	100.00	36.81	/

#### (4) Major customers and suppliers

Applicable  Non-applicable

The sales of the top five customers were 7,272.8798 million yuan, accounting for 22.11% of the total annual sales; among which, the sales of related parties in the top five customers were 879.7958 million yuan, accounting for 2.67% of the total annual sales.

The purchase amount of the top five suppliers was 6,916.0393 million yuan, accounting for 34.58% of the total annual purchases; among which, the purchase amount of related parties in the top five suppliers was 1,401.5925 million yuan, accounting for 7.01% of the total annual purchases.

### 3. Expenses

Applicable  Non-applicable

Unit: Yuan

Items	Amount in current period	Concurrent amount in the previous year	Variable proportion (%)	Variable causes
Selling and marketing expenses	1,329,748,334.67	1,017,354,564.70	30.71	Expenses increased in freight and miscellaneous, quality guarantee deposit, etc.
General and administrative expenses	971,025,108.82	622,866,363.12	55.90	Increased total salary caused by expanded business scale and increased personnel
R&D expenses	304,198,315.84	201,837,031.74	50.71	Increased total salary caused by increased R&D personnel
Financial expenses	249,608,430.73	266,876,523.25	-6.47	Increased interest income from idle cash and increased exchange gain

### 4. R&D investment

#### (1) R&D statement

Applicable  Non-applicable

Unit: Yuan

R&D investment expensed in current period	1,676,984,458.51
R&D investment capitalized in current period	45,849.02
Total R&D investment	1,677,030,307.53
Percentage of R&D investment to the total revenues (%)	5.10
R&D personnel in the Company	630
Percentage of R&D personnel to the total employees (%)	1.92
Percentage of capitalized R&D investment to the total R&D investment (%)	0.00

Note: ① The Company's R&D investment included the R&D expenses of various new technologies and new products, as well as the costs of pilot test, etc. to meet the industrial application of related technologies. The Company had to continuously input funds to put technical achievements into mass production. During the reporting period, the difference between the Company's R&D investment and R&D expenses was the cost of the trial products.

② The capitalized R&D investment in current period was the expenses for self-development of production and management software.

**(2) Remark**

Applicable  Non-applicable

In 2019, the company continued to increase R&D investment, which accounted for 5.10% of annual revenue. During the reporting period, the Company carried out technology optimization and technological innovation for the entire process, and achieved significant results in improvement of key quality indicators in ingot pulling, increase of conforming rate of wafer slicing, mass production of large-scale products, continuous reduction of non-silicon costs, and enhancement of cells and modules efficiency, which will further upgrade the Company's products and technologies, strengthen its technology reserves and ensure its leading status in R&D strength among the industry.

**5. Cash flows**

Applicable  Non-applicable

Unit: Yuan

Items	Amount in current period	Concurrent amount in the previous year	Variable proportion (%)	Variable causes
Net cash flows from operating activities	8,158,241,026.53	1,173,271,527.53	595.34	Increase in payment collection with the rapid growth of business scale
Net cash flows from investing activities	-2,752,859,297.04	-3,168,987,213.72	-13.13	Reduction in cash outflow due to settlement by note for some payment for equipment
Net cash flows from financing activities	4,560,047,505.65	267,454,484.19	1,604.98	Increase in cash inflow due to financing by rights issue

**(II) Explanation of major changes in profits caused by non-core business**

Applicable  Non-applicable

**(III) Analysis of assets and liabilities**

Applicable  Non-applicable

**1. Assets and liabilities**

Unit: Yuan

Item name	Amount at the end of the current period	Proportion of amount at the end of the current period to total assets (%)	Amount at the end of last period	Proportion of amount at the end of last period to total assets (%)	Variable proportion of amount at the end of current period over that of last period (%)	Remark
Monetary funds	19,335,752,879.41	32.60	7,707,905,516.74	19.44	150.86	Increase in monetary funds due to expansion in sales scale, increase in net inflow from operating activities, and financing by rights issue
Receivable financing	829,052,223.55	1.40	0.00	0.00	N/A	Presentation in accordance with new standards of financial instrument
Prepayments	1,031,402,392.47	1.74	608,685,522.88	1.53	69.45	Increase in prepaid silicon materials and main & auxiliary materials due to expanded business scale
Other receivables	295,997,593.37	0.50	715,232,201.39	1.80	-58.62	Withdrawal of amount for power project transfer
Inventory	6,356,144,784.78	10.72	4,282,544,118.95	10.80	48.42	Increase in inventory due to expanded production scale and increased overseas sales of modules
Non-current assets due within one year	31,419,922.32	0.05	11,000,000.00	0.03	185.64	Increase in EPC project payments received in installments
Long-term receivables	25,585,349.25	0.04	58,185,669.56	0.15	-56.03	Part of the EPC project payment received in installments and converted to be due within one year
Long-term equity investment	1,074,184,697.40	1.81	733,169,655.02	1.85	46.51	New investment from joint ventures
Construction in progress	2,882,035,169.79	4.86	855,562,075.19	2.16	236.86	Increase in new projects
Deferred income tax assets	499,935,451.98	0.84	316,660,831.89	0.80	57.88	Unrealized increase in gross margin from internal transactions due to increased inventory balance
Other non-current assets	739,261,134.38	1.25	259,934,377.83	0.66	184.40	Increase prepayments for equipment engineering due to production expansion projects
Notes payable	8,111,877,027.54	13.68	4,721,151,999.58	11.90	71.82	Increase in payment for materials and equipment

Accounts payable	5,602,048,097.26	9.45	3,785,696,627.30	9.55	47.98	Increase in payment for materials
Advance receipt	3,679,503,563.97	6.20	962,367,659.73	2.43	282.34	Increase in advance sales of modules and wafers
Payroll payable	558,355,222.82	0.94	329,862,581.28	0.83	69.27	Increase in bonus due to increased employees
Other payables	3,898,115,075.49	6.57	2,470,128,708.87	6.23	57.81	Increase in payables for equipment
Non-current liabilities due within one year	1,571,481,098.00	2.65	1,136,598,402.23	2.87	38.26	Increase in finance lease payable and long-term loans due within one year
Other current liabilities	0.00	0.00	498,335,194.34	1.26	-100.00	Repayment of short-term financing bonds
Bonds payable	995,584,143.19	1.68	3,261,567,354.99	8.22	-69.48	Increase in convertible bond-to-share
Estimated liabilities	516,510,834.07	0.87	318,500,876.37	0.80	62.17	Increase in accrued quality guarantee deposit with the increase of modules sales
Deferred income	516,595,134.18	0.87	362,541,839.31	0.91	42.49	Increase in governmental subsidies
Deferred income tax liabilities	323,804,103.26	0.55	47,988,911.97	0.12	574.75	Increase in accelerated depreciation of fixed assets

## 2. Restrictions on main assets at the end of the reporting period

Applicable  Non-applicable

As of the end of the reporting period, the Company's restricted assets balance was 12.002 billion yuan, mainly due to the Company's deposits for obtaining bank acceptance, bank guarantees and letters of credit, and asset pledges for financing. There were no assets sealed up or detained in the Company. For more details about restricted assets, please see No.79 of VII Notes on consolidated financial statement items in Section XI Financial Report in this Report.

## 3. Other explanations

Applicable  Non-applicable

### (IV) Analysis of industrial operations

Applicable  Non-applicable

Please see the table below for more details about operational information in the PV industry.

Analysis of operational information in PV industry

#### 1. PV equipment manufacturing business

Applicable  Non-applicable

#### 2. Key technical indicators of PV products

Applicable  Non-applicable

Category	Technical indicators	
Wafers:	Non-silicon cost	Proportion of electricity costs in product costs
Mono wafers	Average non-silicon cost from the wafer slicing in 2019 decreased by 26.50% year-on-year.	Proportion of electricity costs to average costs from the wafer slicing in 2019 was 0.96%.
Cells and modules:	Average module power in mass production	The highest module power in lab
Mono modules	60 type PERC modules (M6): 365W-375W 72 type PERC modules: 435W-450W	According to the results of testing and certification by a third-party authority of TUV Rheinland, the highest power of the Company's 72 type R&D module reached 543.6W.
Silicon materials, ingots, wafers and other industrial chains	Proportion of electricity costs in product costs	
Mono wafers	Proportion of electricity costs to average costs from the wafer slicing in 2019 was 0.96%.	
Mono modules	Proportion of electricity costs to average costs from the module production in 2019 was 0.63%.	
Discussion and analysis of indicators: The non-silicon cost of wafers refers to wafer cost excluding silicon materials, which is an important indicator that reflects the technological level and cost control capabilities of wafer production enterprises. The average module power for mass production is the power level of modules in mass production. The highest R&D module power is the highest power of the modules tested in all R&D test modules approved by the third-party authority.		

Relying on the Company's technology accumulation and cost control ability in the aspects of ingot pulling technique, wafer slicing, etc., the quality of the Company's wafers continued to improve, while the cost continued to reduce. In 2019, the average non-silicon cost of wafer slicing decreased by 26.5% year on year, which was at the leading level in the industry.

The conversion efficiency and performance of the Company's modules continuously improved based on large-sized wafer, bifacial, half-cut technology, etc. Since 2018, the highest conversion efficiency of the R&D modules has broken the record for seven consecutive times, and the mass production efficiency has also continued to rise. According to the development route of China's PV industry (2019 edition), in 2019, the average power of 60 typed mono PERC modules in the PV industry was 320 W, and the power of mono PERC modules using 166mm wafers was about 360W. The mass production power of 60 and 72 types of PERC modules adopting 166mm wafer technology of the Company reached 365W - 375W and 435W - 450W, respectively, which were higher than the average level in the industry.

### 3. Solar power project information

Applicable  Non-applicable

Applicable  Non-applicable



**4. Recommended table****(1) Production of PV products and capacity under construction**

√ Applicable □ Non-applicable

Unit: Hundred million yuan Currency: RMB

Category	Output	Capacity utilization	Total investment in production line under construction	Current investment in production line under construction	Design capacity	(Expected) Production time	Processing mode
Wafers:							
Mono wafers	6,477,462,800 pieces	103.05%	60.72	5.62	25GW	Partially in production, with full ramp-up in 2020	Mono silicon
Cells and modules:							
Mono modules	8.07GW	78.36%	75.98	1.11	20GW	Partially in production, with full ramp-up in 2020	Mono silicon
<p>Comparison of capacity utilization rate in the industry and rationality analysis: During the reporting period, the Company's demand for mono wafers grew rapidly benefiting from the growth in the scale of new PV installations worldwide and substantial increase in the mono market share, achieving whole sale of production in a full capacity, with a capacity utilization rate of 103.05%. However, the capacity utilization rate of the Company's modules in 2019 was lower than that of last year. It was mainly caused by the following reasons: Chuzhou 5GW module project (Phase I) of the Company was still in the stage of capacity ramping up during the reporting period, which had a low capacity utilization rate; some production lines of the original production capacity have been upgraded to adapt to the large-sized products, which had a certain impact on the capacity utilization rate; and in addition, the delay of domestic construction policy for solar projects in 2019 has impacted the start-up of domestic installation demand, and the Company adjusted its module production plan accordingly. According to the statistics of China Photovoltaic Industry Association in 2019, the utilization rate of wafer capacity in PV industry was about 40% - 95%, and that of the modules was about 30% - 80%. The capacity utilization rate of the Company's wafers and modules was at a high level in the industry.</p>							

Note: ① The above capacity utilization rate is the nominal value;

② The production lines of above mono wafers under construction include 10GW mono wafer project (Phase II) in Chuxiong (which has been partially put into production) and 15GW mono ingot and wafer project in Yinchuan. Considering that 15GW mono ingot and wafer project in Yinchuan was approved as a whole supporting project and cannot be separated for the investment amount of wafers, the total investment amount of the production line under construction and the current investment amount in the above table include the investment amount of 15GW ingot project in Yinchuan.

③ The production lines of above mono modules under construction include 5GW mono module project (Phase II) in Chuzhou (which has been partially put into

production in the first quarter of 2020), 5GW mono module project in Taizhou (which has been partially put into production in the first quarter of 2020), 5GW mono module project in Xianyang and 5GW mono module project in Jiaxing.

④ In addition, as of the disclosure date of the report, investment agreements have been signed for 10GW mono wafer project in Qujing and new 20GW mono wafer project (Phase III) in Chuxiong of the Company, which need to be reviewed and approved by the Board of Directors before implementation.

**(2) Main financial indicators of PV products**

Applicable  Non-applicable

Unit: Ten thousand yuan      Currency: RMB

Category	Production-sales ratio (%)	Gross margin (%)
Wafers:		
Mono wafers	101.09	32.18
Cells and modules:		
Mono modules	90.25	25.18

**(3) Contracting or development of solar power project**

Applicable  Non-applicable

**5. Other explanations**

Applicable  Non-applicable

**(V) Analysis of investments****1. Overall analysis of external equity investment**√ Applicable  Non-applicable

Under the background of prominent global economy of PV application and great demand for high-efficiency mono products, the Company accelerated the capacity layout of the entire industrial chain relying on the mono technology and cost advantages. During the reporting period, on the basis of steadily promoting the original capacity under construction and in combination with the Company's capacity improvement planning and regional advantages, the Company increased the capacity under construction or investment plans in Baoshan, Chuxiong, Qujing, Chuzhou, Xianyang, Xi'an, Kuching (Malaysia) and other places, further strengthening the Company's scale advantage and consolidating its leading position in the mono market.

**(1) Significant equity investment**√ Applicable  Non-applicable

According to the implementation plan for the Company's rights issue and in order to successfully implement the investment projects (including "5GW high-efficiency mono cell project in Ningxia LONGi Solar " and "5GW high-efficiency mono module project in Chuzhou LONGi Solar") with the fund raised, the Company increased capital to LONGi Solar (a wholly-owned subsidiary of the Company) with 3.6 billion yuan of fund raised in the rights issue, and then LONGi Solar increased capital to Ningxia LONGi Solar (its wholly-owned subsidiary) with 2.54 billion yuan of the raised fund received from the Company and to Chuzhou LONGi Solar (its wholly-owned subsidiary) with 1.06 billion yuan for construction of investment projects for the fund raised after being authorized by the Company's Third Extraordinary General Meeting of Shareholders in 2018 and deliberated and approved by the 2018 Annual Meeting of Fourth Session of the Board of Directors. (Please see the Provisional Announcement No. 2019-065 disclosed by the Company on April 30, 2019 for details.)

**(2) Significant non-equity investment**√ Applicable  Non-applicable

Amount unit: Hundred million yuan

Serial No.	Item name	Implementer	Estimated total investment (including liquid capital)	Project progress	Capital source
1	10GW wafer project in Chuxiong	Chuxiong LONGi	17.78	In full capacity	Self-raised capital
2	1GW mono cell and 1GW mono module project in Indian	LONGi Solar	19.41	Project suspended due to changes in business environment	Self-raised capital
3	500MW high-efficiency mono module project in Xi'an	LONGi Solar	5	In full capacity	Self-raised capital
4	5 GW high-efficiency mono module project in Chuzhou LONGi Solar	Chuzhou LONGi Solar	22.62	Reach full capacity in the first quarter of 2020	Raised fund+ self-raised fund
5	5GW high-efficiency mono cell project in Ningxia LONGi Solar	Ningxia LONGi Solar	30.5	Partially in production	Raised fund+ self-raised fund
6	1GW mono cell project in Kuching	LONGi Technology	8.4	In full capacity	Self-raised capital

		(KUCHING)			
7	6GW mono ingot project (Phase II) in Baoshan	Baoshan LONGi	17.49	Partially in production	Self-raised capital
8	6GW mono ingot project (Phase II) in Lijiang	Huaping LONGi	19.37	Partially in production	Self-raised capital
9	10GW mono wafer project (Phase II) in Chuxiong	Chuxiong LONGi	14.86	Partially in production	Self-raised capital
10	1.25GW mono cell project in Kuching	LONGi Technology (KUCHING)	9.57	Coming into production since the first quarter of 2020	Self-raised capital
11	15GW mono ingot and wafer project in Yinchuan	Yinchuan LONGi Solar Technology Ltd.	45.86	Under construction, and expected to come into production since the second quarter of 2020	Raised fund+ self-raised fund
12	5GW mono module project in Taizhou	Jiangsu LONGi Solar Technology Ltd.	17.90	Coming into production since the first quarter of 2020	Self-raised capital
13	5GW mono module project in Xianyang	Xianyang LONGi Solar Technology Ltd.	18.39	Under construction, and expected to come into production since the second quarter of 2020	Self-raised capital
14	5GW mono module project (Phase II) in Chuzhou	Chuzhou LONGi Solar Technology Ltd.	20.21	Coming into production since the first quarter of 2020	Self-raised capital
15	5GW mono cell project in Xi'an Jingwei New Town	Shaanxi LONGi Solar Technology Ltd.	24.62	Under construction, and expected to come into production since the second quarter of 2020	Raised fund+ self-raised fund
16	5GW mono module project in Jiaxing	Jiaxing LONGi Solar Technology Ltd.	19.48	Under preparation	Self-raised capital
17	10GW mono ingot project in Tengchong	Tengchong LONGi Silicon Materials Ltd.	18.37	Under preparation	Self-raised capital
18	7.5GW mono cell project (Phase I) in Xi'an space base	Xi'an LONGi Solar Technology Ltd.	32.26	Under preparation	Self-raised capital

In addition, investment agreements have been signed on April 16, 2019, December 6, 2019 and December 31, 2019 respectively for 3GW cell project in Yinchuan, 10GW mono ingot and wafer project in Qujing and new 20GW mono wafer project (Phase III) in Chuxiong of the Company. The projects are under preparation and need to be submitted to the Board of Directors for approval before implementation.

### (3) Financial assets measured at fair value

√ Applicable □ Non-applicable

Please see the disclosure of fair value in Section XI (XI) of the report for details.

**(VI) Major assets and equity sales**

□ Applicable √ Non-applicable

**(VII) Analysis of major holding and joint stock companies**

√ Applicable □ Non-applicable

**1. Status of major holding subsidiaries**

Unit: Ten thousand yuan

Company	Main business	Registered capital	Total assets	Net assets	Revenues	Operating profits	Net profits
Yinchuan LONGi	Manufacturing and sales of ingots and wafers	100,000	853,962.25	600,504.42	716,314.13	177,859.94	156,177.18
Ningxia LONGi	Manufacturing and sales of ingots	25,000	213,906.13	169,153.70	190,554.11	46,688.64	41,187.46
Wuxi LONGi	Manufacturing and sales of wafers	20,000	120,867.52	98,084.31	50,662.22	5,211.58	5,789.70
LONGi Solar	Manufacturing and sales of cells and modules	200,000	1,726,349.21	752,219.29	1,775,251.27	13,029.92	14,632.03
Taizhou LONGi Solar	Manufacturing and sales of cells and modules	60,000	556,119.22	328,060.83	738,392.10	12,808.66	12,329.83
Zhejiang LONGi Solar	Manufacturing and sales of modules	35,000	169,996.66	64,728.11	264,305.07	2,109.90	2,050.38
Hefei LONGi Solar	Manufacturing and sales of cells	15,000	42,863.78	17,529.28	26,196.10	362.78	260.62
Chuzhou LONGi Solar	Manufacturing and sales of modules	50,000	320,682.69	136,897.59	327,632.26	4,102.66	3,025.46
LONGi (KUCHING)	Manufacturing and sales of ingots, wafers, cells and modules	MYR353,337,000	220,433.68	61,606.37	191,868.02	21,074.95	18,171.04
LONGi (H.K.)	Import and export of polysilicon and products manufactured from polysilicon	HKD77,900,000	299,046.57	86,542.23	240,585.92	28,893.62	28,893.62
Baoshan LONGi	Manufacturing and sales of ingots	100,000	469,288.85	256,567.07	339,960.43	86,761.31	74,175.90
Lijiang LONGi	Manufacturing and sales of ingots	80,000	265,745.13	150,565.32	304,195.19	80,425.03	68,565.89
Chuxiong	Manufacturing	50,000	416,554.23	94,327.73	559,719.88	51,114.64	43,895.85

LONGi	and sales of wafers						
Huaping LONGi	Manufacturing and sales of ingots	30,000	126,493.08	29,335.36	18,551.60	-744.63	-667.98
Clean Energy	Development and operation of ground-mounting solar power projects	50,000	543,861.49	149,456.69	304,714.50	38,609.32	33,618.65
LONGi New Energy	Development and operation of distributed solar power projects	140,000	372,705.86	164,526.71	68,017.04	12,789.52	13,841.67

Note: Considering that there are large number of subsidiaries of Clean Energy and LONGi New Energy, which are mainly project companies investing and developing solar power projects, so the financial data of the two companies are presented in their respective consolidated statement data; and the other subsidiaries are important production bases who mainly engage in the manufacturing and sales of PV products, so the financial data are presented in their individual statement.

## 2. Status of major joint stock companies

Unit: Ten thousand yuan

Company	Main business	Registered capital	Total assets	Net assets	Net profits	Shareholding ratio
Zhongning New Energy	Development and investment of PV energy	30,000	167,350.15	38,936.41	4,375.08	30%
Tongxin LONGi	Investment and development of energy projects, and operation and management of electric power projects	15,952	75,546.09	32,226.38	2,256.52	49%
Pingmei LONGi	Production, sales, etc. of crystalline silicon solar cells and modules	90,000	181,623.53	109,919.20	15,475.46	19.8%
Daqing New Energy	Development, investment, construction, operation management, etc. of solar power projects	13,246	75,101.93	21,708.74	3,535.40	30%
Zhaozhou New Energy	Development and investment of PV energy	11,841	63,603.56	15,189.88	2,490.51	30%
Sichuan Yongxiang	Production and sales of polysilicon, and development and operation of solar projects	120,000	382,036.50	135,435.73	15,448.80	15%
Tongchuan Xianguang	Development, operation, etc. of solar power projects	43,000	180,359.50	45,217.22	2,469.06	51%

Note: The Company holds 51% stock of Tongchuan Xianguang, but has no control right over it according to its Articles of Association, so it is not included in the scope of consolidation.

### (VIII) Structured entities controlled by the Company

Applicable  Non-applicable

### III. Discussion and analysis on future development of the Company

#### (I) Industry structure and trend

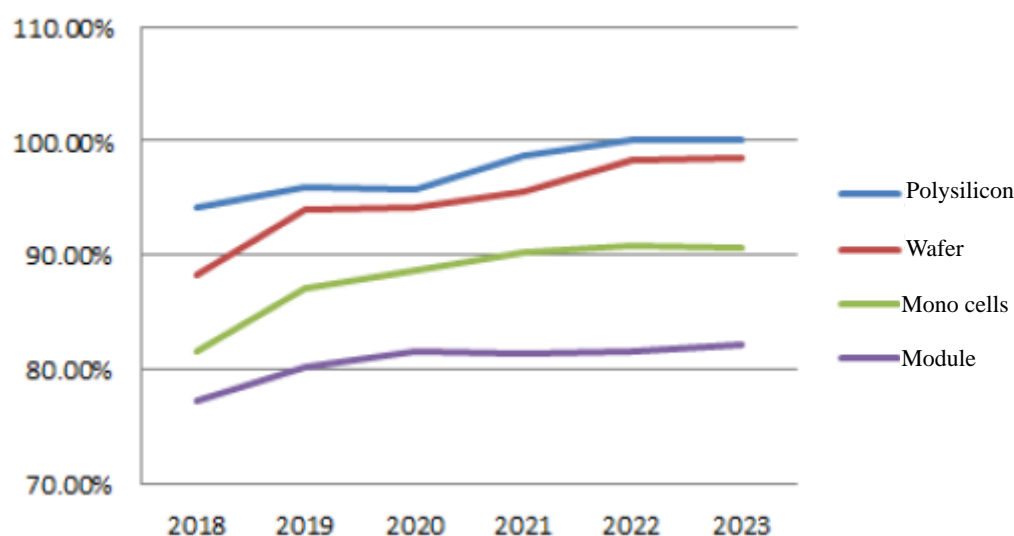
√ Applicable □ Non-applicable

##### 1. Competition situation

#### (1) Continuous improvement of industry concentration ratio, obvious market differentiation, and the comprehensive competitiveness of enterprises becoming the focus of attention

With the acceleration of industrial technology progress and the intensification of market competition, the "Matthew Effect" of PV industry is becoming obvious, the market structure continues to differentiate, and leading enterprises in the industry have always been able to maintain a high operating rate and profitability by virtue of their advantages in capital, technology, scale, brand, etc., thus ensuring their ability to continuously invest in research and development and upgrade equipment, the continuous improvement of competitive advantage and market share, and the forming of a virtuous circle. However, some lagged production capacity will gradually be phased out by the market due to its inability to keep up with the technology progress of the industry, bringing about a continuous improvement in the industry concentration ratio. In recent years, the improvement of concentration ratio of each chain in the industry confirms the above competitive situation, as shown in the following figure:

**Changes in the proportion of cumulative capacity of scale enterprises in all links of the industrial chain**



Note: The scale enterprises in statistical standards refer to enterprises with the capacity of polysilicon greater than 10,000MT and wafers, cells and modules greater than 1GW.

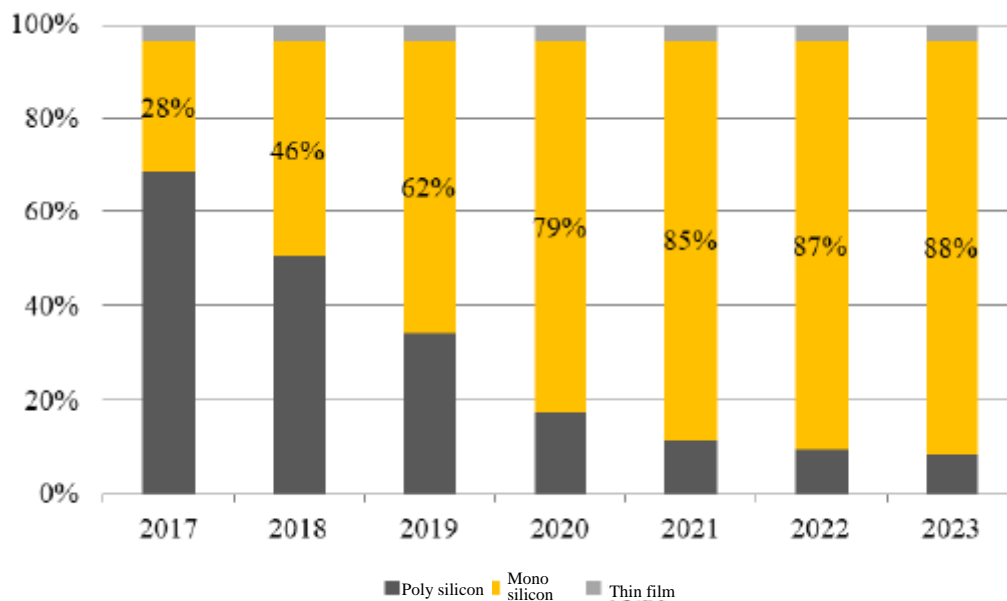
Source: Supply and demand database of PV InfoLink in October 2019

#### (2) Substantial increase of the proportion of mono silicon, and formation of the leading market structure

As the mainstream products in the market, there was a long-term competition between mono and poly technical routes. Poly products have occupied the main market share in the past for a long time with the advantage of lower cost, while the value of mono has not been fully reflected. With the breakthrough of mono manufacturing technology and the significant reduction of cost, the market competition situation of the

industry is gradually clear, and the dominance of mono in the future PV market is taking shape. Due to the same crystal orientation and without crystal boundaries, the monocrystal is excellent in terms of crystal quality, electrical performance, mechanical performance, etc. and performs a higher-conversion efficiency. With the large-scale application of a series of new technologies such as continuous feeding and diamond wire cutting in the industry, the cost gap between mono and poly products has been rapidly narrowed under the guidance of the Company. At the same time, the high-efficiency cell technology represented by PERC and the like has more significant effect on improving the conversion efficiency of mono products, further -strengthening the mono products' efficiency advantage. With the -impact of cost reduction and the conversion efficiency advantage, mono products -perform much better in pushing the LCOE down further. With the increase of downstream demand for mono products since 2015, the market share of mono products has increased rapidly, with the global market share significantly increasing from 18% in 2015 to 46% in 2018. PV InfoLink estimated that the mono products would exceed the poly products thoroughly in 2019 and rise to about 62%, and would further increase to above 85% by 2021, accelerating the replacement of poly products.

**Forecast of global market share of mono products in 2017-2023**



Source: PV InfoLink

## 2. Development trend

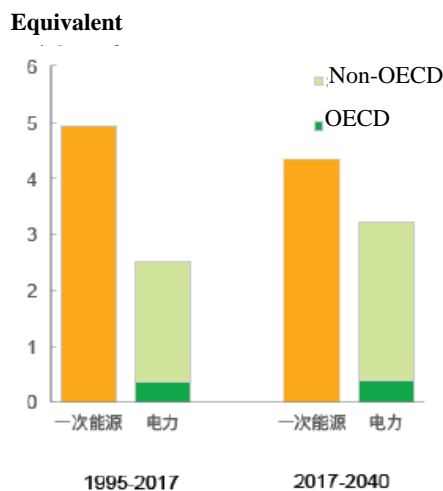
### (1) "Electrification of energy consumption and cleanness of electricity production" is the development trend of energy in the future.

The total global energy demand will continue to grow steadily driven by the developing economies. Among various energies, electricity shows strong growth. With the continuous progress of technology, the solar power's advantages in cost and convenience will become more and more significant in the future. -The share of new energy and renewable energy in many countries' energy and power consumption rises continuously (as shown in the following figure)-It has been the global trend that energy is going towards power and carbon-free. For example, California stipulates that 100% of retail electricity used by end consumers and government-purchased electricity must come from renewable energy and -carbon-free energy by the end of 2045; India plans to achieve the installed capacity of 175GW of renewable energy by the end of 2022; the

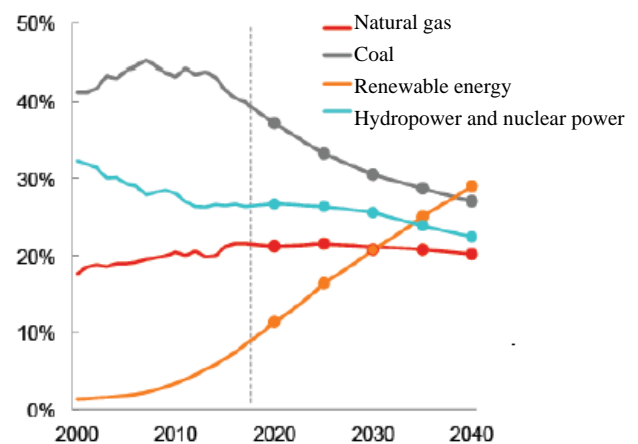


renewable energy generation of Germany has been upgraded to above 40% in 2018, surpassing the coal-fired power generation ratio for the first time, and it is planned to increase to above 80% by 2050; Spain plans to achieve a total installed capacity of 77GW by 2030 and solar energy will become the country's cheapest source of electricity; Italy released the energy development strategy for 2020-2030 and raised the accumulative PV installed capacity to 50GW; and in 2018, Netherlands announced that it would ban the use of coal for power generation from 2030. According to the forecast of International Energy Agency (IEA), renewable energy will become the world's largest source of electricity around 2030. Nearly 60% of the world's electricity investment will flow into the renewable energy field between 2015 and 2040, and the renewable energies such as PV, wind power and hydropower will be the main source for new electricity installation in the future.

**Growth in primary energy and energy consumed for power generation**



**Power generation structure**



Source: BP Energy Outlook (2019 edition)

**(2) Solar will become -the energy source with greatest economy in recent years, and its economy will gradually become the main driving force for the growth of global solar market demand.**

In recent years, with the continuous expansion of PV industry scale and the acceleration of technology iteration and industrial upgrading, the cost of solar power has been declined continuously in a rapid way with its widespread application. The cost of solar power in many countries/regions around the world has been lower than that of the conventional energy. Some countries have realized PV grid parity, and it will gradually become the main driving force for the industry development. The core market has rapidly shifted from the single European market towards others of the globe with the surge of new emerging markets like China, US, Japan and India. Much more countries' annual installations have surpassed 1GW. The global market has seen Decentralization with the new markets increasing, causing a more balanced and diversified market structure in which attracting both the traditional and new rising ones.- The expansion of the PV application from the single European market to the global market not only greatly expanded solar application in geography and domain- and provided a broader new market for the development of PV industry, but also completely changed the unbalanced market structure that relied excessively on the single market in the past and effectively reduced the impact of the demand fluctuation of the single market on the overall development of the industry, thus contributing to a healthier, more balanced and sustainable development of the global PV industry.

**(3) The industry will usher in the transformation from high-speed development to high-quality development.**

In the development stage of relying on preferential subsidy policies of various countries, investors of downstream solar power projects paid more attention to the initial investment cost, while product differentiation among different PV enterprises was not significant, –and then low-price competition was the main competitive strategy of the industry at that stage. With the gradual "recession" of feed-in tariff in major markets around the world and the gradual shift to auction and bidding modes, achievement of cost reduction and efficiency increase by relying on technical progress has become the theme of industry development, and downstream investors pay more attention to the quality, conversion efficiency, degradation rate and other full-life cycle power generation indicators of solar equipment. Therefore, effectively reducing power generation costs has become the main strategy of diversified competition for enterprises. New technologies and new equipment promote the development of PV products to a trend of high conversion efficiency, high product quality and low manufacturing cost. The upgrade of industry technology has been accelerating and the technological threshold has been constantly improving, and the technology has been increasingly become the focus of industry competition. Enterprises that do not have competitive strength will be gradually eliminated by the market. More market share will be concentrated on enterprises that can continuously develop and industrialize new technologies. Technical strength, product quality and scale will enormously impact the future of the enterprise.

**(4) Diversified development of application market, and – manufacturing automation to promote industrial upgrade**

The solar PV market has a wide application prospect, and the diversity trend of product and application market is obvious. -In future, solar products will be much diversified, accessible and innovative, navigating numerous scenarios. There will be a great potential for solar applications. Besides large grid-connected and distributed solar power projects, BIPV - will see a broad prospect, and the era of PV + electric vehicles is coming. Efficiency and reliability will no longer be the only indicator to measure PV products. New evaluation standards based on intelligence, lightweight and integrity in various scenarios will be proposed. In addition, -intelligence of solar manufacturing will replicate the industry upgrade with the acceleration of automated factory's upgrade, and the use of internet, big data and artificial intelligence in solar power systems.

**(II) Company development strategy**

Applicable  Non-applicable

**1. Strategic orientation**

-Grow rapidly and conduct business in globe to obtain an advantageous industry position. Keep technology leading and efficiency improving to strengthen the long-term competitiveness.

**2. Safeguard measures**

Continuously pay close attention to the market demand and product trend, constantly focus on improving customer value and service satisfaction, strengthen technological innovation, comprehensively improve the global operation ability and product planning and management ability, accelerate the output of mono products, and reduce the cost and increase the efficiency to be leading in terms of product technology, cost and market, and consolidate the leading position in the global mono products; and expand the existing competitive advantage, establish a lasting new advantage, strengthen the identification, prevention and response for internal and external risks, enable and empower to stimulate organizational vitality.

**(III) Operation plan**

Applicable  Non-applicable

**1. Capacity guidance in 2020**

Mono wafer and module capacity will reach above 75GW and 30GW respectively as of the end of 2020.

## **2. Business guidance in 2020**

It is estimated that the mono wafer shipments and mono module shipments for the full year will be 58GW, 20GW respectively (self-consumption included).

## **3. Revenue guidance in 2020**

The Company estimates that the revenues in 2020 will register RMB49.6 billion yuan.

### **(IV) Potential risks**

Applicable  Non-applicable

#### **1. International trade protection risks**

Solar is one of the most promising renewable energy sources for power generation, and arouses close attention from countries all over the world. In recent years, countries and regions such as Europe, the United States, and India have successively launched anti-dumping and anti-subsidy (hereinafter as “Double-anti”) investigations against China's PV enterprises to protect their domestic PV industry. The constant international trade friction has caused a certain impact on the development of China's PV industry and it is possible that other countries may follow the suit, resulting in more trade frictions. During the reporting period, due to the accelerated implementation of the Company's internationalization strategy, the proportion of overseas revenue has significantly increased. Uncertain risks still can be seen arising from severe international trade barriers and changes in trade policies, although measures have been taken by the Company to avoid and evade relevant trade barriers, such as implementation of overseas production layout.

#### **2. Market competition risks**

The backward and excess capacity of the PV industry has been gradually cleared after sufficient market competition. More and more market shares and resources are gradually obtained by enterprises with competitive advantages. The market competition situation has been reshaped. But at the same time, the competition among the key players in the industry has been intensified, and the focus has also shifted from scale and cost to the comprehensive competitiveness, including business model innovation, technology research and development, financing ability, operation management, marketing, etc. The market is becoming more competitive. As a leading enterprise in the solar -mono products, the Company has strong advantages in scale, technology, product quality, cost and brand. However, in case of significant changes in the industry competition situation and failure to further consolidate and enhance the existing market position with its own competitive advantages, the Company will face the risks of competitive advantage loss and market share decline.

#### **3. Management risks due to accelerated expansion of business scale**

With the continuous expansion of the Company's asset and business scale, it will face greater risks and challenges. Therefore, more updated and stricter requirements are proposed to the Company's management team in terms of operation management, scientific decision-making, resource integration, internal control, market development, human resources, etc. Facing the complex and changeable business environment as well as the increasingly fierce market competition, the Company will suffer greater adverse impact on comprehensive competitiveness and operating efficiency if it fails to carry out effective risk control or internal control management, or fails to further enhance management capability and market adaptability. The Company will inspire the working enthusiasm of all employees, and ensure the effective promotion of various businesses and the achievement of work targets through the implementation of various effective incentive measures.

#### **4. Macroeconomic fluctuation risks due to novel coronavirus epidemic**

Solar is featured by large scale and long payback period of investment, and high power generation cost, which determine that it is greatly affected by the macroeconomic environment. At present, the investment of solar power project has large scale and long payback period, and the total investment of the power project depends mostly on bank loans. Therefore, changes in the macroeconomic environment will affect the financing arrangements and costs of the system operators, thus affecting the return on investment (ROI) in the end market and ultimately the end demand of the PV industry chain.

Since 2020, the novel coronavirus epidemic has begun to spread globally, which hinders the recovery of global economy. Currently, the overseas market accounts for about 70% of the global PV installation demand. With the outbreak in many regions overseas and the aggravation of national blockade and control measures, the global flow of people and logistics has been limited or interrupted, and the impact of the epidemic on the whole industry is gradually emerging. If the epidemic continues in 2020 and cannot be effectively controlled, the power demand will decline, which may lead to a decrease in the global demand for PV end installation, or possible delay or cancellation of some customer orders, affecting the Company's operation.

In the face of the spread of novel coronavirus epidemic and the complex external operating environment, the Company will give full play to its core competitiveness, strengthen timely communication with domestic and foreign customers, and flexibly adjust production and operation plans to meet the market demand as much as possible.

#### **5. Patent litigation risks**

In March and April 2019, HANWHA Q CELLS & ADVANCED MATERIALS CORP. and its related parties (hereinafter referred to as "HANWHA") have successively filed patent infringement litigation with the United States International Trade Commission (ITC), the United States District Court for the District of Delaware, the Federal Court of Australia, and the Germany District Court for the District of Dusseldorf, claiming that some products sold by LONGi and its subsidiaries in the above-mentioned areas infringed the patent rights of HANWHA. The litigation claims include prohibiting the Company and its subsidiaries from selling the infringing products in the above-mentioned areas, and compensating for losses and other expenses. The above litigation cases have been accepted by ITC and relevant courts.

In April 2020, the judge of the United States International Trade Commission (ITC) released 337 preliminary investigation determination result of "HANWHA litigation for infringement of LONGi products against its patent right in the United States" (Patent No.: US9893215): the Company's products do not infringe HANWHA's patent right. The United States District Court for the District of Delaware has suspended the trial due to ITC litigation, and will wait for ITC's judgment to decide whether to continue the trial of the relevant case; and in addition, the Company's cases in the Federal Court of Australia and the Germany District Court for the District of Dusseldorf are still in the stage of pleading and evidence investigation.

As the related litigation is still in the preliminary determination stage, there will be uncertainty in the final judgment result. The Company will pay close attention to the trial of the above-mentioned cases and release the progress announcement in time, and hereby specially remind investors to pay attention to the above-mentioned litigation matters and possible related risks caused thereby.

#### **(V) Others**

Applicable  Non-applicable

#### **IV. Disclosure and reasons in nonconformity with the standard due to inapplicability of the standard or national secret, business secret and other special reasons**

Applicable  Non-applicable

## Section V Important Matters

### I. Pre-proposal for profit distribution of common shares or conversion of capital reserves into share capital

#### (I) Formulation, implementation or adjustment of the cash dividend policies

√ Applicable □ Non-applicable

Article 155 of the Articles of Association clearly stipulates the profit distribution policies of the Company, specifies the standard and proportion of cash dividends, establishes the supervision and restraint mechanism of independent directors and supervisors on the Company's profit distribution, and formulates the conditions and procedures for standardized and transparent adjustment or change of the profit distribution policies. The formulation and implementation of the Company's profit distribution policies conform to provisions of laws and regulations such as the Regulatory Guidelines on Listed Companies No. 3 - Cash Dividend of Listed Companies and Notice on Further Implementation of Matters Related to Cash Dividend of Listed Companies, which ensure the continuity and stability of the Company's profit distribution policy and fully protect the legitimate rights and interests of medium and small scale investors. During the reporting period, the Company's profit distribution policies were not adjusted.

The Company's profit distribution proposal for 2018 is as follows: Distribute cash dividend of 1.00 yuan (including tax) to all shareholders for every ten shares based on the share capital after the total share capital on the equity registration date of implementing profit distribution deducting 576,254 Company's restricted shares to be repurchased that do not participate in profit distribution. The remaining undistributed profits are accumulated to the next year. In this proposal, no capital reserve will be converted into share capital and no bonus will be issued. The profit distribution proposal has been reviewed and approved by the Fourth Session of the Board of Directors on 2018 Annual Meeting and the Annual General Meeting of Shareholders in 2018, and been approved and issued independent opinions beforehand by the independent directors. The formulation of the proposal comprehensively considered factors such as industry characteristics, development stage, profitability, shareholder return demand of the Company, which conformed to the relevant provisions of the Articles of Association and the Company's actual situation, and effectively safeguarded the legitimate rights and interests of all shareholders. The above proposal has been implemented on June 10, 2019 (please see the Provisional Announcement No. 2019-079 disclosed by the Company on May 31, 2019 for details).

#### (II) Proposal or pre-proposal of dividend distribution of common shares and conversion of capital reserves into share capital of the Company for the past three years (including the reporting period)

Unit: Yuan; Currency: RMB

Dividend year	Number of bonus shares per ten shares (shares)	Number of dividends per ten shares (yuan) (including tax)	Number of conversion into share capital per ten shares (shares)	Amount of cash dividends (including tax)	Net income attributable to common shareholders of the Company in consolidated statements of dividend year	Proportion of net income attributable to common shareholders of the Company in consolidated statements of dividend year (%)
Year 2019	0	2.00	0	754,365,470.20	5,279,552,073.55	14.29

Year 2018	0	1.00	0	362,383,548.6	2,557,964,089.73	14.17
Year 2017	0	1.80	4	358,929,654.30	3,564,525,604.84	10.07

**(III) Repurchased shares by cash included in cash dividends**

Applicable  Non-applicable

**(IV) Where the profit was made during the reporting period and the profit distributed by the parent company to the common shareholders was positive but no proposal or pre-proposal of the cash profit distribution of the common share has been put forward, the Company shall disclose the detailed reasons and the purpose and use plan of the undistributed profit.**

Applicable  Non-applicable

**II. Commitment performance****(I) Commitments made by the Company's actual controller(s), shareholders, related parties, acquirers, the Company and other related commitment parties during or lasting to the reporting period**

Applicable  Non-applicable

Commitment background	Commitment type	Commitment party	Commitment content	Commitment time and duration	Whether there is a deadline for performance	Whether it is performed in a timely and strict manner	State the specific reasons in case of failure of timely performance	State the next step in case of failure of timely performance
Commitments related to the initial public offering	Solving the competition in the industry	Li Zhenguo and Li Xiyuan, controlling shareholder and actual controller; and Li Chun'an, major shareholder and person acting in concert with the controlling shareholder and actual controller	Note ①	N/A	No	Yes	N/A	N/A
	Solving the related transactions	Li Zhenguo and Li Xiyuan, controlling shareholder and actual controller; and Li Chun'an, major shareholder and person acting in concert with the controlling shareholder and actual controller	Note ②	N/A	No	Yes	N/A	N/A
	Others	Li Zhenguo and Li Xiyuan, controlling shareholder and actual controller	Note ③	July 7, 2011, valid during the period of holding shares	No	Yes	N/A	N/A
	Others	Li Chun'an, major shareholder and person acting in	Note ④	July 27, 2011, from the	No	Yes	N/A	N/A

		concert with the controlling shareholder		commitment date				
Commitments related to refinancing	Others	Li Zhenguo, Li Xiyan and Li Chun'an, controlling shareholder and person acting in concert with it	Note ⑤	August 3, 2018	Yes	Yes	N/A	N/A
Other commitments	Others	Shaanxi Coal Industry Company Limited, a shareholder holding more than 5% of the shares	Note ⑥	January 18, 2018, 12 months	Yes	Yes	N/A	N/A
	Others	Shaanxi Coal Industry Company Limited, a shareholder holding more than 5% of the shares	Note ⑦	January 18, 2019, 12 months	Yes	Yes	N/A	N/A

Note:

① I will take legitimate and effective measures to urge other companies, enterprises and other economic organizations under my control as well as my associated enterprises not to directly or indirectly engage in any business of enterprises that is the same or similar to the Company, and constitutes or may constitute competition with the Company in any form and guarantee not to carry out other activities that impair the legitimate rights and interests of the Company and other shareholders.

② I will strictly abide by the provisions of the Company Law, the Articles of Association, the Related Transaction System, the Rules of Procedure for General Meeting of Shareholders, and the Rules of Procedure for Board of Directors to avoid and reduce related transactions and consciously safeguard the interests of the joint stock company and all shareholders, and will not take advantage of my role as a shareholder in the Company to seek unjust interests in related transactions. In case the Company must conduct related transactions with the enterprises under my control, I commit to strictly implement the relevant legal procedures and follow the principle of fair market transactions to promote the fairness and reasonableness of the price, relevant agreement terms and transaction conditions, and will not require the Company to grant more favorable conditions than those of the third party.

③ I commit to acting in concert.

④ I commit to acting in concert with Mr. Li Zhenguo and Ms. Li Xiyan who are the controlling shareholder and actual controller.

⑤ I commit to fully subscribe for the allotted shares of the rights issue in cash according to the shareholding ratio, and confirm the legitimacy and compliance of the source of capitals used to subscribe for the allotted shares; and commit to fully subscribe for all the allotted shares of the rights issue in cash according to the rights issue ratio finally approved by China Securities Regulatory Commission (CSRC) and the shareholding ratio if the rights issue scheme is adjusted in accordance with the provisions and requirements of CSRC. As of the disclosure date of this report, the rights issue has been implemented and the above subscription commitments have been fulfilled (please see the Provisional Announcement No. 2019-054 disclosed by the Company on April 17, 2019 for details).

⑥ Within 12 months as of January 18, 2018, the holding of the Company's stock was enlarged with the proposed increased shares no less than 1% and no more than 4.99% of the Company's total share capital. The increased holding plan has been implemented (please see the Provisional Announcement No. 2020-010 disclosed by the Company on January 19, 2019 for details).

⑦ Within 12 months as of January 19, 2019, it is proposed to increase the Company's share holdings by no less than 1% of the Company's total share capital and no more than 4.99% of the Company's total share capital. The plan has been implemented (please see the Provisional Announcement No. 2020-010 disclosed by the Company on January 21, 2020 for details).

**(II) If the Company has a profit forecast for its assets or projects, and the reporting period is still in the period of the profit forecast, the Company explains whether the assets or projects have reached the original profit forecast and its reasons.**

Reached  Un-reached  Non-applicable

**(III) Completion of performance commitment and its impact on goodwill impairment testing**

Applicable  Non-applicable

**III. Occupancy of funds and the progress of settlement during the reporting period**

Applicable  Non-applicable

**IV. Company's explanation on "Non-standard Opinion Audit Report" of accounting firms**

Applicable  Non-applicable

**V. Company's analysis and explanation of the reasons and effects of the changes in accounting policies and accounting estimates or correction of major accounting errors**

**(I) Company's analysis and explanation of the reasons and effects of the changes in accounting policies and accounting estimates**

Applicable  Non-applicable

Please see V (41). Changes in important accounting policies and accounting estimates in Section XI Financial Report in this report.

**(II) Company's analysis and explanation of the causes and effects of the correction of major accounting errors**

Applicable  Non-applicable

**(III) Communication with former accounting firms**

Applicable  Non-applicable

**(IV) Other explanations**

Applicable  Non-applicable

**VI. Appointment and dismissal of accounting firms**

Unit: Ten thousand yuan Currency: RMB

	Former appointment	Current appointment



Name of domestic accounting firms	Ruihua Certified Public Accountants (Special General Partnership)	PricewaterhouseCoopers Zhongtian Certified Public Accountants (Special General Partnership)
Remuneration of domestic accounting firms	185	169.6
Audit years of domestic accounting firms	6	1

	Name	Remuneration
Internal control audit accounting firm	PricewaterhouseCoopers Zhongtian Certified Public Accountants (Special General Partnership)	84.8

Explanation on appointment and dismissal of accounting firms

Applicable  Non-applicable

Explanation on the change of appointment of accounting firms during the audit period

Applicable  Non-applicable

The Tenth Meeting of the Fourth Session of the Board of Directors in 2019, the Third Meeting of the Fourth Session of the Board of Supervisors in 2019 and the Second Extraordinary General Meeting of Shareholders in 2019 have deliberated and adopted that, in view of Ruihua Certified Public Accountants (Special General Partnership) had provided audit services for the Company for several consecutive years, in order to maintain the independence of the Company's audit work, and according to the Company's business development and future audit requirements, the Company changed its 2019 audit firm from Ruihua Certified Public Accountants (Special General Partnership) to PricewaterhouseCoopers Zhongtian Certified Public Accountants (Special General Partnership) (please see Provisional Announcement No. 2019-108 disclosed on July 30, 2019 by the Company for details).

## VII. Risks of suspension of listing

### (I) Reasons for suspension of listing

Applicable  Non-applicable

### (II) Measures to be taken by the Company

Applicable  Non-applicable

## VIII. Situation and reasons for termination of listing Applicable Non-applicable

## IX. Matters related to bankruptcy reorganization Applicable Non-applicable

## X. Major litigation and arbitration matters

Major litigations and arbitrations for the Company in this year  No major litigations or arbitrations for the Company in this year

## XI. Punishments and rectifications of the Company and the directors, supervisors, senior managers,

**controlling shareholders, actual controllers and acquirers**

Applicable  Non-applicable

**XII. Explanation of the integrity of the Company, its controlling shareholders and actual controllers during the reporting period**

Applicable  Non-applicable

During the reporting period, the Company, its controlling shareholders and actual controllers did not fail to fulfill the effective judgment of the court, and did not have large amount of debt due and unliquidated.

**XIII. Situation and influence of company equity incentive plan, employee stock ownership plan or other employee incentive measures****(I) Relevant incentives disclosed in the provisional announcements and without progress or change in the subsequent implementation**

Applicable  Non-applicable

Matter overview	Query index
The annual meeting of the Fourth Session of the Board of Directors in 2018, the annual meeting of the Fourth Session of the Board of Supervisors in 2018 and the Annual General Meeting of Shareholders in 2018 deliberated and adopted the Proposal on Repurchase and Revocation of Partially Restricted Shares. The repurchase and revocation of 576,254 restricted shares which have been granted to 39 incentive objects in the first and second restricted share incentive plans and but locked and the relevant procedures have been completed. The date of repurchase and revocation was July 19, 2019.	Please see the Provisional Announcement No. 2019-062, No. 2019-070 and No. 2019-100 disclosed by the Company on April 30, May 22 and July 17, 2019 respectively for details.
The Twelfth Meeting of the Fourth Session of the Board of Directors in 2019, the Fourth Meeting of the Fourth Session of the Board of Supervisors in 2019 and the Third Extraordinary General Meeting of Shareholders in 2019 deliberated and adopted the Proposal on Repurchase and Revocation of Partially Restricted Shares. The repurchase and revocation of 497,903 restricted shares which have been granted to 34 incentive objects in the second restricted share incentive plan but locked due to dismiss and failure to achieve personal performance unlock conditions and the relevant procedures have been completed. The date of repurchase and revocation was November 15, 2019.	Please see the Provisional Announcement No. 2019-120, No. 2019-121, No. 2019-136 and No. 2019-162 disclosed by the Company on August 29, September 17 and November 13, 2019 respectively for details.
At the Eighteenth Meeting of the Fourth Session of the Board of Directors in 2019 and the Eighth Meeting of the Fourth Session of the Board of Supervisors in 2019, the Company deliberated and passed the Proposal on the Third Phase Unlocking and Listing of the Second Phase of Restricted Share Incentive Plan. A total of 3,517,150 shares granted to 1,025 objects were unlocked. The date of listing and circulation of the unlocked shares was November 29, 2019.	Please see the Provisional Announcement No. 2019-165, No. 2019-166 and No. 2019-169 disclosed by the Company on November 23, 2019 for details.

**(II) Incentives undisclosed in provisional announcements or with follow-up progress**

Equity incentives

Applicable  Non-applicable

Other explanations

Applicable  Non-applicable

Employee stock ownership plan

Applicable  Non-applicable

Other incentives

Applicable  Non-applicable

#### **XIV. Major related transactions**

##### **(I) Related transactions to daily business**

##### **1. Matters disclosed in provisional announcements and without progress or change in subsequent implementations**

Applicable  Non-applicable

##### **2. Matters disclosed in provisional announcements and with progress or change in subsequent implementations**

Applicable  Non-applicable

During the reporting period, in order to regulate the routine related transactions, the Eleventh Meeting of the Fourth Session of the Board of Directors in 2018 and the First Extraordinary General Meeting of Shareholders in 2019 deliberated and adopted the Proposal on the Predicted Routine Related Transactions in 2019 (please see the Provisional Announcement No. 2018-148 disclosed by the Company on December 18, 2018 for details), the Twelfth Meeting of the Fourth Session of the Board of Directors in 2019 deliberated and adopted the Proposal on New Routine Related Transactions in 2019 (please see the Provisional Announcement No. 2019-123 disclosed by the Company on August 29, 2019 for details), and the Twentieth Meeting of the Fourth Session of the Board of Directors in 2019 deliberated and adopted the Proposal on the Predicted New Routine Related Transactions in 2019 (please see the Provisional Announcement No. 2019-179 disclosed by the Company on December 20, 2019 for details), which reasonably predicted the signing of routine related transactions contracts in 2019. During the reporting period, the actual amount of the routine related transaction contract signed by the Company is not much different from the estimated amount. The actual signing situation is as follows:

Unit: Ten thousand yuan

<b>Related transaction types</b>	<b>Related parties</b>	<b>Contents of related transactions</b>	<b>Expected amount of related transactions contract signed in 2019 (including tax)</b>	<b>Actual amount of related transactions contract signed in 2019 (including tax)</b>
<b>Commodity purchased</b>	Dalian Linton NC Machine Co., Ltd. and its subsidiaries	Equipment	312,942	317,889.23
		Spare parts	724	362.30
	Shenyang LONGi Magnet Co., Ltd.	Equipment	5,072	5,006.29
		Spare parts	129	71.02

	Zhejiang MTCN Technology Co., Ltd. and its subsidiaries (from January 1, 2019 to July 1, 2019)	Raw and auxiliary materials	570	371.72
	Yingkou Jinchun Machinery Co., Ltd. and its subsidiaries (from July 16, 2019 to December 31, 2019)	Equipment	43,858	32,720.66
		Spare parts	0	46.89
	Ningxia LGG Instrument Co., Ltd. (LONGi)	Spare parts	0	2.67
<b>Labor service accepted</b>	Dalian Linton NC Machine Co., Ltd. and its subsidiaries	Technical renovation and maintenance services	725	474.75
	Yingkou Jinchun Machinery Co., Ltd. and its subsidiaries (from July 16, 2019 to December 31, 2019)	Technical renovation and maintenance services	0	93.86
<b>Total</b>			<b>364,020</b>	<b>357,039.38</b>

Note: According to relevant regulations such as the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, Implementation Guidelines for Related Transactions of Listed Companies on Shanghai Stock Exchange, Zhejiang MTCN Technology Co., Ltd. (Mr. Wang Xiaozhe serves as a director) and its subsidiaries were no longer related parties of the Company twelve months after Mr. Wang Xiaozhe left his post as the Company's senior managers (from July 2, 2019); given that Mr. Zou Zonghai retained as a related natural person of the Company within twelve months after he resigned as a director of the Company (from May 24, 2019 to May 23, 2020), he has served as the president of Yingkou Jinchun Machinery Co., Ltd. since July 16, 2019, so Yingkou Jinchun Machinery Co., Ltd. and its subsidiaries have been related parties of the Company from July 16, 2019 to May 23, 2020.

### 3. Matters not disclosed in provisional announcements

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Related parties	Relationship	Related transaction types	Contents of related transactions	Pricing principle of related transactions	Related transaction price	Related transaction amount	Proportion accounted by in similar transaction amount (%)	Settlement of related transactions	Market price	Reason for the large difference between transaction price and market reference price
Pingmei LONGi New Energy Technology Co., Ltd.	Others	Commodity purchased	Entrusted cell processing	Refer to the market price	/	934,778,344.41	37.79	By cash	/	N/A
Dalian Linton NC Machine Co., Ltd.	Others	Commodity purchased	Production equipment	Refer to the market price	/	817,095,808.98	19.84	By cash	/	N/A
Sichuan Yongxiang New Energy Ltd.	Others	Commodity purchased	Polysilicon	Refer to the market price	/	466,814,123.91	6.21	By cash	/	N/A
Yingkou Jinchun Machinery Co., Ltd.	Others	Commodity purchased	Production equipment	Refer to the market price	/	311,280,079.79	7.56	By cash	/	N/A
Shanghai Fuchuan Automation Equipment Co., Ltd.	Others	Commodity purchased	Production equipment	Refer to the market price	/	101,421,456.18	2.46	By cash	/	N/A
Shenyang LONGi Magnet Co., Ltd.	Others	Commodity purchased	Production equipment	Refer to the market price	/	18,807,876.73	0.46	By cash	/	N/A
Ningxia MTCN Semiconductor Materials Co., Ltd.	Others	Commodity purchased	Polysilicon	Refer to the market price	/	10,539,616.13	0.14	By cash	/	N/A
Dalian Linton NC Machine Co., Ltd.	Others	Commodity purchased	Spare parts	Refer to the market price	/	2,037,954.81	0.33	By cash	/	N/A
Shenyang LONGi Magnet Co., Ltd.	Others	Commodity purchased	Spare parts	Refer to the market price	/	904,698.34	0.14	By cash	/	N/A
Dalian Linton NC Machine Co., Ltd.	Others	Labor service accepted	Equipment upgrading	Refer to the market price	/	392,241.38	0.06	By cash	/	N/A
Yingkou Jinchun Machinery	Others	Commodity	Spare parts	Refer to the	/	297,497.36	0.05	By cash	/	N/A

Co., Ltd.		purchased		market price						
Shanghai Fuchuan Automation Equipment Co., Ltd.	Others	Commodity purchased	Spare parts	Refer to the market price	/	271,208.68	0.04	By cash	/	N/A
Ningxia LGG Instrument Co., Ltd. (LONGi)	Others	Commodity purchased	Spare parts	Refer to the market price	/	23,628.32	0.00	By cash	/	N/A
Suzhou DR Link Automation Technology Co., Ltd.	Others	Commodity purchased	Spare parts	Refer to the market price	/	513.27	0.00	By cash	/	N/A
Tongchuan Xianguang New Energy Power Generation Ltd.	Others	Goods sales	Power project construction and service	Refer to the market price	/	1,190,479,308.83	42.05	By cash	/	N/A
Licheng Yingheng Clean Energy Co., Ltd.	Others	Goods sales	Power project construction and service	Refer to the market price	/	875,551,365.53	30.93	By cash	/	N/A
Pingmei LONGi New Energy Technology Co., Ltd.	Others	Goods sales	Wafer	Refer to the market price	/	280,208,715.23	2.17	By cash	/	N/A
Pingmei LONGi New Energy Technology Co., Ltd.	Others	Goods sales	Module	Refer to the market price	/	36,829,559.72	0.25	By cash	/	N/A
Ningxia MTCN Semiconductor Materials Co., Ltd.	Others	Goods sales	Electricity	Refer to the market price	/	9,745,907.36	3.37	By cash	/	N/A
DAS Solar Co., Ltd	Others	Goods sales	Wafer	Refer to the market price	/	7,266,500.01	0.06	By cash	/	N/A
Sichuan Yongxiang New Energy Ltd.	Others	Goods sales	Square silicon core	Refer to the market price	/	4,244,424.77	1.47	By cash	/	N/A
Zhaoqing Audiowell Electronics Ltd.	Others	Goods sales	Power project construction and service	Refer to the market price	/	3,553,701.80	0.13	By cash	/	N/A
Xi'an MTCN Semiconductor Materials Co., Ltd.	Others	Goods sales	Electricity	Refer to the market price	/	1,124,610.64	0.39	By cash	/	N/A
Ningxia MTCN Semiconductor Materials Co., Ltd.	Others	Goods sales	Others	Refer to the market price	/	736,339.88	0.25	By cash	/	N/A
Xi'an MTCN Semiconductor Materials Co., Ltd.	Others	Goods sales	Water	Refer to the market price	/	87,133.39	0.03	By cash	/	N/A

Yingkou Jinchun Machinery Co., Ltd.	Others	Goods sales	Mono cells	Refer to the market price	/	55,816.14	0.01	By cash	/	N/A
Yingkou Jinchun Machinery Co., Ltd.	Others	Goods sales	Spare parts	Refer to the market price	/	42,197.99	0.01	By cash	/	N/A
Dalian Linton NC Machine Co., Ltd.	Others	Goods sales	Others	Refer to the market price	/	14,683.92	0.01	By cash	/	N/A
Xi'an MTCN Semiconductor Materials Co., Ltd.	Others	Goods sales	Others	Refer to the market price	/	10,754.72	0.00	By cash	/	N/A
Ningxia MTCN Semiconductor Materials Co., Ltd.	Others	Rendering of service	Housing	Refer to the market price	/	1,781,265.14	0.62	By cash	/	N/A
Ningxia MTCN Semiconductor Materials Co., Ltd.	Others	Rendering of service	Equipment	Refer to the market price	/	56,952.00	0.02	By cash	/	N/A
Total				/	/	5,076,454,285.36		/	/	/
Details of the return of large sales				None						
Explanation of related transactions				The aforementioned related transactions are helpful to the development and execution of the Company's daily business operations. They meet the objective needs of the normal production and operation of the Company and the expansion of its production capacity. There is no harm to the interests of the Company and other shareholders, especially the small and medium shareholders. They will not affect the independence of the Company, nor will they depend on the related parties.						

**(II) Related transactions in the acquisition and sale of assets or equity**

**1. Matters disclosed in provisional announcements and without progress or change in subsequent implementations**

Applicable  Non-applicable

**2. Matters disclosed in provisional announcements and with progress or change in subsequent implementations**

Applicable  Non-applicable

**3. Matters not disclosed in provisional announcements**

Applicable  Non-applicable

**4. Disclosure of the performance realization during the reporting period in case of any performance agreement**

Applicable  Non-applicable

**(III) Major related transactions of joint overseas investment**

**1. Matters disclosed in provisional announcements and without progress or change in subsequent implementations**

Applicable  Non-applicable

**2. Matters disclosed in provisional announcements and with progress or change in subsequent implementations**

Applicable  Non-applicable

**3. Matters not disclosed in provisional announcements**

Applicable  Non-applicable

**(IV) Related creditor's rights and liabilities**

**1. Matters disclosed in provisional announcements and without progress or change in subsequent implementations**

Applicable  Non-applicable

**2. Matters disclosed in provisional announcements and with progress or change in subsequent implementations**

Applicable  Non-applicable

**3. Matters not disclosed in provisional announcements**

Applicable  Non-applicable

**(V) Others**

Applicable  Non-applicable

**XV. Major contracts and their performance**



**(I) Trusteeship, contracting and lease****1. Trusteeship**

Applicable  Non-applicable

**2. Contracting**

Applicable  Non-applicable

**3. Lease**

Applicable  Non-applicable

**(II) Guarantee**

Applicable  Non-applicable

Unit: Ten thousand yuan Currency: RMB

External guarantees of the Company (excluding guarantees to subsidiaries)													
Guarantor	Relationship between the guarantor and LONGi	Guaranteed party	Amount guaranteed	Date of guarantee occurrence (signing date of agreement)	Starting date of guarantee	Expiry date of guarantee	Type of guarantee	Guarantee completed or not	Guarantee overdue or not	Overdue amount guaranteed	Counter-guarantee or not	Guarantee for related parties or not	Relationship
LONGi	The Company	Tongxin LONGi	12,201	8/28/2015	8/28/2015	8/27/2030	Joint liability guarantee	No	No	0	Yes	No	Associated enterprise
LONGi	The Company	Tongxin LONGi	11,221	8/28/2015	9/15/2015	9/14/2030	Joint liability guarantee	No	No	0	Yes	No	Associated enterprise
LONGi	The Company	Tongxin LONGi	3,724	8/28/2015	9/15/2015	9/14/2030	Joint liability guarantee	No	No	0	Yes	No	Associated enterprise
LONGi	The Company	LONGi Tianhua	7,448	8/28/2015	9/15/2015	9/14/2030	Joint liability guarantee	No	No	0	Yes	No	Associated enterprise
Total accrual of guarantee during the reporting period (excluding guarantees to subsidiaries)						0							
Total guarantee balance at the end of the reporting period (A) (excluding guarantees to subsidiaries)						34,594.00							
Guarantee of the Company and its subsidiaries to subsidiaries													
Total accrual of guarantee to subsidiaries during the reporting period						894,559.50							
Total guarantee balance to subsidiaries at the end of the reporting period (B)						1,409,789.61							
Company's total amount guaranteed (including guarantee to subsidiaries)													
Total amount guaranteed (A+B)						1,444,383.61							
Proportion of total amount guaranteed to the Company's net assets (%)						52.28							
Wherein:													
Amount guaranteed provided for shareholders, actual controllers and their related parties (C)						0							
Debt amount guaranteed provided directly or indirectly for the guaranteed object with debt ratio exceeding 70% (D)						720,685.90							
Total amount guaranteed exceeding 50% of net assets (E)						73,692.62							
Total of above three amount guaranteed (C+D+E)						724,101.44							
Explanation of the potential liability for satisfaction affiliated to the unexpired guarantee						None							
Explanation of guarantee conditions						All the above guarantees have been deliberated and approved by the Board of Directors or the General Meeting of Shareholders according to the relevant laws,							

regulations and other normative requirements as well as the provisions of the Articles of Association of the Company, and the decision-making procedures are legal and compliant. During the reporting period, the Company did not provide guarantees for shareholders, actual controllers and their related parties, nor did it have overdue guarantees or guarantees related to litigation.
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Note: ① The net assets in the above table refer to the net assets belonging to the shareholders of LONGi;

② Among "the total of the above three amount guaranteed (C+D+E)," the same guaranty item is calculated for once and non-repetitively;

③ Foreign currency guarantee amount was converted into RMB amount in accordance with the middle exchange rate on December 31, 2019.

The Company's decision-making procedures for the performance of guarantees at the end of the reporting period were as follows:

**(1) The Company's decision-making procedures for external guarantees (without guarantees to subsidiaries):**

Serial No.	Guaranteed party	Amount guaranteed (ten thousand yuan)	Guarantee content	Disclosure date	Procedure for examination and approval
1	Tongxin LONGi	12,201	Provided guarantee for project loan applied by Tongxin LONGi to China Development Bank, Ningxia Branch	7/7/2015	The Eighth Meeting of the Third Session of the Board of Directors in 2015; the Second Extraordinary General Meeting in 2015
2	Tongxin LONGi	11,221	Provided guarantee for project loan applied by Tongxin LONGi to China Development Bank, Ningxia Branch		
3	Tongxin LONGi	3,724	Provided guarantee for project loan applied by Tongxin LONGi to China Development Bank, Ningxia Branch		
4	LONGi Tianhua	7,448	Provided guarantee for project loan applied by LONGi Tianhua to China Development Bank, Ningxia Branch		

**(2) The Company's decision-making procedures for financing guarantee to subsidiaries:**

Serial No.	Guaranteed party	Amount guaranteed (ten thousand yuan)	Guarantee content	Disclosure date	Procedure for examination and approval
1	Shouguang Jinhe	22,400.00	Provided guarantee for project loan applied by Shouguang Jinhe to Bank of Beijing Co., Ltd., Xi'an Branch	9/6/2016	The Eleventh Meeting of the Third Session of the Board of Directors in 2016
2	Hami Liurui	12,000.00	Provided guarantee for project loan applied by Hami Liurui to Bank of Beijing Co., Ltd., Xi'an Branch	9/29/2016	The Thirteenth Meeting of the Third Session of the Board of Directors in 2016; the Seventh Extraordinary General Meeting in

					2016
3	Hami Liuyang	10,000.00	Provided guarantee for project loan applied by Hami Liuyang to Bank of Beijing Co., Ltd., Xi'an Branch	9/29/2016	The Thirteenth Meeting of the Third Session of the Board of Directors in 2016; the Seventh Extraordinary General Meeting in 2016
4	Yinchuan LONGi	15,000.00	Provided guarantee for other fixed asset loans applied by Yinchuan LONGi to Bank of Ningxia Co., Ltd., Xicheng Branch	12/13/2016	The Seventeenth Meeting of the Third Session of the Board of Directors in 2016; the First Extraordinary General Meeting in 2017
5	Yinchuan LONGi	20,000.00	Provided guarantee for project loan applied by Yinchuan LONGi to Agricultural Bank of China Limited, Zhongning Branch	1/14/2017	The Second Meeting of the Third Session of the Board of Directors in 2017; the Second Extraordinary General Meeting in 2017
6	Yinchuan LONGi	10,000.00	Provided guarantee for credit granting applied by Yinchuan LONGi to Everbright Bank Co., Ltd., Yinchuan Branch	3/11/2017	Annual Meeting of Board of Directors in 2016
7	Cao-County Lezhao	42,800.00	Provided guarantee for project loan applied by Cao-County Lezhao to Bank of Beijing Co., Ltd., Xi'an Branch	4/1/2017	The Fourth Meeting of the Third Session of the Board of Directors in 2017; the Third Extraordinary General Meeting in 2017
8	Longxing New Energy	15,607.58	Provided guarantee for the financial leasing business applied by Longxing New Energy to CITIC Financial Leasing Co., Ltd.	6/9/2017	The Seventh Meeting of the Third Session of the Board of Directors in 2017; authorized by the Fourth Extraordinary General Meeting in 2017
9	Longle Solar	4,218.32	Provided guarantee for the financial leasing business applied by Longle Solar to CITIC Financial Leasing Co., Ltd.	6/16/2018	The Tenth Meeting of the Third Session of the Board of Directors in 2018; authorized by the First Extraordinary General Meeting in 2018
10	Ningde LONGi Solar	7,147.70	Provided guarantee for the financial leasing business applied by Ningde LONGi Solar to CITIC Financial Leasing Co., Ltd.	6/16/2018	The Tenth Meeting of the Third Session of the Board of Directors in 2018; authorized by the First Extraordinary General Meeting in 2018

11	Lechang Solar	6,679.00	Provided guarantee for the financial leasing business applied by Lechang Solar to CITIC Financial Leasing Co., Ltd.	6/16/2018	The Tenth Meeting of the Third Session of the Board of Directors in 2018; authorized by the First Extraordinary General Meeting in 2018
12	Jinli New Energy	3,398.09	Provided guarantee for the financial leasing business applied by Jinli New Energy to CITIC Financial Leasing Co., Ltd.	6/16/2018	The Tenth Meeting of the Third Session of the Board of Directors in 2018; authorized by the First Extraordinary General Meeting in 2018
13	Wuxi LONGi	10,000.00	Provided guarantee for Wuxi LONGi to handle the creditor's rights in Bank of Ningbo Co., Ltd., Wuxi Branch	3/24/2018	The Fifth Meeting of the Third Session of the Board of Directors in 2018; authorized by the First Extraordinary General Meeting in 2018
14	LONGi Solar	34,400.00	Provided guarantee for project loan applied by LONGi Solar to Industrial Bank Co., Ltd., Xi'an Branch	3/10/2018	The Fourth Meeting of the Third Session of the Board of Directors in 2018; authorized by the First Extraordinary General Meeting in 2018
15	Lijiang LONGi	32,691.79	Provided joint guarantee for project loan applied by Lijiang LONGi to China Foreign Trade Financial Leasing Co., Ltd.	5/9/2018	The Seventh Meeting of the Third Session of the Board of Directors in 2018; authorized by the First Extraordinary General Meeting in 2018
16	Lijiang LONGi	16,964.27	Provided joint guarantee for project loan applied by Lijiang LONGi to China Foreign Trade Financial Leasing Co., Ltd.	5/9/2018	The Seventh Meeting of the Third Session of the Board of Directors in 2018; authorized by the First Extraordinary General Meeting in 2018
17	Xinwei New Energy	10,100.59	Provided guarantee for the financial leasing business applied by Xinwei New Energy to CITIC Financial Leasing Co., Ltd.	8/31/2018	The Fifth Meeting of the Fourth Session of the Board of Directors in 2018; authorized by the First Extraordinary General Meeting in 2018
18	Datong Clean Energy	13,367.18	Provided guarantee for the financial leasing business applied by Datong Clean Energy to CITIC Financial	3/27/2019	The Fourth Meeting of the Fourth Session of the Board of Directors in 2019;

			Leasing Co., Ltd.		authorized by the Fourth Extraordinary General Meeting in 2018
19	Guangling Clean Energy	13,337.20	Provided guarantee for the financial leasing business applied by Guangling Clean Energy to CITIC Financial Leasing Co., Ltd.	3/27/2019	The Fourth Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018
20	Lingwu New Energy	72,627.36	Provided guarantee for the financial leasing business applied by Lingwu New Energy to CITIC Financial Leasing Co., Ltd.	3/27/2019	The Fourth Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018
21	Yinchuan LONGi	18,000.00	Provided guarantee for credit granting applied by Yinchuan LONGi to Everbright Bank Co., Ltd., Yinchuan Branch	1/12/2019	The First Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018
22	Yinchuan LONGi	37,200.00	Provided guarantee for new short-term credit applied by Yinchuan LONGi to Agricultural Bank of China Limited, Zhongning Branch	2/23/2019	The Second Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018
23	Yinchuan LONGi	10,000.00	Provided guarantee for fixed assets applied by Yinchuan LONGi to Agricultural Bank of China Limited, Zhongning Branch	2/23/2019	The Second Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018
24	Yinchuan LONGi	20,000.00	Provided guarantee for other fixed asset loans applied by Yinchuan LONGi to Bank of Ningxia Co., Ltd., Xicheng Branch	2/23/2019	The Second Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018
25	LONGi Solar	30,000.00	Provided guarantee for line of credit of China Construction Bank Co., Ltd., Xi'an hi-tech Industries Development Zone Branch adjusted from the Company to LONGi Solar	3/13/2019	The Third Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018

26	LONGi Solar	10,000.00	Provided guarantee for comprehensive credit granting applied by LONGi Solar to SPD Bank Co., Ltd., Xi'an Branch	4/16/2019	The Sixth Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018
27	Zhejiang LONGi Solar	11,000.00	Provided guarantee for comprehensive credit granting applied by Zhejiang LONGi Solar to SPD Bank Co., Ltd., Hangzhou Branch	4/16/2019	The Sixth Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018
28	Xuanli Solar	11,064.38	Provided guarantee for the financial leasing business applied by Hami Xuanli to CITIC Financial Leasing Co., Ltd.	6/5/2019	The Eighth Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018
29	LONGi Solar	10,000.00	Provided guarantee for credit granting applied by LONGi Solar to China Construction Bank Co., Ltd., Xi'an Hi-tech Industries Development Zone Branch	5/23/2019	The Seventh Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018
30	Wuxi LONGi	6,000.00	Provided guarantee for credit granting applied by Wuxi LONGi to SPD Bank Co., Ltd., Nanjing Branch	4/16/2019	The Sixth Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018
31	Taizhou LONGi Solar	50,000.00	Provided guarantee for credit granting applied by Taizhou LONGi Solar to Bank of Jiangsu Co., Ltd., Taizhou Branch	7/17/2019	The Ninth Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018
32	LONGi Solar	30,000.00	Provided guarantee for credit granting applied by LONGi Solar to Bank of Communications Co., Ltd., Shaanxi Branch	9/30/2019	The Thirteenth Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018
33	Ruicheng Lvlong	10,708.13	Provided guarantee for the financial leasing business applied by Ruicheng Lvlong to CITIC Financial Leasing	12/7/2019	The Nineteenth Meeting of the Fourth Session of the Board of Directors in 2019;

			Co., Ltd.		authorized by the Fourth Extraordinary General Meeting in 2018
34	LONGi Solar	33,000.00	Provided guarantee for credit granting applied by LONGi Solar to Bank of Chengdu Co., Ltd., Xi'an Branch	10/24/2019	The Fifteenth Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018
35	LONGi Solar	50,000.00	Provided guarantee for credit granting business applied by LONGi Solar to China Minsheng Bank Co., Ltd., Xi'an Branch	11/13/2019	The Seventh Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018
36	LONGi Solar	30,000.00	Provided guarantee for credit granting applied by the Company to China CITIC Bank Co., Ltd., Xi'an Branch	11/23/2019	The Eighth Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018
37	LONGi (H.K.)	200 million U.S. dollars	Provided guarantee for loan applied by LONGi (H.K.) to Branchbank Consortium	6/9/2018	The Ninth Meeting of the Third Session of the Board of Directors in 2018; authorized by the First Extraordinary General Meeting in 2018
38	LONGi (H.K.)	15 million U.S. dollars	Provided guarantee for credit granting applied by LONGi (H.K.) to Industrial and Commercial Bank of China (Asia) Limited	7/17/2019	The Ninth Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018
39	LONGi Solar	15 million U.S. dollars	Provided guarantee for credit granting applied by LONGi Solar to HSBC Bank (China) Company Limited, Xi'an Branch	3/10/2018	The Fourth Meeting of the Third Session of the Board of Directors in 2018; authorized by the First Extraordinary General Meeting in 2018
40	LONGi Solar	5 million U.S. dollars	Provided guarantee for LONGi Solar to share the line of credit applied by the Company from Citibank China Co., Ltd.	10/31/2018	The Eighth Meeting of the Fourth Session of the Board of Directors in 2018; authorized by the First Extraordinary General Meeting in 2018

41	LONGi (H.K.) and LONGi (KUCHING)	4 million U.S. dollars	Provided guarantee for credit granting applied by LONGi (H.K.) and LONGi (KUCHING) to Hang Seng Bank Limited	1/12/2019	The First Meeting of the Fourth Session of the Board of Directors in 2019; authorized by the Fourth Extraordinary General Meeting in 2018
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**(3) The Company's decision-making procedures for performance guarantee to subsidiaries:**

As deliberated and approved by the Tenth Meeting of the Company's Third Session of the Board of Directors in 2018 and the Second Extraordinary General Meeting of Shareholders in 2018, the Company's General Meeting of Shareholders and the Board of Directors authorized the chairman to decide that the total amount of performance guarantees for the wholly-owned subsidiaries in 2018 shall not exceed 200 million U.S. dollars (please see the Provisional Announcement No. 2018-075 disclosed by the Company on June 16, 2018 for details); as deliberated and approved by the Tenth Meeting of the Fourth Session of the Board of Directors of the Company in 2018 and the Fourth Extraordinary General Meeting of Shareholders in 2018, the Company's General Meeting of Shareholders and the Board of Directors authorized the chairman or general manager to decide that the new-added amount of performance guarantees for the subsidiaries in 2019 shall not exceed 1 billion U.S. dollars (please see the Provisional Announcement No. 2018-143 disclosed by the Company on December 11, 2018 for details). As of the end of this reporting period, the Company has accumulated guarantee balances of 611, 944, 900 U.S. dollars for the performance obligations of its wholly-owned subsidiaries, including Germany LONGi, LONGi Solar U.S. and LONGi (H.K.).

**(4) The decision-making procedures for supply-chain financing business guarantee**

As deliberated and approved by the Tenth Meeting of the Company's Fourth Session of the Board of Directors in 2019 and the Second Extraordinary General Meeting of Shareholders in 2019, the Company's General Meeting of Shareholders and the Board of Directors authorized the chairman or his authorized person to carry out supply chain financial business with banks and undertake unconditional payment liability guarantee for accounts payable committed by the wholly-owned subsidiary for the purpose of the above supply chain financial business, with the guarantee amount of not more than 2 billion yuan, and the single guarantee period not more than one year (please see the Provisional Announcement No. 2019-107 disclosed by the Company on July 30, 2019). As of the end of the reporting period, the Company's cumulative guarantee balance for supply chain financial businesses for the wholly-owned subsidiaries Chuzhou LONGi Solar, Chuxiong LONGi, LONGi Solar, Taizhou LONGi Solar, and Zhejiang LONGi Solar was 199,345,900 yuan.

**(III) Entrusted cash assets management**

**1. Entrusted asset management**

**(1) Overall situation of entrusted asset management**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Type	Capital source	Accrual	Unexpired balance	Uncollected amount overdue
Bank financial products	Self-owned capital	14,000,000,000.00	100,000,000.00	0



### **Other situations**

√ Applicable  Non-applicable

At the Twelfth Meeting of the Fourth Session of the Board of Directors in 2018 and the Tenth Meeting of the Fourth Session of the Board of Directors in 2019 respectively held on December 28, 2018 and July 29, 2019, the Company deliberated and adopted the Proposal on the Use of Self-Owned Capital for Entrusted Financing in 2019 and the Proposal on Adjusting the Amount of Using Self-Owned Capital for Entrusted Financing in 2019. It was agreed that the Company (including holding subsidiaries) should use temporary idle Self-Owned Funds with a maximum amount not exceeding 6 billion yuan for purchasing financial products of commercial banks in 2019 without affecting the normal operating capital demand and capital security. The funds can be invested and used on a rolling basis within the above quota (please see the Provisional Announcement No. 2018-156 and No. 2019-106 disclosed by the Company on December 29, 2018 and July 30, 2019 respectively for details). During the reporting period, within the scope of the above board resolutions, the Company complied with the regulations to entrust its own funds for financial management, which improved the utilization efficiency of funds.

**(2) Single entrusted asset management**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Trustee	Type of entrusted asset management	Amount of entrusted asset management	Starting date of entrusted asset management	Expiry date of entrusted asset management	Capital source	Funds allocation	Confirmation of remuneration	Annual yield rate	Expected profit (if any)	Actual profit or loss	Actual recovery	Statutory procedures passed or not	Entrusted financial plan or not in the future	Amount of impairment reserves (if any)
China Everbright Bank	Bank financial products	100,000,000	1/15/2019	1/15/2020	Self-owned capital	Structural deposits	Interest calculation based on actual financial days	4.10%	/	4,100,000.00	Full amount recovery	Yes	Yes	0
China Everbright Bank	Bank financial products	500,000,000	2/26/2019	8/26/2019	Self-owned capital	Structural deposits	Interest calculation based on actual financial days	3.93%	/	9,825,000.00	Full amount recovery	Yes	Yes	0
Bank of Communications	Bank financial products	50,000,000	2/22/2019	3/25/2019	Self-owned capital	Structural deposits	Interest calculation based on actual financial days	3.75%	/	161,369.86	Full amount recovery	Yes	Yes	0
Bank of Communications	Bank financial products	50,000,000	2/22/2019	3/29/2019	Self-owned capital	Structural deposits	Interest calculation based on actual financial days	3.55%	/	102,123.29	Full amount recovery	Yes	Yes	0
Bank of Communications	Bank financial products	400,000,000	3/21/2019	4/22/2019	Self-owned capital	Structural deposits	Interest calculation based on actual financial days	4.09%	/	1,455,342.47	Full amount recovery	Yes	Yes	0
ICBC (Asia)	Bank financial products	500,000,000	7/1/2019	7/29/2019	Self-owned capital	Structural deposits	Interest calculation based on actual financial days	4.00%	/	1,534,246.58	Full amount recovery	Yes	Yes	0
ICBC (Asia)	Bank financial products	1,000,000,000	8/1/2019	8/30/2019	Self-owned capital	Structural deposits	Interest calculation based on actual	4.00%	/	3,178,082.19	Full amount recovery	Yes	Yes	0

Annual Report 2019

							financial days							
Industrial and Commercial Bank of China	Bank financial products	1,000,000,000	7/5/2019	9/27/2019	Self-owned capital	Structural deposits	Interest calculation based on actual financial days	4.20%	/	9,665,753.42	Full amount recovery	Yes	Yes	0
SPD Bank	Bank financial products	1,000,000,000	7/5/2019	9/25/2019	Self-owned capital	Structural deposits	Interest calculation based on actual financial days	4.12%	/	9,384,444.44	Full amount recovery	Yes	Yes	0
Industrial and Commercial Bank of China	Bank financial products	1,500,000,000	8/2/2019	9/27/2019	Self-owned capital	Structural deposits	Interest calculation based on actual financial days	4.10%	/	9,435,616.44	Full amount recovery	Yes	Yes	0
ICBC (Asia)	Bank financial products	500,000,000	8/1/2019	9/27/2019	Self-owned capital	Structural deposits	Interest calculation based on actual financial days	4.10%	/	3,201,369.86	Full amount recovery	Yes	Yes	0
Huaxia Bank	Bank financial products	500,000,000	8/2/2019	9/27/2019	Self-owned capital	Structural deposits	Interest calculation based on actual financial days	4.10%	/	3,145,205.47	Full amount recovery	Yes	Yes	0
ICBC (Asia)	Bank financial products	1,000,000,000	9/6/2019	9/27/2019	Self-owned capital	Structural deposits	Interest calculation based on actual financial days	3.95%	/	2,272,602.74	Full amount recovery	Yes	Yes	0
Industrial and Commercial Bank of China	Bank financial products	800,000,000	10/16/2019	12/27/2019	Self-owned capital	Structural deposits	Interest calculation based on actual financial days	3.80%	/	5,996,712.33	Full amount recovery	Yes	Yes	0
SPD Bank	Bank financial products	900,000,000	10/9/2019	12/27/2019	Self-owned capital	Structural deposits	Interest calculation based on actual financial days	3.97%	/	7,840,750.00	Full amount recovery	Yes	Yes	0
Ping An Bank	Bank financial products	2,000,000,000	10/8/2019	12/29/2019	Self-owned capital	Structural deposits	Interest calculation based on actual financial days	4.05%	/	18,419,178.08	Full amount recovery	Yes	Yes	0
ICBC (Asia)	Bank financial products	1,000,000,000	10/8/2019	12/29/2019	Self-owned	Structural deposits	Interest calculation	4.10%	/	9,323,287.67	Full amount	Yes	Yes	0

					capital		based on actual financial days				recovery			
Huaxia Bank	Bank financial products	500,000,000	10/9/2019	12/30/2019	Self-owned capital	Structural deposits	Interest calculation based on actual financial days	4.00%	/	4,493,150.68	Full amount recovery	Yes	Yes	0
ICBC (Asia)	Bank financial products	500,000,000	10/14/2019	12/30/2019	Self-owned capital	Structural deposits	Interest calculation based on actual financial days	3.90%	/	4,113,698.63	Full amount recovery	Yes	Yes	0
China CITIC Bank	Bank financial products	200,000,000	10/16/2019	12/30/2019	Self-owned capital	Structural deposits	Interest calculation based on actual financial days	3.76%	/	1,545,205.48	Full amount recovery	Yes	Yes	0

**Other situations**

Applicable  Non-applicable

**(3) Impairment reserves for entrusted asset management**

Applicable  Non-applicable

**2. Entrusted loan****(1) Overall situation of entrusted loan management**

Applicable  Non-applicable

**Other situations**

Applicable  Non-applicable

**(2) Single entrusted loan management**

Applicable  Non-applicable

**Other situations**

Applicable  Non-applicable

**(3) Impairment reserves for entrusted loans**

Applicable  Non-applicable

**3. Other situations**

Applicable  Non-applicable

**(IV) Other major contracts**

Applicable  Non-applicable

(1) As of the end of this reporting period, the progress of major contracts for daily operations disclosed by the Company was as follows:

Serial No.	Contract type	Contract content	Contractor name	Performance period	Contact quantity	Date of signing	Progress as of the end of the reporting period
1	Long-term sales contract	Sales of wafers	The Company and Vina Cell Technology Co., Ltd., Shanghai Yize New Energy Technology Co., Ltd.	From January 2019 to December 2021	1,310,000,000 pieces	7/15/2019	In progress
2	Long-term sales contract	Sales of wafers	The Company and Shanxi Lu'an Solar Technology Co., Ltd.	From January 2020 to December 2022	2,100,000,000 pieces	8/9/2019	Contract period not started yet
3	Long-term sales contract	Sales of wafers	The Company and Haining Chint New Energy Technology Co., Ltd., Zhejiang Chint Solar Technology Co., Ltd., Hangzhou Mintai Import and Export Trade Co., Ltd.	From January 2020 to December 2022	660,000,000 pieces	9/9/2019	Contract period not started yet
4	Long-term	Sales of	The Company and Jolywood	From	800,000,000	9/16/2019	Contract

	sales contract	wafers	(Taizhou) Solar Technology Co., Ltd.	January 2020 to December 2022	pieces		period not started yet
5	Long-term sales contract	Sales of modules	LONGi Solar and an American ground-mounting power project developer	From 2019 to 2022	About 600 million U.S. dollars	7/17/2018	In progress
6	Long-term purchase contract	Purchase of polysilicon	Yinchuan LONGi, Baoshan LONGi, Lijiang LONGi, Ningxia LONGi and OCI Company Ltd., its subsidiary, OCIM Sdn. Bhd.	From March 2018 to February 2021	64,638 tons	2/5/2018	In progress
7	Long-term purchase contract	Purchase of - polysilicon	Yinchuan LONGi, Ningxia LONGi, Baoshan LONGi, Lijiang LONGi and Xinjiang Daqo New Energy Co. Ltd.	From April 2018 to December 2020	39,600 tons	4/2/2018	In progress
8	Long-term purchase contract	Purchase of polysilicon	Yinchuan LONGi, Ningxia LONGi, Baoshan LONGi, Lijiang LONGi and Sichuan Yongxiang Ltd., Sichuan Yongxiang Polysilicon Ltd., Inner Mongolia Tongwei High Purity Silicon Co. Ltd.	From May 2018 to December 2020	55,000 tons	5/22/2018	In progress
9	Long-term purchase contract	Purchase of - polysilicon	Yinchuan LONGi, Ningxia LONGi, Baoshan LONGi, Lijiang LONGi and Xinte Energy Co. Ltd., Xinjiang Xinte Crystal Silicon High-Tech Co., Ltd.	From January 2019 to December 2021	91,080 tons	7/27/2018	In progress
10	Long-term purchase contract	Purchase of glasses	LONGi Solar, Zhejiang LONGi Solar, Taizhou LONGi Solar, Yinchuan LONGi Solar, Chuzhou LONGi Solar, Datong LONGi Solar, LONGi (H.K.), LONGi (KUCHING) and Flat Glass Group Co., Ltd., Anhui Flat Photovoltaic Glass Ltd., Zhejiang Jiafu Glass Ltd., Flat (Vietnam) Ltd.	The period from July 1, 2019 to December 31, 2021.	161.6 million square meters	5/15/2019	In progress
11	Long-term purchase contract	Purchase of glasses	LONGi Solar, Zhejiang LONGi Solar, Taizhou LONGi Solar, Yinchuan LONGi Solar, Chuzhou LONGi Solar, Datong LONGi Solar, LONGi (H.K.), LONGi (KUCHING) and IRICO Group New Energy Co., Ltd, IRICO (Hefei) Photovoltaic Ltd.	The period from July 3, 2019 to December 31, 2021.	68.5 million square meters	7/3/2019	In progress
12	Long-term purchase contract	PV aluminum frame	LONGi Solar, Zhejiang LONGi Solar, Taizhou LONGi Solar, Yinchuan LONGi Solar, Chuzhou LONGi Solar, Datong LONGi Solar, LONGi (H.K.), LONGi (KUCHING) and Jiangsu Akcome Technology Co., Ltd.	From the third quarter of 2019 to the fourth quarter of 2021	47.1 million sets	7/22/2019	In progress
13	Long-term purchase	PV aluminum	LONGi Solar, Zhejiang LONGi Solar, Taizhou	From the third quarter	49.7 million sets	7/22/2019	In progress

	contract	frame	LONGi Solar, Yinchuan LONGi Solar, Chuzhou LONGi Solar, Datong LONGi Solar, LONGi (H.K.), LONGi (KUCHING) and Yingkou Changtai Aluminum Co., Ltd.	of 2019 to the fourth quarter of 2021			
14	Long-term purchase contract	Purchase of - polysilicon	Yinchuan LONGi, Ningxia LONGi, Baoshan LONGi, Lijiang LONGi, Huaping LONGi and Xinjiang Daqo New Energy Co. Ltd.	The period from January 1, 2020 to December 31, 2022	112,800 tons	8/6/2019	Contract period not started yet

(2) As of the end of this reporting period, the progress of major contracts for investment disclosed by the Company was as follows:

Serial No.	Contract type	Investment target	Contractor	Date of signing	Investment scale	Project progress
1	Investment agreement	500MW solar cell and module project in India	The Company and Andhra Pradesh Government, India	9/23/2015	500MW cells and modules	Project suspended due to changes in business environment
2	Investment agreement	500MW high-efficiency mono module project in Xi'an	LONGi Solar and Committee of Xi'an Economic & Technological Development Zone	12/16/2015	500MW modules	In full capacity
3	Investment agreement	10GW wafer project in Chuxiong	The Company and People's Government of Chuxiong Yi Autonomous Prefecture	12/2/2016	10GW mono wafers	In full capacity
6	Investment agreement	5GW mono module project in Chuzhou	LONGi Solar and Committee of Chuzhou Economic & Technological Development Zone	1/4/2018	5GW mono modules	Coming into production since the first quarter of 2020
7	Investment agreement	6GW mono ingot project (Phase II) in Baoshan	The Company, People's Government of Baoshan City and People's Government of Longling County	3/28/2018	6GW mono ingots	Partially in production
8	Investment agreement	6GW mono ingot project (Phase II) in Lijiang	The Company and People's Government of Lijiang City	4/3/2018	6GW mono ingots	Partially in production
9	Investment agreement	10GW mono wafer project (Phase II) in Chuxiong	The Company, People's Government of Chuxiong Yi Autonomous Prefecture and People's Government of Lufeng County	4/15/2018	10GW mono wafers	Partially in production
10	Investment agreement	5GW high-efficiency mono cell project in Yinchuan	Ningxia LONGi Solar and Committee of Yinchuan Economic & Technological Development Zone	9/13/2018	5GW mono cells	Partially in production
11	Investment agreement	15GW mono ingot and wafer in Yinchuan	The Company and Committee of Yinchuan Economic &	4/16/2019	15GW mono ingots and	Under construction

			Technological Development Zone		wafers	
12	Investment agreement	3GW mono cell project in Yinchuan	Ningxia LONGi Solar and Committee of Yinchuan Economic & Technological Development Zone	4/16/2019	3GW mono cells	Under preparation
13	Investment agreement	5GW mono module project in Taizhou	LONGi Solar and People's Government of Hailing District, Taizhou City	6/14/2019	5GW mono modules	Coming into production since the first quarter of 2020
14	Investment agreement	5GW mono module project in Xianyang	LONGi Solar, Committee of Xianyang High-tech Industrial Development Zone and People's Government of Qindu District, Xianyang City	6/28/2019	5GW mono modules	Under construction
15	Investment agreement	5GW mono module project in Jiaxing	LONGi Solar, Committee of High-tech Industrial Development Zone of Xiuzhou District, Jiaxing City and People's Government of Xiuzhou District, Jiaxing City	10/30/2019	5GW mono modules	Coming into production since the first quarter of 2020
16	Investment agreement	10GW mono ingot project in Tengchong	The Company, People's Government of Baoshan City and People's Government of Tengchong City	11/23/2019	10GW mono wafers and ingots	Under preparation
17	Investment agreement	10GW mono ingot and wafer project in Qujing	The Company, People's Government of Qujing City and Committee of Qujing Economic & Technological Development District	12/6/2019	10GW mono wafers, mono ingots and wafers	Under preparation

## XVI. Explanation of other major Matters

√ Applicable □ Non-applicable

(1) LONGi Solar, a wholly-owned subsidiary of the Company, filed a lawsuit in the Intermediate People's Court of Xining City, Qinghai Province on September 17, 2019 due to contract dispute with Sinohydro Engineering Bureau 4 Co., Ltd. (hereafter referred to as the "defendant"), and received a notice of acceptance of the case from the court on the same day. In view of the fact that the two parties have reached an out-of-court settlement in this contract dispute, LONGi Solar filed an application for withdrawing the lawsuit to the Intermediate People's Court of Xining City, Qinghai Province. On January 19, 2020, LONGi Solar received Civil Ruling ([2019] Q 01 MC No. 628), which allowed LONGi Solar to withdraw the lawsuit. (please see the Provisional Announcement No. 2019-138 and No. 2020-011 disclosed by the Company on September 19, 2019 and January 21, 2020 respectively for details)

(2) In March and April 2019, HANWHA Q CELLS & ADVANCED MATERIALS CORP. and its related



parties (hereinafter referred to as "HANWHA") have successively filed patent infringement litigation with the United States International Trade Commission (ITC), the United States District Court for the District of Delaware, the Federal Court of Australia, and the Germany District Court for the District of Dusseldorf, claiming that some products sold by LONGi and its subsidiaries in the above-mentioned areas infringed the patent rights of HANWHA. The litigation claims include prohibiting the Company and its subsidiaries from selling the infringing products in the above-mentioned areas, and compensating for the losses and other expenses. The above litigation cases have been accepted by ITC and relevant courts.

In April 2020, the judge of the United States International Trade Commission (ITC) released 337 preliminary investigation determination result of "HANWHA litigation for infringement of LONGi products against its patent right in the United States" (Patent No.: US9893215): the Company's products do not infringe HANWHA's patent right. The United States District Court for the District of Delaware has suspended the trial due to ITC litigation, and will wait for ITC's judgment to decide whether to continue the trial of the relevant case; and in addition, the Company's cases in the Federal Court of Australia and the Germany District Court for the District of Dusseldorf are still in the stage of pleading and evidence investigation. The Company will fulfill its information disclosure obligations in a timely manner according to the progress of the matter. (Please see the Provisional Announcement No. 2019-025, No. 2019-027 and No. 2020-031 disclosed by the Company on March 7, 2019, March 12, 2019, and April 14, 2020 respectively for details.)

(3) After 1GW mono ingot project in Ningxia LONGi, the money of which used was from the share private placement in 2014, was completed in February 2018, a fund surplus of 69,785,200 yuan and a cumulative net interest revenue surplus of 11,100,800 yuan were formed in the fund-raising account. In view of the fact that the targeted projects of net proceeds by share private placement in 2014- have been completed and closed, and the above surplus funds were lower than 5% of the net proceeds raised by share private placement in 2014, the Company has permanently supplemented the above surplus funds to working capital as of the end of the reporting period in accordance with the Management Measures for Fund-raising of Listed Companies of Shanghai Stock Exchange (Revision in 2013) and other relevant regulations.

## **XVII. Active undertaking of social responsibility**

### **(I) Poverty alleviation of the Company**

Applicable  Non-applicable

#### **1. Precise poverty alleviation planning**

Applicable  Non-applicable

Actively responding to the national proposal for poverty alleviation, taking the promotion of "sustainable development" as the concept of poverty alleviation, adhering to both "donation type" and "development type" poverty alleviation, the Company gave full play to its own industrial advantages, and established a targeted poverty alleviation model focusing on poverty alleviation by solar power projects and with various measures including poverty alleviation through education, consumption and community sustainable development as supplement, so as to help people in poor areas get rid of poverty and achieve prosperity.

#### **2. Annual summary of precise poverty alleviation**

Applicable  Non-applicable

The year of 2019 was a key stage in the overall poverty alleviation in China. The Company focused on poverty alleviation by solar power projects, education, consumption, etc., and strengthened the precise poverty alleviation efforts in the following aspects: (1) It actively participated in the local construction of

solar power projects for poverty alleviation, and provided high-quality and high-efficiency products to guarantee the long-term stable income of the power projects for poverty alleviation; (2) Lijiang LONGi invested 100,000 yuan in the poverty villages of Huaping County to assist the construction of an 18.3 KW solar power project, the income of which would help the registered 93 households in the village to get rid of poverty and increase income. (3) It strengthened poverty alleviation through education and donated a total of 308,000 yuan for education in Hanzhong in Shaanxi, Zhanjiang in Guangdong, Chuxiong, Huaping and Baoshan in Yunnan to improve local school conditions and increase students' practical ability; (4) The Company continued to promote community sustainable development projects in Tongxin County, Ningxia. In 2019, it invested 125,000 yuan in the construction of economic forests, and helped the cooperatives in product sales; (5) For the purpose of improving the infrastructure and living environment of poor villages, the subsidiary Chuxiong LONGi invested 60,000 yuan in poor villages in Lufeng County, and Ningxia LONGi provided office equipment valued with 25,000 yuan and 20,000 yuan of poverty alleviation support funds to the poor villages in Zhongning County; (6) The Company adopted the mode of poverty alleviation through consumption to broaden sales channels of local agricultural products of Zhashui County, Shaanxi Province, and helped poor farmers increase income by means of purchase instead of donation.

### 3. Achievements of precise poverty alleviation

√ Applicable □ Non-applicable

Unit: Ten thousand yuan Currency: RMB

Indicators	Quantity and implementation
I. Overall situation	
Wherein: 1. Funds	65.8
II. Sub-project investment	
1. Industrial development to eliminate poverty	
Wherein: 1.1 Types of industrial poverty alleviation projects	<input type="checkbox"/> Poverty alleviation by agriculture and forestry industry <input type="checkbox"/> Poverty alleviation by tourism <input type="checkbox"/> Poverty alleviation by E-commerce <input checked="" type="checkbox"/> Poverty alleviation by assets income <input type="checkbox"/> Poverty alleviation by science and technology <input type="checkbox"/> Others
1.2 Number of poverty alleviation projects in industry	1
1.3 Investment amount of industrial poverty alleviation projects	10
4. Educational poverty alleviation	
4.3 Investment amount for improving educational resources in poverty-stricken areas	30.8
9. Other projects	
Wherein: 9.1 Project number	4
9.2 Amount of investment	25
III. Awards (content, level)	
During the reporting period, the Company won the "Golden Intelligence Award - Public Welfare - Innovation Award of China's Listed Companies in 2019" held by the website of Finance Online, and -Clean Energy won the "Excellent Photovoltaic Poverty Alleviation Project Award of Hainan Province" issued by Hainan Renewable Energy Association.	

### 4. Future precise poverty alleviation plans

√ Applicable □ Non-applicable

The Company will continue to actively undertake corporate social responsibility, continue to deepen and innovate the content of poverty alleviation projects. On one hand, it will participate in the investment and

construction of solar projects for poverty alleviation with high-quality and high-efficiency mono products and services, and on the other hand, it will explore innovative poverty alleviation modes in-depth such as poverty alleviation through consumption and workshops, and rely on the production bases in various places to actively respond to government initiatives and carry out other poverty alleviation projects.

## (II) Social responsibility work

√ Applicable □ Non-applicable

See Annual Social Responsibility Report in 2019 disclosed on the same day by the Company for more details.

## (III) Environment information

### 1. Environmental protection explanation of companies in the list of key pollutant discharging enterprises issued by the environmental protection department, and their important subsidiaries

√ Applicable □ Non-applicable

#### (1) Pollutant discharging information

√ Applicable □ Non-applicable

During the reporting period, the parent company was an national key monitored enterprise for waste water disposal, and the wholly-owned subsidiary of Ningxia LONGi was the key monitored enterprise by Ningxia Hui Autonomous Region and Zhongning County for hazardous wastes disposal. The relevant companies' pollutant discharging information is as follows:

Key pollutant discharging enterprises	Key pollutants discharged	Ways of discharge	Number and distribution of discharge outlets	Discharge concentration	Pollutant discharge standard	Total discharge volumes (ton)	Verified discharge volume (ton)
Parent company - national key monitored enterprise (waste water)	COD, amino-nitrogen, PH, SS and petroleum type	Continuous discharge	2 in total, 1 in northern part and 1 in southern part	COD: 133mg/L Amino-nitrogen: 1.8 mg/L PH: 7.5 COD: 14mg/L Petroleum type: 0.42mg/L	Level III standard of Integrated Wastewater Discharge Standard (GB8978-1996) and Level B standard of Waste Water Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015), that is, COD≤500 mg/L, amino-nitrogen≤45 mg/L, 6≤PH≤9, SS≤400 mg/L, petroleum type≤15 mg/L	COD: 116.8 Amino-nitrogen: 1.57 ss: 12.5 Petroleum type: 0.37	COD≤163.58 Amino-nitrogen≤1.7 ss≤196.1 Petroleum type≤4.5
Ningxia LONGi - key monitored enterprise by the Ecological and Environmental Protection Bureau of	Waste oil residue	Entrusting qualified institutions for centralized disposal	/	/	Standard for Pollution Control on Hazardous Waste Storage (GB18957-2001)	Waste oil residue: 42.761	Waste oil residue: 58

Ningxia Hui Autonomous Region and Zhongning County (hazardous wastes)							
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Note: According to the list of key pollutant discharging enterprises of Ningxia Hui Autonomous Region in 2019, Yinchuan LONGi has no longer been listed as a key pollutant discharging enterprise in 2019.

## (2) Construction and operation of pollution prevention facilities

Applicable  Non-applicable

During the reporting period, the pollution prevention facilities of key pollutant discharging enterprises operated normally, and the pollutants were discharged up to the standard after treatment as follows:

The existing physical and chemical waste water treatment system in the northern part of the parent company had a design capacity of 3800 tons per day, and the current treatment capacity was 1500 tons per day. The daily treatment capacity of the existing physical and chemical waste water treatment system in the southern part was about 800 tons, which ensured the discharge of waste water up to the standard.

There is a hazardous waste warehouse, a silicon mud storage pool, a waste quartz storage pool and a waste graphite storage pool in Ningxia LONGi, all of which operated normally, and was able to meet the need of hazardous waste treatment.

## (3) Environmental impact assessment (EIA) of construction projects and other administrative licenses for environmental protection

Applicable  Non-applicable

EIA and other administrative permits for environmental protection of the construction projects of key pollutant discharging enterprises are as follows:

Parent company: ① EIA on the technology transformation project of diamond wire cutting process was completed on August 19, 2016, and environmental protection acceptance was finished on April 12, 2017, and the project obtained the EIA approval from the National Civil Space Industry Base Branch of Xi'an Environmental Protection Bureau with approval No. of XHTHPF (2016) No. 33 and (2017) No. 09 respectively; ② EIA on an expanded 1.15GW mono wafer project was completed on August 19, 2016, and environmental protection acceptance was finished on September 9, 2017 with approval No. of XHTHPF (2016) No. 34 and (2017) No. 15 respectively; ③ The discharge of various pollutants including waste water, exhaust gas, noise and solid waste (including hazardous waste) of the Company has been approved by Xi'an Environmental Protection Bureau with the discharge permit code of 9916101167101813521001W.

Ningxia LONGi: ① EIAs on the 1000 t/a monocrystal project, 1800 t/a monocrystal project, machining and cleaning project in Ningxia LONGi were completed on January 4, 2007, February 23, 2010 and November 4, 2010 respectively, and projects obtained EIA approvals from local environmental protection administrative department with the approval documents of Zhongning JHF [2007] No. 2, NHB [2010] No. 11 and Zhongning HF [2010] No.105. The three projects passed the environmental protection completion acceptance on December 28, 2007, January 22, 2013 and June 21, 2011 respectively, and obtained the completion acceptance approval from competent administrative departments of environmental protection with the

acceptance documents of Zhongning JHY [2007] No. 08, NHY [2013] No. 6 and HY [2011] No. 003. ② Acceptance for the 1000 MW mono silicon project, which was a new construction project in Ningxia LONGi, was organized in December 2017 (acceptance document No.: NLHYJZ [2017] No. 444). The project was announced on the website of Zhongning County People's Government on January 23, 2018. On December 20, 2018, Zhongning Environmental Protection Bureau approved the project record with record No. of 640521 2018010. ③ Ningxia LONGi have been applying to the Environmental Protection Bureau for permission of waste water and exhaust gas discharge every year, and obtained the discharge permit in February 2018, with the No. of NHPZ (Zhongning) [2018] No. 03 and the expiry date of February 2021.

**(4) Emergency plan for environmental accidents**

Applicable  Non-applicable

All emergency plans for environmental accidents of key pollutant discharging enterprises have been recorded in local environmental protection department as follows:

The parent company's emergency plan for environmental accidents (2019 version) has been put on record in the Space Branch of Xi'an Environmental Protection Bureau, with the filing No. of 610164-2019-006-L;

Ningxia LONGi emergency plan for environmental accidents (2019 revised edition) has been put on record in Zhongning County Environmental Protection Bureau with the filing No. of 640521201926-L.

**(5) Environmental self-monitoring plan**

Applicable  Non-applicable

According to the actual production situation, all key pollutant discharging enterprises have formulated their environmental self-monitoring plans as follows:

Wastewater monitoring of the parent company: ① Real-time online monitoring of waste water, uploading monitoring data every 2 hours; monthly out-of-commission testing of petroleum and SS pollutants; ② Internal self-testing at the general discharge port 3 times a day, comparing with online data for up-to standard discharge.

Ningxia LONGi hazardous waste monitoring: monthly internal supervision and inspection of the five lists of hazardous waste disposal and compliance disposal.

**(6) Other environmental information that should be made public**

Applicable  Non-applicable

**2. Explanation of environmental protection of companies other than key pollutant discharging enterprises**

Applicable  Non-applicable

The subsidiaries of the Company other than the key pollutant discharging enterprises have strictly followed the relevant national laws and regulations of environmental protection to establish environment management systems and environmental control standards that fit the characteristics of production and operation of the Company.

During the reporting period, the subsidiaries of the Company other than the key pollutant discharging enterprises continuously perfected the environment monitoring system, environmental protection supervision and inspection mechanism and emergency plan for environmental accidents, executed the environment

impact evaluation system and the "three simultaneousness" to all construction projects, and undertook the responsibility for environmental protection; strictly investigated and treated the hidden risks of environmental accidents and guaranteed the stable operation of environmental protection system of the Company; carried out the entire control to the generation, treatment and discharge of pollutants, and ensured the up-to-standard discharge. In addition, the Company actively pushed the technology innovation and improvement, continuously improved the technical level and the comprehensive utilization of waste, cut down the energy and resource consumption, and reduced the generation of pollutants.

**3. Explanation of the reasons why companies other than key pollutant discharging enterprises fail to disclose environmental information**

Applicable  Non-applicable

**4. Explanation of the follow-up progress or changes in the disclosed environmental information during the reporting period**

Applicable  Non-applicable

**(IV) Other explanations**

Applicable  Non-applicable

**XVIII. Convertible corporate bonds**

Applicable  Non-applicable

**(I) Issuing of convertible bonds**

Applicable  Non-applicable

Approved by the China Securities Regulatory Commission (CSRC License [2017] No. 1594), the Company issued 28 million convertible bonds on November 2, 2017 (Bond abbreviation: LONGi Convertible Bonds, Bond code: 113015). The issuance price is 100 yuan each, and the total amount of fund raised is 2,800 million yuan. The actual net proceeds is 2,761.26 million yuan.

This issuance of convertible bonds has been listed in SSE on November 20, 2017. The date of survival is from November 2, 2017 to November 1, 2023, and the date of share conversion is from May 8, 2018 to November 1, 2023. (Please see the Provisional Announcement No. 2017-111 and No. 2017-122 disclosed by the Company on October 31, 2017 and November 16, 2017 respectively for details)

**(II) Situation of the holders and guarantors of convertible bonds in the reporting period**

Applicable  Non-applicable

**(III) Changes in convertible bonds in the reporting period**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Name of convertible corporate bond	Before this change	Increase or decrease in this change			After this change
		Conversion of shares	Redemption	Resale	
LONGi Convertible Bonds	2,797,685,000	2,778,258,000	19,427,000	0	0

Accumulated conversion of bonds to shares in the reporting period

√ Applicable □ Non-applicable

Shares converted in the reporting period (yuan)	2,778,258,000
Number of shares converted during the reporting period (shares)	148,883,089
Accumulated number of shares converted (shares)	148,957,511
Proportion of the cumulative number of shares converted to the total number of shares issued by the Company before the conversion (%)	7.47
Unconverted shares (yuan)	0
Proportion of non-convertible bonds to total convertible bond issuance (%)	0

**(IV) Price adjustment of converted shares**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Date of price adjustment of converted shares	Converted share price after adjustment	Date of disclosure	Media for disclosure	Explanation on price adjustment of converted shares
May 29, 2018	22.98	May 22, 2018	China Securities Journal Shanghai Securities News Securities Times Securities Daily	In view of the Company's implementation of the equity allocation plan for 2017, the conversion price of LONGi Convertible Bonds was adjusted from 32.35 yuan per share to 22.98 yuan per share.
April 18, 2019	18.76	April 17, 2019	China Securities Journal Shanghai Securities News Securities Times Securities Daily	In view of the Company's implementation of rights issue in 2019, the conversion price of LONGi Convertible Bonds was adjusted from 22.98 yuan per share to 18.76 yuan per share.
June 10, 2019	18.66	May 31, 2019	China Securities Journal Shanghai Securities News Securities Times Securities Daily	In view of the Company's implementation of the equity allocation plan for 2018, the conversion price of LONGi Convertible Bonds was adjusted from 18.76 yuan per share to 18.66 yuan per share.
The latest conversion price as of the		N/A		

end of this reporting period	
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**(V) The Company's liabilities, changes in creditworthiness and cash arrangements for repayment of debts in future years**

Applicable  Non-applicable

LONGi Convertible Bonds (Bond code: 113015) and LONGi Convertible Shares (Bond code: 191015) were delisted in Shanghai Stock Exchange on September 4, 2019, and will not involve in the arrangement for repayment of debts in future years (See the Announcement No. 2019-132 disclosed by the Company on September 5, 2019).

**(VI) Explanation on other situations of convertible bonds**

Applicable  Non-applicable

1. Within 30 consecutive trading days from July 9 to August 19, 2019, the closing price of the Company stock was not less than 130% of the current conversion price of LONGi Convertible Bonds (24.26 yuan per share) in 20 trading days, which triggered the redemption clause of LONGi Convertible Bonds. According to the Proposal on the Early Redemption of LONGi Convertible Bonds deliberated and passed on the Eleventh Meeting of the Fourth Session of the Board of Directors in 2019, the Company performed the early redemption right of LONGi Convertible Bonds, and redeemed all LONGi Convertible Bonds registered on the redemption record date (September 3, 2019). Based on the data provided by Shanghai Branch, China Securities Depository and Clearing Corporation Limited, the Company redeemed 194,270 convertible bonds, the total redemption payment was 19,508,593.40 yuan, and the redemption payment has been made on September 4, 2019. After the completion of redemption, LONGi Convertible Bonds (Bond code: 113015) and LONGi Convertible Shares (Bond code: 191015) were delisted in Shanghai Stock Exchange on September 4, 2019. (Please see the Provisional Announcement No. 2019-114, No. 2019-116 and No. 2019-132 disclosed by the Company on August 20, 2019, August 23, 2019, and September 5, 2019 respectively for details.)

2. The Company convened the Fifteenth Meeting of the Fourth Session of the Board of Directors on October 23, 2019 and the Fourth Extraordinary General Meeting on November 11, 2019 to deliberate and pass the proposals related to the convertible bonds of the Company, such as the Proposal on the Company Conforming to the Conditions of Issuing Convertible Corporate Bonds, Proposal on the Issuance Plan of the Convertible Corporate Bonds, and Proposal on the Plan of Company's Issuance of Convertible Corporate Bonds. The Company intends to issue the convertible corporate bonds with a total amount not greater than 5 billion yuan (including), and the raised fund will be invested for the 15GW mono ingot and 15GW mono wafer project in Yinchuan and the 5GW mono cell project in the district of Jingwei New City, Xi'an (For detailed information, please see the relevant announcements disclosed by the Company on October 24, 2019). The issuance plan shall be implemented after approved by CSRC, and the approved plan shall prevail.



## Section VI Changes in Common Shares and Shareholders

### I. Changes in common shares

#### (I) Table of changes in common shares

##### 1. Table of changes in common shares

Unit: Share

	Before change		Increase or decrease (+, -)					After change	
	Number	Proportion (%)	New shares issued	Bonus share issued	Transfer of shares by reserved funds	Others	Subtotal	Number	Proportion (%)
I. Shares subject to lock-up	9,058,287	0.32	0	0	0	-4,591,307	-4,591,307	4,466,980	0.12
1. State-owned shareholdings	0	0	0	0	0	0	0	0	0
2. Shareholdings of state-owned legal person	0	0	0	0	0	0	0	0	0
3. Shareholdings of other domestic enterprises	9,058,287	0.32	0	0	0	-4,591,307	-4,591,307	4,466,980	0.12
Including: Shareholdings of domestic non-state-owned legal person	0	0	0	0	0	0	0	0	0
Shareholdings of domestic natural personnel	9,058,287	0.32	0	0	0	-4,591,307	-4,591,307	4,466,980	0.12
4. Foreign shareholdings	0	0	0	0	0	0	0	0	0
Including: Shareholdings of foreign legal person	0	0	0	0	0	0	0	0	0
Shareholdings of foreign natural person	0	0	0	0	0	0	0	0	0
II. Circulating shares not subject to lock-up	2,781,730,076	99.68	0	0	0	985,819,701	985,819,701	3,767,549,777	99.88
1. RMB common shares	2,781,730,076	99.68	0	0	0	985,819,701	985,819,701	3,767,549,777	99.88
2. Domestically-listed foreign shares	0	0	0	0	0	0	0	0	0
3. Overseas-listed foreign	0	0	0	0	0	0	0	0	0

shares									
4. Others	0	0	0	0	0	0	0	0	0
III. Total common shares	2,790,788,363	100	0	0	0	981,228,394	981,228,394	3,772,016,757	100

## 2. Description of changes in common shares

Applicable  Non-applicable

(1) Approved by the China Securities Regulatory Commission, (CSRC License [2019] No. 202), the Company took the total share capital of 2,790,803,535 shares after the SSE closed on April 8, 2019 as the base to implement rights issue to all shareholders with 3 shares for every 10 shares. The effective subscription quantity of the rights issue was 833,419,462 shares, and the new shares for the rights issue were listed and circulated on April 29, 2019 (please see the Provisional Announcement No. 2019-054 and No. 2019-056 disclosed by the Company on April 17 and 24, 2019 respectively).

(2) Since May 8, 2018, the Company's convertible bonds began to convert to shares. During the reporting period, the cumulative number of shares converted was 148,883,089 shares (please see the Provisional Announcement No. 2019-040, No. 2019-095 and No. 2019-132 disclosed by the Company on April 2, July 2 and September 5, 2019 respectively).

(3) On July 19 and November 15, 2019, the Company completed a partial repurchase and cancellation of 576,254 and 497,903 restricted shares held by the incentive objects granted respectively (please see the Provisional Announcement No. 2019-100 and No. 2019-162 disclosed by the Company on July 17 and November 13, 2019 respectively).

(4) On November 29, 2019, the Company completed the unlocking and listing of the third phase shares in the second phase of restricted share incentive plan, and the restricted shares unlocked and listed for circulation amounted to 3,517,150 shares (please see the Provisional Announcement No. 2019-169 disclosed by the Company).

## 3. Impact of changes in common stocks on financial indicators such as earnings per share and net assets per share for the most recent year and the most recent period (if any)

Applicable  Non-applicable

During the reporting period, due to the implementation of the Company's rights issue, share conversion of convertible bonds, and incentive repurchase of equity, the Company's total share capital increased from 2,790,788,363 shares to 3,772,016,757 shares, which led to the Company's earnings per share realizing 1.47 yuan and increasing 96% compared with the same period of the previous year, and as of the end of 2019, the net asset per share was 7.32 yuan and increased 24.28% compared with the same period of the previous year.

## 4. Any other content that the Company deems necessary or should be disclosed under the requirements of securities regulatory institutions

Applicable  Non-applicable

### (II) Changes in restricted shares

Applicable  Non-applicable

Unit: Share

Name of shareholders	Number of restricted shares at the beginning of the year	Number of restricted shares relieved in this year	Number of restricted shares increased in this year	Number of restricted shares reduced in this year	Number of restricted shares at the end of the year	Reasons for restriction	Date of release of restricted shares
Incentive objects firstly granted in the first phase of restricted share incentive plan	57,960	0	0	57,960	0	Locked shares of restricted share incentive plan	/
Incentive objects granted with reserved shares in the first phase of restricted share incentive plan	84,000	0	0	84,000	0	Locked shares of restricted share incentive plan	/
Incentive objects granted in the second phase of restricted share incentive plan	8,916,327	3,517,150	0	932,197	4,466,980	Locked shares of restricted share incentive plan	November 9, 2020 to November 5, 2021 (note)
Total	9,058,287	3,517,150	0	1,074,157	4,466,980	/	/

(1) On July 19 and November 15, 2019, the Company completed a partial repurchase and cancellation of 576,254 and 497,903 restricted shares held by the incentive objects granted respectively, which led to an accumulative reduction of 1,074,157 restricted shares during the reporting period (please see the Provisional Announcement No. 2019-100 and No. 2019-162 disclosed by the Company on July 17 and November 13, 2019 respectively).

(2) On November 29, 2019, the Company completed the unlocking and listing of the third batch shares in the second phase of restricted share incentive plan, and the restricted shares unlocked and listed for circulation amounted to 3,517,150 shares, which led to an accumulative reduction of 3,517,150 restricted shares during the reporting period (please see the Provisional Announcement No. 2019-169 disclosed by the Company on November 23, 2019).

(3) The fourth locking term of the Company's second phase of restricted share incentive plan will be expired - on November 6, 2020, and the actual unlocking date of the restricted shares that meet the unlocking conditions will be subject to the relevant unlocking and listing announcements disclosed by the Company at that time.

## II. Securities issuing and listing

### (I) Securities issuing as of the reporting period

Applicable  Non-applicable

Unit: Share; Currency: RMB

Category of shares and the derivative securities	Issuing date	Issuing price (or rate)	Issuing number	Listing date	Number of approved listing	Transaction end date
Common shares						
Rights issue	April 9 to 15, 2019	4.65 yuan/share	833,419,462	April 29, 2019	833,419,462	/

Explanation of the issuing of securities as of the reporting period (for deposits with different interest rates)

during the duration of the period, please specify separately):

Applicable  Non-applicable

Approved by the China Securities Regulatory Commission, (CSRC License [2019] No. 202), the Company took the total share capital of 2,790,803,535 shares after the SSE closed on April 8, 2019 as the base to implement rights issue to all shareholders with 3 shares for every 10 shares. The effective subscription quantity of the rights issue was 833,419,462 shares, and the new shares for the rights issue were listed and circulated on April 29, 2019 (please see the Provisional Announcement No. 2019-054 and No. 2019-056 disclosed by the Company on April 17 and 24, 2019 respectively).

## (II) Changes in the total number of common shares, shareholder structure and Company's assets and liabilities structure

Applicable  Non-applicable

During the reporting period, due to the implementation of rights issue, share conversion of convertible bonds, and share repurchase and unlocking of equity incentives, the total number of shares and shareholder structure of the Company as well as the Company's assets and liabilities changed, and please see the "Changes in common shares" in this section and II (III) "Analysis of assets and liabilities" in "Section VI Discussion and Analysis of Business Operation for more details", respectively.

## (III) Existing internal staff shares

Applicable  Non-applicable

## III. Information of shareholders and actual controller

### (I) Total shareholders

Total number of common shareholders at the end of the reporting period	94,438
Total number of common shareholders at the end of previous month prior to the disclosure of the Annual Report	117,518

Note: The total number of shareholders mentioned above is the data of consolidated ordinary account and the securities margin credit account. The data of the unconsolidated ordinary account and the securities margin credit account are 88,264 ordinary shareholders at the end of the reporting period. At the end of the previous month, the number of common shareholders was 109,815.

### (II) Table for shareholding of top ten shareholders and top ten circulating shareholders (or shareholders without restricted conditions) at the end of the reporting period

Unit: Share

Shareholdings of top ten shareholders							
Name of shareholders (Full name)	Increase or decrease during the reporting period	Number of shares held at the end of the period	Proportion (%)	Number of shares with restricted sales conditions	Conditions of pledge or freeze		Nature of shareholder
					Share status	Number	
Li Zhenguo	125,653,631	544,499,068	14.44	0	Pledge	181,996,000	Domestic natural person

Li Chun'an	91,853,815	398,033,199	10.55	0	Pledge	128,180,000	Domestic natural person
Li Xiyan	44,807,951	194,167,786	5.15	0	Pledge	36,000,000	Domestic natural person
Western Trust Co., Ltd. - Western Trust, Shaanxi Coal and Chemical Industry - Single Money Trust of Rosefinch Industry Investment	41,827,818	181,253,878	4.81	0	None		State-owned legal person
Shaanxi Coal Industry Company Limited	63,045,158	146,385,162	3.88	0	None		State-owned legal person
Hong Kong Central Clearing Co., Ltd.	59,667,798	143,487,014	3.80	0	None		Foreign legal person
Chen Fashu	79,827,845	129,680,601	3.44	0	None		Domestic natural person
China Merchants Bank Co., Ltd. - Aegon HeYi Flexible Allocation of Hybrid Securities Investment Fund	-25,972,977	92,348,731	2.45	0	None		Unknown
Zhong Baoshen	14,811,427	64,182,850	1.70	0	None		Domestic natural person
Central Huijin Asset Management Co., Ltd.	5	57,329,865	1.52	0	None		State-owned legal person
Shareholding of top ten shareholders without restricted sales conditions							
Name of shareholders	Number of circulation shares held without restricted sales conditions	Shares category and number					
		Category	Number				
Li Zhenguo	544,499,068	RMB common shares	544,499,068				
Li Chun'an	398,033,199	RMB common shares	398,033,199				
Li Xiyan	194,167,786	RMB common shares	194,167,786				
Western Trust Co., Ltd. - Western Trust, Shaanxi Coal and Chemical Industry - Single Money Trust of Rosefinch Industry Investment	181,253,878	RMB common shares	181,253,878				
Shaanxi Coal Industry Company Limited	146,385,162	RMB common shares	146,385,162				
Hong Kong	143,487,014	RMB common shares	143,487,014				

Central Clearing Co., Ltd.			
Chen Fashu	129,680,601	RMB common shares	129,680,601
China Merchants Bank Co., Ltd. - Aegon HeYi Flexible Allocation of Hybrid Securities Investment Fund	92,348,731	RMB common shares	92,348,731
Zhong Baoshen	64,182,850	RMB common shares	64,182,850
Central Huijin Asset Management Co., Ltd.	57,329,865	RMB common shares	57,329,865
Description of aforementioned shareholders' relationship or concerted action	Mr. Li Zhenguo, Ms. Li Xiyan and Mr. Li Chun'an were acting in concert. The principal and beneficiary of Western Trust Co., Ltd. - Western Trust, Shaanxi Coal and Chemical Industry - Single Money Trust of Rosefinch Industry Investment was Shaanxi Coal Industry Co., Ltd., and is in concerted action with Shaanxi Coal Industry Company Limited It was unknown about the associated relationship or concerted action among the other shareholders mentioned above in the Company.		

The number of shares held by the top ten shareholders with restrictions on sales and the restricted sales conditions

√ Applicable □ Non-applicable

Unit: Share

Serial No.	Shareholder with restricted sales conditions	Number of shares held with restricted sales conditions	Listed transactions of shares with restricted sales conditions		Restricted sales conditions
			Date allowed for listed transactions	Number of newly-added shares allowed for listed transactions	
1	Li Jia	42,000	November 9, 2020 to November 5, 2021	42,000	Locked in accordance with requirements of Second Phase of Restricted Share Incentive Plan of the Company
2	Zheng Xianlin	42,000	November 9, 2020 to November 5, 2021	42,000	Locked in accordance with requirements of Second Phase of Restricted Share Incentive Plan of the Company
3	Zheng Zhi	42,000	November 9, 2020 to November 5, 2021	42,000	Locked in accordance with requirements of Second Phase of Restricted Share Incentive Plan of the Company
4	Chen Runqing	42,000	November 9, 2020 to November 5, 2021	42,000	Locked in accordance with requirements of Second Phase of Restricted Share Incentive Plan of the Company
5	Li Hua	42,000	November 9, 2020 to November 5, 2021	42,000	Locked in accordance with requirements of Second Phase of Restricted Share

					Incentive Plan of the Company
6	Shi Chen	42,000	November 9, 2020 to November 5, 2021	42,000	Locked in accordance with requirements of Second Phase of Restricted Share Incentive Plan of the Company
7	Shang Yaohua	42,000	November 9, 2020 to November 5, 2021	42,000	Locked in accordance with requirements of Second Phase of Restricted Share Incentive Plan of the Company
8	Chen Xi	42,000	November 9, 2020 to November 5, 2021	42,000	Locked in accordance with requirements of Second Phase of Restricted Share Incentive Plan of the Company
9	Fu Shijin	42,000	November 9, 2020 to November 5, 2021	42,000	Locked in accordance with requirements of Second Phase of Restricted Share Incentive Plan of the Company
10	Zhou Yicheng	42,000	November 9, 2020 to November 5, 2021	42,000	Locked in accordance with requirements of Second Phase of Restricted Share Incentive Plan of the Company
Description of aforementioned shareholders' relationship or concerted action		The above-mentioned shareholders are the incentive objects granted by the Company's second phase of restricted share incentive plan. It was unknown about the associated relationship or concerted action among the above-mentioned shareholders of the Company.			

Note: The restricted shares in the second phase of the Company's restricted share incentive plan will be unlocked on November 6, 2020. The premise of the listed transaction of the above mentioned restricted shares is that the incentive objects meet the unlocking conditions of the Second Phase of Restricted Share Incentive Plan. The actual listed transaction date shall be subject to the relevant unlocking and listing announcements disclosed by the Company at that time.

### (III) Strategic investors or general legal persons becoming top ten shareholders due to rights issue

Applicable  Non-applicable

### IV. Controlling shareholders and actual controller

#### (I) Controlling shareholders

##### 1. Legal person

Applicable  Non-applicable

##### 2. Natural person

Applicable  Non-applicable

Name	Li Zhenguo, Li Xiyan
Nationality	China
Whether residence in other countries or regions is obtained	No

Major occupation and title	Mr. Li Zhenguo is currently a director and general manager of the company. Li Xiyuan currently has no position.
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### 3. Special explanation for the absence of controlling shareholders in the Company

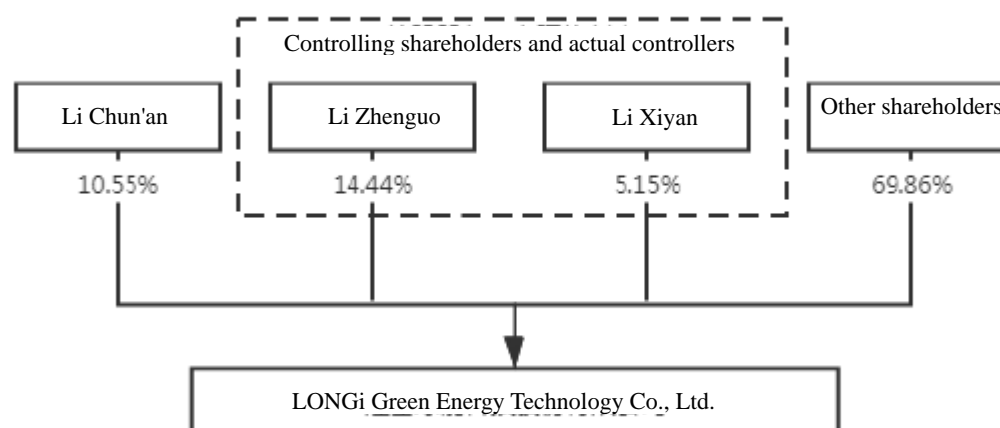
Applicable  Non-applicable

### 4. Index and date of changes of controlling shareholders during the reporting period

Applicable  Non-applicable

### 5. Block diagram of property rights and control relationships between the Company and its controlling shareholders

Applicable  Non-applicable



## (II) Actual controllers

### 1. Legal person

Applicable  Non-applicable

### 2. Natural person

Applicable  Non-applicable

Name	Li Zhenguo, Li Xiyuan
Nationality	China
Whether residence in other countries or regions is obtained	No
Major occupation and title	Mr. Li Zhenguo is currently a director and general manager of the company. Li Xiyuan currently has no position.
Information about the listed company held at home and abroad in past ten years	Li Zhenguo and Li Xiyuan did not hold listed companies at home and abroad in the past ten years.

### 3. Special explanation for the absence of controlling shareholders in the Company

Applicable  Non-applicable

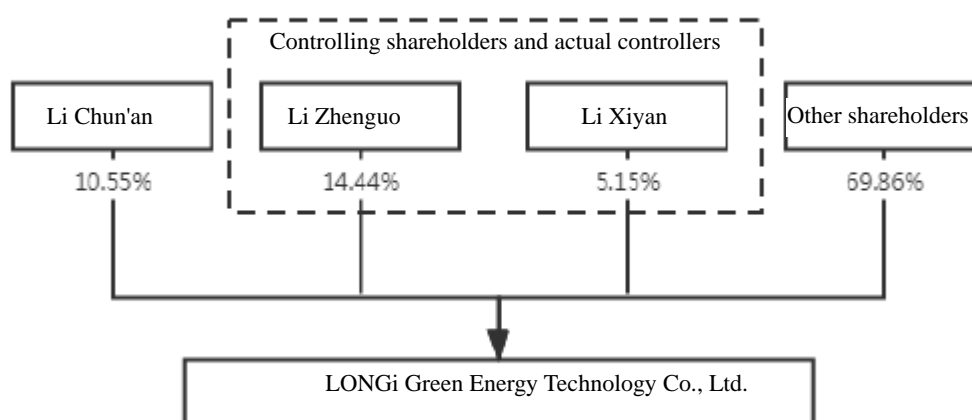
### 4. Index and date of changes of actual controller during the reporting period

Applicable  Non-applicable



**5. Block diagram of property rights and control relationships between the Company and its actual controller**

Applicable  Non-applicable



**6. The company controlled by actual controllers through trust or other asset management methods**

Applicable  Non-applicable

**(III) Other information of the controlling shareholders and actual controllers**

Applicable  Non-applicable

Li Zhenguo and Li Xiyan are husband and wife. They are the controlling shareholders and actual controllers of the Company. Li Chun'an acknowledged in written to maintain concerted action with Li Zhenguo and Li Xiyan on July 27, 2011.

**V. Other legal-person shareholders holding more than 10% of shares**

Applicable  Non-applicable

**VI. Explanation of the restrictions on shareholding reduction**

Applicable  Non-applicable

## **Section VII Preferred Stock**

Applicable  Non-applicable

## Section VIII Directors, Supervisors, Senior Managers and Employees

### I. Changes in shareholdings and remuneration

#### (I) Changes in shareholdings and remuneration of current and ex-serving directors, supervisors and senior managers during the reporting period

√ Applicable □ Non-applicable

Unit: Share

Name	Title (note)	Gender	Age	Start date of term	Expiry date of term	Number of shareholdings at the beginning of the year	Number of shareholdings at the end of the year	Annual increase or decrease in shareholdings	Reasons for increase and decrease	Total pre-tax remuneration received from the Company during the reporting period (Ten thousand yuan)	Whether receiving remuneration from related parties of the Company
Zhong Baoshen	Chairman	Male	53	July 2, 2018	July 1, 2021	49,371,423	64,182,850	14,811,427	Rights issue	221.72	No
Li Zhenguo	Director, general manager	Male	52	July 2, 2018	July 1, 2021	418,845,437	544,499,068	125,653,631	Rights issue	210.94	No
Liu Xuewen	Director, head of Financial Center	Female	53	July 2, 2018	July 1, 2021	854,867	1,111,327	256,460	Rights issue	199.63	No
Xu Dapeng	Director, president of Wafer Business Unit	Male	46	July 2, 2018	July 1, 2021	1,480,500	1,924,650	444,150	Rights issue	180.66	No
Zhang Rumin	Director	Female	56	July 2, 2018	July 1, 2021	0	0	0	N/A	0	Yes
Bai	Director,	Male	33	November 11, 2019	July 1, 2021	100,400	80,000	-20,400	Rights	142.34	No

Zhongxue	vice president of Wafer Business Unit								issue and transaction of secondary market		
Tian Gaoliang	Independent director	Male	56	July 2, 2018	July 1, 2021	0	0	0	N/A	12.00	No
Li Shoushuang	Independent director	Male	42	July 2, 2018	July 1, 2021	0	0	0	N/A	12.00	No
Guo Ju'e	Independent director	Female	59	July 2, 2018	July 1, 2021	0	0	0	N/A	12.00	No
Qi Chengjun	Chairman of Board of Supervisors	Male	50	July 2, 2018	July 1, 2021	0	0	0	N/A	77.40	No
He Jing	Supervisor	Female	40	June 28, 2018	July 1, 2021	0	0	0	N/A	32.87	No
Li Xiangju	Supervisor	Female	58	July 2, 2018	July 1, 2021	0	0	0	N/A	10.00	No
Liu Xiaodong	Secretary of the Board of Directors	Male	48	July 2, 2018	July 1, 2021	210,000	273,000	63,000	Rights issue	169.30	No
Zou Zonghai (ex-serving officer)	Director	Male	44	July 2, 2018	May 24, 2019	630,000	819,000	189,000	Rights issue	46.72	No
Total	/	/	/	/	/	471,492,627	612,889,895	141,397,268	/	1,327.58	/

Name	Main working experience
Zhong Baoshen	Mr. Zhong served as a director and general manager of the Company. Currently he is the chairman of the Company, and chairman of China New Energy Chamber of Commerce, chairman of Ningxia LGG Instrument Co., Ltd., chairman and general manager of Shenyang Huizhi Investment Co., Ltd., director of Dalian Linton NC Machine Co., Ltd., and Shenyang LONGi Magnet Co., Ltd., chairman and general manager of Xi'an Powerstone Diamond Tools Co., Ltd., director of Audiowell Electronics (Guangdong) Co., Ltd., chairman of the Huizhou E-fly Optoelectronic Materials Co., Ltd., director of Xuchang Platinum Stone and Diamond Co., Ltd. Meanwhile, he holds other posts in the Company's subsidiaries.
Li Zhenguo	Mr. Li served as the chairman of the Company, and now serves as a director and general manager of the Company, while holding other posts in the Company's subsidiaries.

Liu Xuewen	Ms. Liu has been serving as a director of the Company and the head of Financial Center for the past five years.
Xu Dapeng	Ms. Xu served as the executive deputy general manager of Wuxi LONGi, and now serves as a director of the Company and the president of the Wafer Business Unit.
Zhang Rumin	Ms. Zhang served as the manager of Operational Management Department of Shaanxi Coal Industry Company Limited, and a supervisor of Shaanxi Beiyuan Chemical Industry Group Co., Ltd. Currently, she serves as a director of the Company and the secretary of the board of Shaanxi Coal Industry Company Limited.
Bai Zhongxue	Mr. Bai served as the manager of Ningxia LONGi Technical Process Department, executive deputy general manager of Ningxia LONGi, president assistant of Wafer Business Unit, general manager of Yinchuan LONGi, and now serves as a director of the Company and the vice president of Wafer Business Unit.
Tian Gaoliang	Mr. Tian served as an independent director of AVIC Aircraft Co., Ltd., Shaanxi Natural Gas Co., Ltd., AVIC-Zhonghang Electronic Measuring Instruments Co., Ltd. and Xi'an Catering Co., Ltd. Currently he serves as a professor and doctoral supervisor of the School of Management of Xi'an Jiaotong University, independent director of the Company, Jinduicheng Molybdenum Co., Ltd., CCOOP Group Co., Ltd., and Xi'an Focuslight Technologies Co., Ltd., director of Chang'an Fund Management Co., Ltd. and Western Trust Co., Ltd., and a supervisor of Chang'an Bank Co., Ltd.
Li Shoushuang	Mr. Li served as an independent director of Kunming Sinobright (Group) Co., Ltd. and Shijiazhuang Kelin Electric Co., Ltd., director of Jiangsu Qinghan Environment Protection Technology Co., Ltd., and supervisor of Quanlian Industrial Investment Fund Management Co., Ltd. Currently he serves as a senior partner of Beijing Dacheng Law Firm, an independent director of the Company, director of Jinshi Yifu (Beijing) Technology Co., Ltd., and independent director of the Yellow River Property & Casualty Insurance Co. Ltd.
Guo Ju'e	Ms. Guo has served as a professor at Xi'an Jiaotong University in the past five years, and now is an independent director of the Company.
Qi Chengjun	Mr. Qi served as the director of HR Department of the Company, and currently he is the chairman of the Company's Board of Supervisors.
He Jing	Ms. He served as the planning supervisor of the Company's Module Business Unit, purchasing supervisor of Supply Chain Management Center, and deputy manager for material control of LONGi New Energy Project Management Department. Currently she serves as the manager and employee supervisor of LONGi New Energy Project Production and Planning Department.
Li Xiangju	In the past five years, Ms. Li has been a professor and doctoral supervisor at the School of Economics and Finance of Xi'an Jiaotong University. She is currently a supervisor of the Company.
Liu Xiaodong	Mr. Liu served as the general manager of Xi'an Sales Department of Xiangcai Securities Co., Ltd. Currently he serves as the secretary of the Company's Board of Directors, and a director of Xi'an Xichi Electric Co., Ltd.
Zou Zonghai (ex-serving officer)	Mr. Zou served as the head of the Company's Supply Chain Management Center, director and senior vice president of Module Business Unit. Currently he is the president of Yingkou Jinchun Co., Ltd.

Explanation of other situations

√ Applicable □ Non-applicable

- (1) Mr. Bai Zhongxue began to serve as a director of the Company on November 11, 2019, and his change of shareholdings during the reporting period happened before he serves as the Company's director, which met the requirements of relevant laws and regulations.
- (2) The remuneration of the above directors, supervisors and senior managers includes the annual performance bonus of 2019 (issued in 2020).

**(II) Equity incentives granted to directors and senior managers during the reporting period**

□ Applicable √ Non-applicable

**II. Serving status of current and ex-serving directors, supervisors and senior managers during the reporting period**

**(I) Serving status in the shareholder's company**

√ Applicable □ Non-applicable

Name of serving	Name of shareholder's	Position held in the shareholder's	Start date of	Expiry date of term
Zhang Rumin	Shaanxi Coal Industry Company Limited	Secretary of the Board of Directors	March 28, 2011	N/A
Explanation of serving status	Shaanxi Coal Industry Company Limited is a major shareholder of the Company with over 5% shareholdings			

**(II) Serving status in other companies**

√ Applicable □ Non-applicable

Name of serving personnel	Name of other companies	Position held in other companies	Start date of term	Expiry date of term
Zhong Baoshen	China New Energy Chamber of Commerce (CNECC)	Chairman	December, 2017	N/A
Zhong Baoshen	Dalian Linton NC Machine Co., Ltd.	Director	September, 2010	N/A
Zhong Baoshen	Shenyang Huizhi Investment Co., Ltd.	Chairman and general manager	March, 2007	N/A
Zhong Baoshen	Shenyang LONGi Magnet Co., Ltd.	Director	March, 2005	N/A
Zhong Baoshen	Ningxia LGG Instrument Co., Ltd. (LONGi)	Chairman	June, 2009	N/A
Zhong Baoshen	Xi'an Manis Diamond Tools Co., Ltd.	Chairman and general manager	April, 2014	N/A
Zhong Baoshen	Audiowell Electronics (Guangdong) Co., Ltd.	Director	December, 2018	N/A
Zhong Baoshen	Huizhou E-fly Optoelectronic Materials Co., Ltd.	Chairman	November, 2018	N/A
Zhong Baoshen	Xuchang Platinum Stone and Diamond Co., Ltd.	Director	May, 2014	N/A
Tian Gaoliang	School of Management of Xi'an Jiaotong University	Professor and doctoral supervisor	Year 2000	N/A
Tian Gaoliang	Jinduicheng Molybdenum Co., Ltd.	Independent director	June, 2013	N/A
Tian Gaoliang	CCOOP Group Co., Ltd.	Independent director	July, 2017	N/A
Tian Gaoliang	Chang'an Fund Management Co., Ltd.	Director	February, 2018	N/A

Tian Gaoliang	Chang'an Bank Co., Ltd.	Supervisor	April, 2019	N/A
Tian Gaoliang	Western Trust Co., Ltd.	Director	November, 2019	N/A
Tian Gaoliang	Xi'an Focuslight Technologies Co., Ltd.	Independent director	February, 2019	N/A
Li Shoushuang	Beijing Dacheng Law Firm	Senior partner	Year 2005	N/A
Li Shoushuang	Jinshi Yifu (Beijing) Technology Co., Ltd.	Director	December, 2016	N/A
Li Shoushuang	Yellow River Property & Casualty Insurance Co. Ltd.	Independent director	January, 2018	N/A
Guo Ju'e	School of Management of Xi'an Jiaotong University	Professor	December, 1999	N/A
Li Xiangju	School of Economics and Finance of Xi'an Jiaotong University	Professor and doctoral supervisor	April, 2000	N/A
Liu Xiaodong	Xi'an Xichi Electric Co., Ltd.	Director	May, 2017	N/A

### III. Remuneration of directors, supervisors and senior managers

Applicable  Non-applicable

Decision-making procedures for the remuneration of directors, supervisors and senior managers	According to the Articles of Association, the remuneration of directors and supervisors of the Company is determined by the General Meeting of Shareholders; the remuneration of senior managers is determined by the Board of Directors.
Basis for determining the remuneration of directors, supervisors and senior managers	1. The remuneration of directors, supervisors and senior managers of the Company is determined according to the salary level of the industry and region where the Company is located, combined with the actual operation of the Company. 2. The actual remuneration of the non-independent directors, senior managers and non-external supervisors is determined after the performance appraisal and based on the actual operation of the Company; 3. The independent directors and external supervisors will receive allowances from the Company according to the allowance standards reviewed and approved by the Company's General Meeting of Shareholders, and the necessary and reasonable expenses incurred in the course of performing their duties are borne by the Company.
Actual payment of remuneration of directors, supervisors and senior managers	The annual remuneration of directors, supervisors and senior managers in 2019 was 13.2758 million yuan in total.
Total remuneration actually received by all directors, supervisors and senior managers at the end of the reporting period	13.2758 million yuan

### IV. Changes in the Company's directors, supervisors and senior managers

Applicable  Non-applicable

Name	Position	Changing status	Variable causes
Zou Zonghai	Director	Left the post	Reason for change
Bai Zhongxue	Director	Election	Election by General Meeting of Shareholders

### V. Explanation of the punishment by securities regulatory institutions in the past three years

Applicable  Non-applicable

**VI. Employees of the parent company and major subsidiaries****(I) Employees**

Number of active employees in the parent company	1,794
Number of active employees in major subsidiaries	31,079
Total number of active employees	32,873
Number of retired employees whose fees should be paid by the parent company and major subsidiaries	0
Professional composition	
Type of professional composition	Number of personnel in professional composition
Production personnel	24,416
Sales personnel	442
Technical personnel	4,021
Financial personnel	261
Administrative personnel	3,733
Total	32,873
Educational level	
Types of educational level	Number (person)
Doctor	29
Master	615
Undergraduate and junior college	12,914
Below junior college	19,315
Total	32,873

**(II) Remuneration policy**

√ Applicable  Non-applicable

The remuneration policy of the Company is based on the value of employee posts, takes the performance as orientation, and provides key incentive to core talents with excellent value creation and high potential. During the reporting period, the Company continued to adjust and optimize the remuneration system, promoted the matching degree between the remuneration of employees and post value, ensured the market competitiveness and incentive of the employees' remuneration level; on that basis, the company established an incentive method with gain sharing of core personnel to link the remuneration of core employees with the operation benefit of enterprise, and to motivate the working enthusiasm of core employees, so as to attract, reserve and stimulate talents for the Company with benefit orientation.

**(III) Training plan**

√ Applicable  Non-applicable

During the reporting period, the Company implemented the management strategy of "energizing, empowering and vitality stimulating", carried out the mode of cultivating talents elaborately, sorted the weaknesses in the ability of core management personnel through a series of management activities such as empowering leadership, established the targeted personal development plan and continuously followed the training result to effectively promote the ability and quality of management personnel. By building a study-oriented organization, the Company introduced advanced teaching modes and methods by combining the characteristics of the business team, set up "Online Lectures" to effectively share the internal and external advanced management theories in time and significantly improve the effectiveness of knowledge communication. By actively developing the cooperation between school and enterprise, the Company led the talent training to all counterpart schools with special courses and training, so as to further strengthen the reserve of talents for the Company.

In 2020, the Company will continue to improve the ability of all employees with multi-dimensional training programs. The Company will take the internationally outstanding enterprises as benchmarking, improve the ability of strategic forward-looking and business innovation of the senior managers, promote the reformation of business management to realize the high value output of management team on the strategic level. The Company will introduce systematic management training courses aimed at the middle-level managers and strengthen the empowerment process and result management, focus on the latest management theory, and standardize the understanding and use of the management method and standard management tools to realize a virtuous circle of "learning by doing and doing by learning". The Company will pay attention to the continuous optimization of the training system of primary management employees, emphasize the



establishment of practical training system featuring systematization, standardization and instrumentalization to enhance a normative and effective primary management.

**(IV) Labor outsourcing**

Applicable  Non-applicable

Total number of working hours of labor outsourcing	8.33 million hours
Total payment of labor outsourcing	207.55 million yuan

**VII. Others**

Applicable  Non-applicable

## Section IX Corporate Governance

### I. Description of corporate governance

Applicable  Non-applicable

During the reporting period, the Company strictly implemented the requirements of relevant laws, regulations such as the Company Law and Security Law, departmental regulations, business rules and the Articles of Association, continuously standardized the Company's operation, enhanced the internal control, and established a governance structure that fit the industry characteristics and the Company's strategic development. The relevant situations of corporate governance are as follows:

#### 1. About controlling shareholders and listed companies

The controlling shareholders of the Company are natural persons. The Company and controlling shareholders are independent of each other in areas such as business, personnel, assets, organization, finance, etc., and there is no horizontal competition between them. The controlling shareholders of the Company have been exercising the rights of shareholders in good faith in strict accordance with the laws and regulations, meeting their public commitment in real earnest and strongly supporting the healthy development of the Company in ways such providing free guarantees for listed companies. They do not use the status of controlling shareholders to seek profits from the Company or interfere with the Company's operation and decision-making.

#### 2. Shareholders and operation of General Meeting of Shareholders

The Company convened and held General Meeting of Shareholders in strict accordance with the Company Law, Articles of Association and Rules of Procedure for General Meeting of Shareholders and other relevant requirements to ensure that all shareholders have equal rights to know and decide on major issues, fully guarantee the lawful rights and interests of all shareholders, and truly promote the transparency and effectiveness of information disclosure. Meanwhile, the Company actively expanded the communication channels with shareholders and promoted a comprehensive understanding of the Company by shareholders via investor research, teleconference, on-line performance illustration meeting, Q&A on investor communication platform, etc.

#### 3. Directors and operation of Board of Directors

All directors of the Company were diligent and accountable, and performed their duties in strict accordance with the Articles of Association, Rules of Procedure for Board of Directors and other systems, and actively learned and understood the latest regulatory laws and regulations. The Board of Directors consists of four special committees: Strategy Committee, Audit Committee, Nomination Committee and Remuneration and Appraisal Committee. All committee members gave fully play to their professional expertise, offered scientific decision-making of major matters for the Company, and ensured the constant improvement of the professional operation level of the Board of Directors.

#### 4. Supervisors and operation of Board of Supervisors

The Company's Board of Supervisors operated in accordance with the Company Law and the Articles of Association. On the basis of the spirit of being responsible to shareholders, all supervisors conducted compliance monitoring to the business development, capital operation, related transaction, management and use of the raised fund, implementation of equity incentive, internal control and other major matters of the Company, and actively maintained the lawful rights and interests of the Company and the shareholders during the reporting period.

#### 5. Implementation of management system of internal information insiders

During the reporting period, the Company strictly executed the requirements of registration and management system of internal information insiders, practically enhanced the confidential management of internal information. And during the period of major matters such as regular reporting and preparing the convertible bond plan, the Company completely managed and reported the registration of internal information insiders in time, safeguarded the open, fair and just information disclosure of the Company, so as to completely eradicate the happening of insider trading from the source. During the reporting period, no inside information disclosure and insider trading of the Company were found.

Whether there is a significant difference between the requirements of corporate governance and the relevant provisions of the China Securities Regulatory Commission; if there are any significant differences, the reasons should be given.

Applicable  Non-applicable

## II. General Meeting of Shareholders

Session	Date of convening	Query index of the designated website of the published resolution	Date of disclosure of the published resolution
First Extraordinary General Meeting of Shareholders in 2019	March 11, 2019	www.sse.com.cn	March 12, 2019
2019 Annual General Meeting of Shareholders	May 21, 2019	www.sse.com.cn	May 22, 2019
Second Extraordinary General Meeting of Shareholders in 2019	August 14, 2019	www.sse.com.cn	August 15, 2019
Third Extraordinary General Meeting of Shareholders in 2019	September 16, 2019	www.sse.com.cn	September 17, 2019
Fourth Extraordinary General Meeting of Shareholders in 2019	November 11, 2019	www.sse.com.cn	November 12, 2019

Explanation of General Meeting of Shareholders

Applicable  Non-applicable

## III. Directors' performance of duties

### (I) Participation of directors in Meeting of the Board of Directors and General Meeting of Shareholders

Director name	Independent director or not	Attendance of Meeting of the Board of Directors						Attendance of General Meeting of Shareholders
		Required attendance of Meeting of the Board of Directors	Personal attendance	Attendance by communication mode	Entrusted attendance	Absence	Absence from meeting in person for two consecutive times or not	Attendance of General Meeting of Shareholders
Zhong Baoshen	No	22	22	17	0	0	No	5
Li Zhenguo	No	22	22	17	0	0	No	5
Liu Xuewen	No	22	22	17	0	0	No	5
Xu Dapeng	No	22	22	20	0	0	No	5
Bai Zhongxue	No	5	5	5	0	0	No	0
Zhang Rumin	No	22	22	20	0	0	No	5
Tian Gaoliang	Yes	22	22	17	0	0	No	5
Li Shoushuang	Yes	22	22	22	0	0	No	5
Guo Ju'e	Yes	22	22	17	0	0	No	5
Zou Zonghai (ex-serving officer)	No	8	8	6	0	0	No	2

Explanation of absence from the Meeting of the Board of Directors in person for two consecutive times

Applicable  Non-applicable

Times of Meeting of the Board of Directors held during the year	22
Wherein: times of on-site meeting	0

Times of meeting held by communication modes	17
Times of meeting held by virtue of communication modes and on-site modes	5

**(II) Objections proposed by independent directors on the relevant matters of the Company**

Applicable  Non-applicable

**(III) Others**

Applicable  Non-applicable

**IV. The important opinions and suggestions put forward by the special committees under the Board of Directors during the reporting period, if there are any objections, the specific circumstances shall be disclosed.**

Applicable  Non-applicable

The Company's Board of Directors consists of four special committees: Strategy Committee, Audit Committee, Nomination Committee, Remuneration and Appraisal Committee. During the reporting period, all members of the committee worked diligently and responsibly, actively participated in the corporate governance and operation, and provided professional and scientific suggestions on major issues such as strategic planning, internal control, financial reporting, equity incentive unlocking and repurchase, appointment of directors, and performance appraisal of directors and senior managers. And there are no objections.

**V. Explanation of the existence of risks found by the Board of Supervisors**

Applicable  Non-applicable

**VI. Explanation of incapability in independence and independent operation in terms of business, personnel, assets, organization and finance of the Company and its controlling shareholders**

Applicable  Non-applicable

Corresponding solutions, work process and following-up work plans of the Company in case of any horizontal competition

Applicable  Non-applicable

**VII. Assessment mechanism for senior managers, and establishment and implementation of incentive mechanisms during the reporting period**

Applicable  Non-applicable

The Company established an incentive mechanism combining performance reward, benefit sharing, etc. aimed at the senior managers to promote the realization of the strategic target of the Company. The remuneration standard of the Company's senior managers is determined by the Board of Directors. The senior managers shall report to the Board of Directors on an annual basis according to the Company's relevant appraisal and performance management systems, and the Company will determine the remuneration according to the annual performance appraisal results.

**VIII. Whether the internal control self-evaluation report is disclosed**

Applicable  Non-applicable

Please see the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) for the full text of the Company's 2019 Internal Control Self-evaluation Report. Explanation of material defects in internal control during the reporting period.

Applicable  Non-applicable

**IX. Explanation of relevant internal control audit report**

Applicable  Non-applicable

The PricewaterhouseCoopers Zhongtian Certified Public Accountants (Special General Partnership) hired by the Company independently audited the effectiveness of the Company's internal control in 2019 and issued a standard full internal control audit report. Please see the website of Shanghai Stock Exchange for details ([www.sse.com.cn](http://www.sse.com.cn)).

Whether the internal control audit report is disclosed: yes

**X. Others**

Applicable  Non-applicable

## Section X Relevant Information about Corporate Bonds

√ Applicable □ Non-applicable

### I. Basic information of corporate bonds

Unit: Yuan; Currency: RMB

Bond name	Abbreviation	Code	Issuing date	Maturity date	Bond balance	Interest rate (%)	Capital and interest payment method	Trading venue
Corporate bonds (the first phase) in 2016 issued by Xi'an LONGi Silicon Materials Corp.	16 LONGi 01	136264	3/7/2016	3/8/2021	995,584,143.19	5.85	The interest is calculated on a yearly basis for single interest, excluding compound interest. The interest should be paid once a year, and the principal should be repaid for once at maturity; the interest in the last phase should be paid together with the principle.	Shanghai Stock Exchange

Interest payment of corporate bonds

√ Applicable □ Non-applicable

The value date of the Company's public offering of 2016 corporate bonds (the first phase) was March 7, 2016. The Company had paid the interest of bonds in the current period arising from March 7, 2016 to March 6, 2020 on March 7, 2017, March 7, 2018, March 7, 2019, March 9, 2020 as scheduled. (For more details, please see relevant interest payment announcements disclosed on March 1, 2017, March 1, 2018, March 1, 2019 and March 3, 2020 by the Company). Other information of corporate bonds

√ Applicable □ Non-applicable

After the review of the Company's Fifth Extraordinary General Meeting in 2015, and the verification of Approval and Reply on Public Issuance of Corporate Bonds of Xi'an LONGi Silicon Materials Corp. to Qualified Investors by CSRS (CSRC License [2016] No. 296), the Company completed the issuance and listing of 2016 corporate bonds (the first phase) on March 24, 2016 with a duration of five years. The issuer's option to raise coupon rate and investor's opinion to sell back at the end of the third year were attached. (Please see the Public Issuance of 2016 Corporate Bonds (Phase I) Prospectus Disclosed by the Company on March 3, 2016)

The coupon rate of the bonds in the previous three years of the duration is 5.63%. According to the current market environment, the Company will adjust the coupon rate of the last two interest-bearing years (March 7, 2019 to March 6, 2021) to 5.85% (please see the Provisional Announcement No. 2019-007 disclosed by the Company on January 31, 2019).

On March 7, 2019, the Company completed the put-back of the bonds, the total amount of the put-back was 2,435,000 yuan (excluding interest). After the completion of the put-back, the total face value of the bond was 997,565,000 yuan (see the Provisional Announcement No.2019-023 disclosed by the Company on March 5, 2019 for more details).

### II. Contact, contact information of trustee of corporate bond and contact information of credit rating agency

Bond trustee	Name	Guosen Securities Co., Ltd.
	Business address	Floor 16-26, Guosen Securities Building, No. 1012 Hongling Middle Road, Shenzhen
	Contact	Wang Yanxiang
	Contact number	021-60893210
Credit rating agency	Name	United Credit Ratings Co., Ltd.

	Business address	12F, PICC Building, No. 2, Jianguomen Outer Street, Chaoyang District, Beijing
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Other explanations:

Applicable  Non-applicable

### III. Use of raised funds from corporate bonds

Applicable  Non-applicable

The Company's actual issue scale of the 2016 corporate bonds (the first phase) was 1 billion yuan, of which the basic issue scale was 500 million yuan, the over-issue scale was 500 million yuan, and the net raised fund was 992 million yuan. The purpose of the raised funds was to supplement the Company's current capital, and the above-mentioned raised funds had been used in accordance with the purposes agreed in the bond prospectus.

### IV. Rating of corporate bonds

Applicable  Non-applicable

During the reporting period, United Credit Rating Co., Ltd. issued the Track Rating Report for Corporate Bonds of LONGi Green Energy Technology Co., Ltd. in 2019 on June 20, 2019, and made a follow-up rating on the credit status of the "16 LONGi 01" issued by the Company. The Company's long-term credit rating maintained as "AA+", indicating a stable rating outlook; while the debt rating of "16 LONGi 01" maintained as "AA+" (For details, please see the Provisional Announcement No. 2019-091 disclosed by the Company on June 21, 2019).

### V. Corporate bond credit enhancement mechanism, debt repayment plan and other relevant information during the reporting period

Applicable  Non-applicable

During the reporting period, the Company strictly implemented the corporate bond credit enhancement mechanism, debt repayment plan and other debt repayment guarantee measures in accordance with the agreement in the prospectus.

### VI. Meetings held for holders of corporate bonds

Applicable  Non-applicable

### VII. Duty-performance of trustee of corporate bonds

Applicable  Non-applicable

Guosen Securities Co., Ltd., as the trustee of corporate bonds, kept track of the Company's credit status, major matters, interest repayment, rate adjustment, bond put-back, etc. in strict accordance with the relevant regulations and the Trustee Management Agreement during the duration of corporate bonds. It actively exercised the duties of the bond trustee and safeguarded the legitimate rights and interests of bondholders.

During the reporting period, Guosen Securities Co., Ltd. issued the Report on Trustee Management of Corporate Bonds (2018), and the special Provisional Report on Trustee Management of Corporate Bonds (For details, please see the relevant reports disclosed by the Company on June 25 and September 24, 2019).

### VIII. Accounting data and financial indicators of the Company for the past 2 years as of the end of the reporting period

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Main indicators	Year 2019	Year 2018	Increase or decrease in the current period over the same period of the previous year (%)	Variable causes
Earnings before interest, taxes, depreciation and amortization	8,192,892,062.17	4,477,861,582.44	82.96	Rapidly increased sales, increased gross margin contribution, and largely increased total profit

(EBITDA)				
Current ratio	1.52	1.54	-1.30	Increased settlement amount of bank acceptance, and higher increase of current liabilities than the current assets
Quick ratio	1.26	1.25	0.80	Higher increase of quick assets than the current liabilities due to increased monetary capital
Debt-to-assets ratio (%)	52.29	57.58	Reduced 5.29pcts	Rights issue plan with the interests of capital financing and share conversion of convertible bonds in this year
Total debt ratio of EBITDA	0.26	0.20	30.00	Larger increase of total profit
Interest coverage ratio	14.63	8.01	82.65	Larger increase of total profit
Cash interest coverage ratio	25.12	5.77	335.36	Accelerated sales payment collection, and largely increased net cash flow of business activities
EBITDA interest coverage ratio	17.87	10.95	63.20	Larger increase of total profit
Loan repayment rate (%)	100.00	100.00		
Interest repayment rate (%)	100.00	100.00		

#### IX. Interest payment and cashing of other bonds and debt financing instruments of the Company

Applicable  Non-applicable

In December 2018, the Company issued the First Phase Short-term Financing Bonds in 2018 (abbreviation: 18 LONGi CP001), with a total issued amount of 500 million yuan and a coupon rate of 5.3%. On December 24, 2019, the Company completed the maturity payment of the above short-term financing bonds, and the total principal and interest payment was 526.50 million yuan. (please see the Provisional Announcement No. 2019-185 disclosed by the Company on December 25, 2019 for details.)

#### X. Bank credit of the Company during the reporting period

Applicable  Non-applicable

As of the end of the reporting period, the total amount of credit granted by the banks to the Company was 5.53 billion yuan, of which the used credit line was 3.169 billion yuan and the remaining was 2.361 billion yuan. The Company's bank loans were not overdue.

#### XI. Implementation of relevant provisions and commitments in corporate bond prospectus during the reporting period

Applicable  Non-applicable

During the reporting period, the Company strictly fulfilled the relevant agreements and commitments of the corporate bond prospectus to guarantee the interests of bond investors.

#### XII. Important matters in the Company and their influence on the Company's operation and debt paying capability

Applicable  Non-applicable

## Section XI Financial Report

### I. Audit Report

√ Applicable □ Non-applicable

#### Audit Report

PwC ZTSZ [2020] No. [10103]

To all shareholders of LONGi Green Energy Technology Co., Ltd.:

#### I. Audit opinions

##### (I) Contents of audit

We have audited the financial statements of LONGi Green Energy Technology Co., Ltd. (hereinafter referred to as "LONGi"), including the consolidation and balance sheet of the Company on December 31, 2019, the consolidation and profit statement in 2019, the consolidation and cash flow statement of the Company, and the consolidation and statement of changes in stockholder equity, as well as notes on related financial statements.

##### (II) Audit opinions

We hold that the attached financial statements are prepared in accordance with the provisions of the Accounting Standards for Business Enterprises in all major aspects, which fairly reflect the consolidation of LONGi on December 31, 2019 and the Company's financial status, as well as the consolidation in 2019 and the Company's operating results and cash flows.

#### II. Basis for audit opinion

We performed the audit in accordance with Auditing Standards for the Chinese Certified Public Accountants. Our responsibilities under those standards are further described in the section of "CPA's responsibility for auditing financial statements" of our report. We believe that, the audit evidences we obtained are sufficient and appropriate to provide basis for audit opinion.

In accordance with the China Code of Ethics for Certified Public Accountants, we are independent of LONGi, and have fulfilled other ethical responsibilities.

#### III. Key audit matters

The Key audit matters are those we consider most important in the current financial statements audit according to our professional judgment. These items are dealt with in the context of auditing the financial statements as a whole and forming audit opinions. We do not comment on these items separately. We have identified the following key audit matters during the audit:

- (I) Recognition of product sale revenue
- (II) Accrual for impairment reserves of accounts receivable

Key audit matters	How we deal with the key audit matters during the audit
<p>(I) Recognition of product sale revenue Please see the "Revenues and costs" of note II (23) and note IV (44) of the Financial Statements. LONGi total revenue in 2019 was 32, 897, 455, 384.24, yuan of which the product sales revenue was 28,886,875,284.18 yuan, accounting for 88% of the total revenue. LONGi has transferred the main risks and remuneration on the ownership of the commodity to the buyer, and no longer carried out the right to continue the management generally related to the ownership as well as the actual and available control of the sold commodities. If the income amount can be reliably measured, the related economic benefits are likely to flow into the enterprise. When the related costs incurred or will incur can be reliably</p>	<p>Our audit procedures implemented for the recognition of product sales revenue mainly include:</p> <ul style="list-style-type: none"> <li>• Understanding, evaluating and testing the internal control related to the recognition of sales revenue;</li> <li>• Understanding the accounting policy of LONGi product sales revenue, inspecting the product sales contracts by sampling, reading and analyzing relevant clauses of contracts, and evaluating the accounting policy of recognition of LONGi product sales revenue;</li> <li>• Sampling and inspecting the supportive documents related to the recognition of product sales revenue, including sales contracts, delivery notes or shipping notes and receipt forms of domestic sales; customs electronic</li> </ul>



<p>measured, it is confirmed that the product sales revenues can be realized.</p> <p>As LONGi has many customers and large sales amount, and we have input lots of resources in auditing, we determined the recognition of the product sales revenue as a critical audit item.</p>	<p>port information of overseas sales;</p> <ul style="list-style-type: none"> <li>● Base on the consideration of transaction amount and customer characteristics, carrying out external confirmation of the transaction amount and balance of accounts receivable to specified customers;</li> <li>● For sales revenue recognized before and after the balance sheet date, checking the supportive documents such as receipt forms of domestic sales or customs electronic port information of overseas sale, to assess whether sales revenue is recorded in the appropriate accounting period.</li> </ul> <p>According to the implemented audit procedures, we found that the product sales revenue meets the accounting policy of revenue recognition.</p>
<p>(II) Accrual for impairment reserves of accounts receivable</p> <p>See the note II (28) and note IV (3) "Accounts receivable" of the financial statements.</p> <p>On December 31, 2019, the original value of the accounts receivable of LONGi consolidated balance sheet was 4,039,628,355.17 yuan, and the balance for bad debt reserves was 213,883,084.52 yuan.</p> <p>LONGi measured the loss reserves according to the expected credit loss during the duration of accounts receivable.</p> <p>If the objective evidence indicated that there is impairment and other accounts receivable suitable for individual assessment, LONGi carried out the impairment test individually, confirmed the expected credit loss and accrued individual impairment reserve. For accounts receivable not indicated by objective impairment evidence, the management divided the accounts receivable into several combinations according to the characteristics of credit risks, and measured the expected credit loss on the basis of combination.</p> <p>When evaluating the impairment of accounts receivable, the judgment and assumption of the major management covered were mainly the evaluation of the recoverability and the judgment of the economic indicators, situations and weight for foresight measurement.</p> <p>As the accounts receivable balances are significant, and the measurement of expected credit loss involves the management's major judgments, we regarded it as a critical audit issue.</p>	<p>For the accrual for impairment reserves of accounts receivable, the main audit procedures we have implemented are as follows:</p> <ul style="list-style-type: none"> <li>● Understanding, evaluating and testing the internal control related to the accrual for impairment reserves of accounts receivable implemented by the management;</li> <li>● Checking the related supportive evidences, including the collection record after the period and the credit history of customers, to assess whether the judgment of the recoverability of accounts receivable by the management and the division of individual accrual and combined accrual are reasonable;</li> <li>● For the accounts receivable under the individual accrual for impairment reserves, checking the operating situation with customers and information related to the causes for the accounts receivable not recovered in time via interviewing with the management, to assess the reasonableness of the judgment on the individual accrual for impairment reserves of accounts receivable by the management;</li> <li>● For the models, data and parameters of measuring credit loss according to the combination by the management, we have implemented the following procedures: <ul style="list-style-type: none"> <li>- Evaluating the reasonableness of the measuring method of the expected credit loss model;</li> <li>- Testing the accuracy of the relevant historic credit loss data of the model via sampling, and evaluating the historic loss given default (LGD) percentage;</li> <li>- Based on the understanding of the customer's industry and referring to the external data source, evaluating the reasonableness of the adjustment of foresight information by the management;</li> <li>- Testing the accuracy of the aging of accounts receivable via sampling;</li> <li>- According to the LGD percentage of the adjusted foresight information, evaluating whether the method of dividing the accounts</li> </ul> </li> </ul>

	<p>receivable into several combinations for impairment evaluation by the management and the accrued proportion are appropriate, and remeasuring the allowance of bad debts for accrual.</p> <p>Based on the implemented audit procedures, the evidences we obtained can support the judgment made by the management on evaluating the accrual for impairment reserves of bad debts.</p>
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#### IV. Other information

LONGi management is responsible for other information. Other information includes the information covered in the 2019 Annual Report other than the financial statements and our audit report.

Our audit opinions on the financial statements do not cover other information, and we do not express any form of assurance conclusion hereon.

Considering our audit of the financial statements, our responsibility is to read other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### V. Responsibilities of management and governance for the financial statements

LONGi management is responsible for preparing and fairly presenting the financial statements according to the Accounting Standards for Business Enterprises; and also designing, implementing and maintaining the internal control over preparation of financial statements so that they are free from any material misstatement due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the going-concern ability of LONGi, disclosing the matters relating to going-concern operations (if applicable), and applying the assumption of going-concern operations, unless the management plans to liquidate LONGi, terminate operations or has no other realistic options.

The governance body of LONGi is responsible for supervising the financial reporting process of LONGi.

#### VI. CPA's responsibility for auditing financial statements

Our objectives are to obtain reasonable assurance about whether these financial statements as a whole are free from material misstatement due to fraud or error, and to issue audit reports containing audit opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a major misstatement when it exists. Misstatements may be caused by fraud or error and are considered major if, individually or in the combination, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In the process of carrying out audit work according to the auditing standards, we exercise professional judgment and maintain professional suspicion. In the meantime, we also carry out the following tasks:

(I) Identifying and evaluating the risk of material misstatement of financial statements caused by fraud or error, then designing and implementing audit procedures to deal with these risks to obtain sufficient and appropriate audit evidence as the basis for issuing audit opinions. As fraud may involve collusion, forgery, deliberate omission, false statements or override internal control, the risk of failure to detect significant misstatement due to fraud is higher than that to detect significant misstatement due to error.

(II) Understanding the internal controls associated with auditing in order to design appropriate auditing procedures.

(III) Evaluating the appropriateness of management's choice of accounting policies and the reasonableness of making accounting estimates and related disclosures.

(IV) Drawing a conclusion on the appropriateness of the assumption of going concern used by the management. At the same time, according to the audit evidences obtained, we can draw a conclusion on whether there are significant uncertainties in matters or situations that may lead to serious doubts about LONGi's going-concern ability. If we come to the conclusion that there are significant uncertainties, the auditing standards require that we pay attention to the users of the financial statements to the relevant

disclosures in the auditing reports; if the disclosures are insufficient, we should issue non-reserved opinions. Our conclusions are based on information available as of the audit report date. However, the future matters or circumstances may result in the unsustainable operation of LONGi.

(V) Evaluating the overall presentation (including disclosure), structure and content of financial statements, and whether the financial statements fairly reflect relevant transactions and matters.

(VI) Obtaining sufficient and appropriate audit evidence on the financial information of entities or business activities in LONGi in order to express audit opinions on the financial statements. We are responsible for guiding, supervising and executing group audits, and take full responsibility for the audit opinions.

We communicate with the management on the scope, timing and major findings of the planned audit, including the noteworthy internal control deficiencies that we identified in the audit.

We also provide a statement to the management that we have complied with the professional ethics requirements related to independence, and inform the management of all relationships and other matters that may reasonably be considered to affect our independence, as well as relevant preventive measures (if applicable).

From the matters we have communicated with the management, we determine which items are the most important for the current financial statements audit and thus constitute the key audit matters. We describe these matters in audit reports. Unless laws and regulations prohibit public disclosure of these matters, or in very few cases, if we reasonably expect the negative consequences of communicating an item in an audit report to outweigh the benefits in the public interest, we are sure that we should not communicate the matter in an audit report.

PwC Zhongtian

Certified Public Accountant: Zheng Jiayan (Project partner)

Certified Public Accountants (Special General

Certified Public Accountant: Han Tao

Partnership)  
Shanghai, China

April 21, 2020

## II. Financial statements

## Consolidated Balance Sheet

December 31, 2019

Compiled by: LONGi Green Energy Technology Co., Ltd.

Unit: Yuan; Currency: RMB

Items	Notes	December 31, 2019	December 31, 2018
Current assets:			
Monetary funds	VII, 1	19,335,752,879.41	7,707,905,516.74
Settlement reserve			
Lending funds			
Trading financial assets			
Financial assets measured at fair value and their changes included in current profits and losses			
Derivative financial assets			
Notes receivable	VII, 4	4,553,400,751.13	4,090,820,743.25
Accounts receivable	VII, 5	3,825,745,270.65	4,362,641,671.79
Receivable financing	VII, 6	829,052,223.55	
Prepayments	VII, 7	1,031,402,392.47	608,685,522.88
Premium receivable			
Reinsurance accounts receivable			
Reserve for reinsurance receivable contracts			
Other receivables	VII, 8	295,997,593.37	715,232,201.39
Including: Interest receivable			
Dividends receivable		41,421,502.96	20,541,737.10
Buying back the sale of financial assets			
Inventory	VII, 9	6,356,144,784.78	4,282,544,118.95
Held-for-sale assets			
Non-current assets due within one year	VII, 11	31,419,922.32	11,000,000.00
Other current assets	VII, 12	1,107,607,993.67	1,122,058,298.26
Total current assets		37,366,523,811.35	22,900,888,073.26
Non-current assets:			
Loans and advances			
Debt investment			
Held-for-sale financial assets			78,046,182.96
Other debt investments			
Held-to-maturity investment			
Long-term receivables	VII, 15	25,585,349.25	58,185,669.56
Long-term equity investment	VII, 16	1,074,184,697.40	733,169,655.02
Other equity instrument investment	VII, 17	21,959,667.68	
Other non-current financial assets			
Investment real estate			
Fixed assets	VII, 20	15,467,300,311.79	13,259,978,743.24
Construction in progress	VII, 21	2,882,035,169.79	855,562,075.19
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	VII, 25	245,165,167.97	226,404,404.80
Development expenditures	VII, 26	45,849.02	
Goodwill	VII, 27	11,011,065.47	11,011,065.47
Long-term deferred expenses	VII, 28	965,434.45	959,403,051.71

Deferred income tax assets	VII, 29	499,935,451.98	316,660,831.89
Other non-current assets	VII, 30	739,261,134.38	259,934,377.83
Total non-current assets		21,937,449,299.18	16,758,356,057.67
Total assets		59,303,973,110.53	39,659,244,130.93
Current liabilities:			
Short-term loans	VII, 31	854,371,792.82	687,673,591.48
Loans from the Central Bank			
Loans from other banks			
Trading financial liabilities			
Financial liabilities measured by fair value and their changes recorded in current profits and losses			
Derivative financial liabilities			
Notes payable	VII, 34	8,111,877,027.54	4,721,151,999.58
Accounts payable	VII, 35	5,602,048,097.26	3,785,696,627.30
Advance receipt	VII, 36	3,679,503,563.97	962,367,659.73
Financial assets sold for repurchase			
Deposit taking and deposit taking of interbank			
Acting trading securities			
Acting underwriting securities			
Payroll payable	VII, 37	558,355,222.82	329,862,581.28
Taxes payable	VII, 38	344,089,424.95	286,668,460.82
Other payables	VII, 39	3,898,115,075.49	2,470,128,708.87
Including: Interest payable		53,289,437.89	59,022,846.84
Dividends payable			
Service charge and commission payable			
Reinsurance accounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year	VII, 41	1,571,481,098.00	1,136,598,402.23
Other current liabilities	VII, 42		498,335,194.34
Total current liabilities		24,619,841,302.85	14,878,483,225.63
Non-current liabilities:			
Provision for insurance contracts			
Long-term loans	VII, 43	2,508,594,222.97	2,658,904,838.15
Bonds payable	VII, 44	995,584,143.19	3,261,567,354.99
Including: Preferred stock			
Perpetual bonds			
Lease liabilities			
Long-term payable	VII, 46	1,528,226,692.46	1,306,492,612.61
Long-term payroll payable	VII, 47		4,242.00
Estimated liabilities	VII, 48	516,510,834.07	318,500,876.37
Deferred income	VII, 49	516,595,134.18	362,541,839.31
Deferred income tax liabilities	VII, 29	323,804,103.26	47,988,911.97
Other non-current liabilities	VII, 50		
Total non-current liabilities		6,389,315,130.13	7,956,000,675.40
Total liabilities		31,009,156,432.98	22,834,483,901.03
Owners' equity (or shareholders' equity):			
Paid-up capital (or share capital)	VII, 51	3,772,016,757.00	2,790,788,363.00
Other equity instruments	VII, 52		628,807,241.85
Including: Preferred stock			
Perpetual bonds			
Capital reserves	VII, 53	10,462,015,674.83	4,634,794,115.25
Minus: Treasury stock	VII, 54	22,526,342.00	45,475,983.30
Other comprehensive incomes	VII, 55	32,830,730.30	4,409,197.42
Special reserves			
Surplus reserves	VII, 57		

		683,195,269.55	463,568,796.04
Generic risk reserves			
Undistributed profits	VII, 58	12,701,261,983.10	7,974,695,023.80
Total equity attributable to the owners of the parent company (or shareholders' equity)		27,628,794,072.78	16,451,586,754.06
Minority shareholders' equity		666,022,604.77	373,173,475.84
Total owners' equity (or shareholders' equity)		28,294,816,677.55	16,824,760,229.90
Total liabilities and owners' equity (or shareholders' equity)		59,303,973,110.53	39,659,244,130.93

Legal representative: Li  
Zhenguo

Accountant officer: Liu Xuewen

Head of accounting institution:  
Liu Xuewen

**Balance Sheet of the Parent Company**

December 31, 2019

Compiled by: LONGi Green Energy Technology Co., Ltd.

Unit: Yuan; Currency: RMB

Items	Notes	December 31, 2019	December 31, 2018
Current assets:			
Monetary funds		11,730,982,685.57	4,077,115,102.79
Trading financial assets			
Financial assets at fair value through profits and losses			
Derivative financial assets			
Notes receivable		3,747,134,851.57	2,247,266,510.12
Accounts receivable	XVII, 1	1,265,937,534.85	2,671,215,207.12
Receivable financing			
Prepayments		6,516,042.05	3,907,544.13
Other receivables	XVII, 2	1,381,531,710.34	512,763,345.44
Including: Interest receivable			
Dividends receivable			
Inventory		292,181,201.03	313,201,243.35
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		103,398,223.80	87,027,200.35
Total current assets		18,527,682,249.21	9,912,496,153.30
Non-current assets:			
Debt investment			
Held-for-sale financial assets			60,193,548.39
Other debt investments			
Held-to-maturity investment			
Long-term receivables			494,766.38
Long-term equity investment	XVII, 3	16,894,919,327.92	12,950,021,601.52
Other equity instrument investment			
Other non-current financial assets			
Investment real estate			
Fixed assets		345,361,895.62	382,631,062.88
Construction in progress		8,012,360.58	13,497,445.78
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets		60,825,191.67	32,421,990.66
Development expenditures			
Goodwill			
Long-term deferred expenses		9,841,389.16	26,166,255.07
Deferred income tax assets			18,608,344.58
Other non-current assets		534,480.00	
Total non-current assets		17,319,494,644.95	13,484,035,015.26
Total assets		35,847,176,894.16	23,396,531,168.56
Current liabilities:			
Short-term loans			116,584,148.92
Trading financial liabilities			

Financial liabilities measured by fair value and their changes recorded in current profits and losses			
Derivative financial liabilities			
Notes payable		3,131,897,342.73	1,435,400,398.83
Accounts payable		9,482,420,773.06	5,334,539,990.32
Advance receipt		747,429,660.07	346,514,432.90
Payroll payable		84,223,903.13	49,881,051.65
Taxes payable		72,289,573.04	16,891,008.80
Other payables		1,019,528,101.84	195,986,649.52
Including: Interest payable		49,210,245.17	51,932,128.51
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		200,000,000.00	302,435,000.00
Other current liabilities			498,335,194.34
Total current liabilities		14,737,789,353.87	8,296,567,875.28
Non-current liabilities:			
Long-term loans		450,000,000.00	200,000,000.00
Bonds payable		995,584,143.19	3,261,567,354.99
Including: Preferred stock			
Perpetual bonds			
Lease liabilities			
Long-term payable			
Long-term payroll payable			
Estimated liabilities		47,673,475.66	47,673,475.66
Deferred incomes		35,786,292.41	39,071,996.48
Deferred income tax liabilities		159,267.98	
Other non-current liabilities			
Total non-current liabilities		1,529,203,179.24	3,548,312,827.13
Total liabilities		16,266,992,533.11	11,844,880,702.41
Owners' equity (or shareholders' equity):			
Paid-up capitals (or share capitals)		3,772,016,757.00	2,790,788,363.00
Other equity instruments			628,807,241.85
Including: Preferred stocks			
Perpetual bonds			
Capital reserves		10,452,161,591.18	4,633,062,603.32
Minus: Treasury stock		22,526,342.00	45,475,983.30
Other comprehensive incomes			
Special reserves			
Surplus reserves		683,195,269.55	463,568,796.04
Undistributed profits		4,695,337,085.32	3,080,899,445.24
Total owners' equity (or shareholders' equity)		19,580,184,361.05	11,551,650,466.15
Total liabilities and owners' equity (or shareholders' equity)		35,847,176,894.16	23,396,531,168.56

Legal representative: Li  
Zhenguo

Accountant officer: Liu Xuewen

Head of accounting institution:  
Liu Xuewen



## Consolidated Profit Statement

January to December, 2019

Unit: Yuan; Currency: RMB

Items	Notes	2019	2018
I. Total revenues		32,897,455,384.24	21,987,614,949.84
Including: Revenues	VII, 59	32,897,455,384.24	21,987,614,949.84
Interest incomes			
Earned premium			
Service charge and commission incomes			
II. Total costs of revenues		26,422,362,742.66	19,321,810,421.15
Including: Costs of revenues	VII, 59	23,389,364,451.22	17,095,694,430.48
Interest expenses			
Service charge and commission expenses			
Surrender value			
Net compensation expenses			
Withdrawal of net reserves for reinsurance liability			
Expenditures dividend policy			
Reinsurance expenses			
Taxes and surcharges	VII, 60	178,418,101.38	117,181,507.86
Selling and marketing expenses	VII, 61	1,329,748,334.67	1,017,354,564.70
General and administrative expenses	VII, 62	971,025,108.82	622,866,363.12
R&D expenses	VII, 63	304,198,315.84	201,837,031.74
Financial expenses	VII, 64	249,608,430.73	266,876,523.25
Including: Interest expenses		458,432,621.25	408,889,931.51
Interest incomes		-232,879,970.03	-128,645,025.63
Plus: Other incomes	VII, 65	203,896,364.11	141,919,750.75
Investment incomes (losses marked with "-")	VII, 66	239,983,779.35	793,764,195.83
Including: Investment incomes from associates and joint ventures		117,194,275.31	61,855,877.81
Recognized terminated incomes of the financial assets measured by the amortized costs			
Exchange gains (losses marked with "-")			
Net exposure hedging income (losses marked with "-")			
Incomes from changes in fair value (losses marked with "-")			
Credit impairment loss (losses marked with "-")	VII, 69	-61,211,538.74	
Asset impairment loss (losses marked with "-")	VII, 70	-501,289,980.99	-727,726,549.71
Asset disposal income (losses marked with "-")	VII, 71	-58,643,251.81	-4,307,816.96
III. Operating incomes (losses marked with "-")		6,297,828,013.50	2,869,454,108.60
Plus: Non-operating incomes	VII, 72	8,184,691.35	7,717,688.70
Minus: Non-operating expenses	VII, 73	59,080,430.99	9,738,626.08
IV. Total profits (total losses marked with "-")		6,246,932,273.86	2,867,433,171.22
Minus: Income tax expenses	VII, 74	689,768,510.71	300,809,100.42
V. Net profits (net losses marked with "-")		5,557,163,763.15	2,566,624,070.80
(I) Classification by business continuity			
1. Net profits of continuing operations (net losses marked with "-")		5,557,163,763.15	2,566,624,070.80
2. Net profits of discontinued operations (net losses marked with "-")			
(II) Classification by ownership			
1. Net profits attributable to shareholders of parent company (net losses marked with "-")		5,279,552,073.55	2,557,964,089.73
2. Profits and losses of minority shareholders (net losses marked with "-")		277,611,689.60	8,659,981.07

VI. Net of tax of other comprehensive income	VII, 75	24,344,265.70	6,270,935.42
(I) Net of tax of other comprehensive income attributable to owners of the parent company		24,344,265.70	6,301,572.85
1. Other comprehensive income that cannot be reclassified as profits and losses		-5,413,524.04	
(1) Re-measure the changes in the defined benefit plan			
(2) Other comprehensive income that cannot be transferred to profits and losses under the equity method			
(3) Changes in fair value of other equity instrument investments		-5,413,524.04	
(4) Changes in fair value of the company's own credit risk			
2. Other comprehensive income that will be reclassified as profits and losses		29,757,789.74	6,301,572.85
(1) Other comprehensive income that can be transferred to profits and losses under the equity method			
(2) Changes in fair value of other debt investments			
(3) Profits and losses from changes in fair value of available-for-sale financial assets			
(4) Amount of financial assets reclassified into other comprehensive income			
(5) Held-to-maturity investments reclassified to profits and losses of available-for-sale financial assets			
(6) Credit impairment reserves of other debt investments			
(7) Cash flow hedge reserves (effective portion of cash flow hedge profits and losses)			
(8) Converted difference of foreign currency financial statements		29,757,789.74	6,301,572.85
(9) Others			
(II) Net of tax of other comprehensive income attributable to minority shareholders			-30,637.43
VII. Total comprehensive income		5,581,508,028.85	2,572,895,006.22
(I) Total comprehensive income attributable to owners of the parent company		5,303,896,339.25	2,564,265,662.58
(II) Total comprehensive income attributable to minority shareholders		277,611,689.60	8,629,343.64
VIII. Earnings per share:			
(I) Basic earnings per share (yuan/share)		1.47	0.75
(II) Diluted earnings per share (yuan/share)		1.47	0.75

For business combination under the same control in the current period, the net profits realized by the combined party before combination is 0 yuan, and the net profits realized by the combined party in the previous period is 0 yuan.

Legal representative: Li  
Zhenguo

Accountant officer: Liu Xuewen

Head of accounting institution:  
Liu Xuewen

## Income Statement of the Parent Company

January to December, 2019

Unit: Yuan; Currency: RMB

Items	Notes	2019	2018
I. Revenues	XVII, 4	18,847,294,185.26	11,638,878,016.81
Minus: Costs of revenues	XVII, 4	17,110,557,405.67	11,094,721,688.24
Taxes and surcharges		61,320,967.93	8,847,415.88
Selling and marketing expenses		52,611,984.04	56,453,049.29
General and administrative expenses		244,224,442.90	131,863,538.31
R&D expenses		66,240,578.40	53,848,871.83
Financial expenses		49,008,142.47	156,351,275.55
Including: Interest expenses		196,117,644.86	202,879,061.28
Interest incomes		-166,212,055.29	-71,620,739.12
Plus: Other incomes		44,918,662.71	11,162,888.90
Investment incomes (losses marked with “-”)	XVII, 5	1,128,764,789.08	1,167,628,470.81
Including: Investment incomes from associates and joint ventures		28,946,649.45	4,562,298.95
Recognized terminated incomes of the financial assets measured by the amortized costs			
Net exposure hedging income (losses marked with “-”)			
Incomes from changes in fair value (losses marked with “-”)			
Credit impairment loss (losses marked with “-”)		5,815,728.08	
Asset impairment loss (losses marked with “-”)		-78,798,734.60	-82,544,871.29
Asset disposal income (losses marked with “-”)		-2,986,620.81	-7,790,368.55
II. Operating incomes (losses marked with “-”)		2,361,044,488.31	1,225,248,297.58
Plus: Non-operating incomes		432,512.38	473,513.93
Minus: Non-operating expenses		2,811,463.71	1,061,912.63
III. Gross profits (total losses marked with “-”)		2,358,665,536.98	1,224,659,898.88
Minus: Income tax expenses		191,242,782.65	10,070,161.33
IV. Net profits (net losses marked with “-”)		2,167,422,754.33	1,214,589,737.55
(I) Net profits of continuing operations (net losses marked with “-”)		2,167,422,754.33	1,214,589,737.55
(II) Net profits of discontinued operations (net losses marked with “-”)			
V. Net of tax of other comprehensive income		-6,169,340.04	
(I) Other comprehensive income that cannot be reclassified as profits and losses		-6,169,340.04	
1. Re-measure the changes in the defined benefit plan			
2. Other comprehensive income that cannot be transferred to profits and losses under the equity method			
3. Changes in fair value of other equity instrument investments		-6,169,340.04	
4. Changes in fair value of the company’s own credit risk			
(II) Other comprehensive income that will be reclassified as profits and losses			
1. Other comprehensive income that can be transferred to profits and losses under the equity method			
2. Changes in fair value of other debt investments			
3. Profits and losses from changes in fair value of available-for-sale financial assets			
4. Amount of financial assets reclassified into			

other comprehensive income			
5. Held-to-maturity investments reclassified to profits and losses of available-for-sale financial assets			
6. Credit impairment reserves of other debt investments			
7. Cash flow hedge reserves (effective portion of cash flow hedge profits and losses)			
8. Converted difference of foreign currency financial statements			
9. Others			
VI. Total comprehensive income		2,161,253,414.29	1,214,589,737.55
VII. Earnings per share:			
(I) Basic earnings per share (yuan/share)			
(II) Diluted earnings per share (yuan/share)			

Legal representative: Li  
Zhenguo

Accountant officer: Liu Xuewen

Head of accounting institution:  
Liu Xuewen

### Consolidated Cash Flow Statement

January to December, 2019

Unit: Yuan; Currency: RMB

Items	Notes	2019	2018
<b>I. Cash flows from operating activities:</b>			
Cash received from sales of goods and provision of services		26,505,050,556.68	17,906,547,582.66
Net increase in customer deposits and deposit from other banks			
Net increase in borrowing from central bank			
Net increase in borrowing funds from other financial institutions			
Cash received from the original insurance contract premium			
Net cash received from reinsurance business			
Net increase in deposit of the insured and investment funds			
Cash of charging interest, service charge and commission			
Net increase in borrowing funds			
Net increase in repurchase business funds			
Net cash received from agent trading securities			
Tax refunds received		1,230,169,544.12	833,349,194.78
Other cash received relating to operating activities	VII, 76	2,123,387,929.33	1,168,558,181.95
Subtotal of cash inflows from operating activities		29,858,608,030.13	19,908,454,959.39
Cash paid for purchasing goods and receiving services		15,534,005,322.90	14,437,997,794.31
Net increase in customer loans and advances			
Net increase in deposit in central bank and interbank payments			
Cash for original insurance contract payment			
Net increase in borrowing funds			
Cash for payment of interest, service charge and commission			

Cash paid for policy dividends			
Cash paid to and for employees		2,722,713,954.65	1,904,725,392.73
Payments of all types of taxes		1,270,661,795.10	877,520,537.53
Other cash paid relating to operating activities	VII, 76	2,172,985,930.95	1,514,939,707.29
Subtotal of cash outflows from operating activities		21,700,367,003.60	18,735,183,431.86
Net cash flows from operating activities		8,158,241,026.53	1,173,271,527.53
II. Cash flows from investment activities:			
Cash received from disinvestment		14,089,035,529.09	13,427,000,000.00
Cash received from returns on investments		160,813,382.90	210,856,572.67
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		5,997,334.46	686,306.96
Net cash received from disposal of subsidiaries and other business entities		258,904,594.30	513,969,834.47
Other cash received relating to investment activities	VII, 76	47,925,895.64	78,803,794.84
Subtotal of cash inflows from investment activities		14,562,676,736.39	14,231,316,508.94
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		2,689,602,345.75	3,824,073,145.09
Cash paid to acquire investments		14,165,079,100.00	13,506,735,279.13
Net increase in pledged loans			
Net cash paid for the acquisition of subsidiaries and other business entities			
Other cash paid relating to investment activities	VII, 76	460,854,587.68	69,495,298.44
Subtotal of cash outflows from investment activities		17,315,536,033.43	17,400,303,722.66
Net cash flows from investing activities		-2,752,859,297.04	-3,168,987,213.72
III. Cash flows from financing activities:			
Cash received from capital contribution		4,593,700,498.30	307,840,000.00
Including: Cash from minority shareholders' investment in subsidiaries		763,300,000.00	307,840,000.00
Cash received from borrowings		2,708,837,177.64	2,569,932,036.40
Other cash received relating to financing activities	VII, 76	3,895,881,158.85	235,188,723.00
Subtotal of cash inflows from financing activities		11,198,418,834.79	3,112,960,759.40
Cash paid for debt		2,906,966,522.04	1,804,138,756.82
Cash paid for distribution of dividends and profits or interest payments		720,668,355.43	669,469,586.02
Including: Dividends and profits paid by subsidiaries to minority shareholders			
Other cash paid relating to financing activities	VII, 76	3,010,736,451.67	371,897,932.37
Subtotal of cash outflows from financing activities		6,638,371,329.14	2,845,506,275.21
Net cash flows from financing activities		4,560,047,505.65	267,454,484.19
IV. Influence of exchange rate fluctuations on cash and cash equivalents		-70,193,931.37	37,701,940.64
V. Net increase in cash and cash equivalents	VII, 77	9,895,235,303.77	-1,690,559,261.36
Plus: Balance of beginning cash and cash equivalents	VII, 77	5,665,040,168.08	7,355,599,429.44
VI. Balance of ending cash and cash equivalents	VII, 77	15,560,275,471.85	5,665,040,168.08

Legal representative: Li  
Zhenguo

Accountant officer: Liu Xuewen

Head of accounting institution:  
Liu Xuewen**Cash Flow Statement of the Parent Company**  
January to December, 2019

Unit: Yuan; Currency: RMB

Items	Notes	2019	2018
<b>I. Cash flows from operating activities:</b>			
Cash received from sales of goods and provision of services		12,760,649,772.57	8,184,721,180.88
Tax refunds received		327,288,464.87	357,390,217.50
Other cash received relating to operating activities		14,763,495,331.34	5,733,154,430.50
Subtotal of cash inflows from operating activities		27,851,433,568.78	14,275,265,828.88
Cash paid for purchasing goods and receiving services		7,451,274,992.66	7,589,805,252.66
Cash paid to and for employees		319,788,930.75	259,818,259.20
Payments of all types of taxes		174,561,913.92	76,481,417.68
Other cash paid relating to operating activities		15,222,697,819.94	7,258,947,207.45
Subtotal of cash outflows from operating activities		23,168,323,657.27	15,185,052,136.99
Net cash flows from operating activities		4,683,109,911.51	-909,786,308.11
<b>II. Cash flows from investment activities:</b>			
Cash received from disinvestment		13,489,035,529.09	13,519,822,400.00
Cash received from returns on investments		1,115,816,906.75	1,167,304,475.81
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		9,440,084.85	4,580,631.60
Net cash received from disposal of subsidiaries and other business entities			
Other cash received relating to investment activities		1,442,953.41	394,329,450.49
Subtotal of cash inflows from investment activities		14,615,735,474.10	15,086,036,957.90
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		71,950,087.39	14,972,853.83
Cash paid to acquire investments		17,410,000,000.00	14,962,728,635.42
Net cash paid for the acquisition of subsidiaries and other business entities			
Other cash paid relating to investment activities		44,853,965.33	212,844,225.93
Subtotal of cash outflows from investment activities		17,526,804,052.72	15,190,545,715.18
Net cash flows from investing activities		-2,911,068,578.62	-104,508,757.28
<b>III. Cash flows from financing activities:</b>			
Cash received from capital contribution		3,830,400,498.30	
Cash received from borrowings		1,260,000,000.00	993,650,028.81
Other cash received relating to financing activities		2,505,984,446.22	
Subtotal of cash inflows from financing activities		7,596,384,944.52	993,650,028.81
Cash paid for debt		1,235,932,857.00	510,792,719.93
Cash paid for distribution of dividends and profits or interest payments		457,344,048.79	438,757,211.20
Other cash paid relating to financing activities		2,447,124,994.14	21,394,605.50
Subtotal of cash outflows from financing activities		4,140,401,899.93	970,944,536.63
Net cash flows from financing activities		3,455,983,044.59	22,705,492.18

IV. Influence of exchange rate fluctuations on cash and cash equivalents		-10,398,438.05	3,210,916.39
V. Net increase in cash and cash equivalents		5,217,625,939.43	-988,378,656.82
Plus: Balance of beginning cash and cash equivalents		3,080,857,710.94	4,069,236,367.76
VI. Balance of ending cash and cash equivalents		8,298,483,650.37	3,080,857,710.94

Legal representative: Li  
Zhenguo

Accountant officer: Liu Xuewen

Head of accounting institution:  
Liu Xuewen

**Consolidated Owners' Equity Change Statement**  
January to December, 2019

Items	2019														
	Equity attributable to owners of the parent company														
	Paid-up capital (or share capital)	Other equity instruments			Capital reserves	Minus: Treasury stock	Other comprehensive incomes	Special reserves	Surplus reserves	Generic risk reserve	Undistributed profits	Others	Subtotal	Minority shareholders' equity	Total owners' equity
Preferred stock		Perpetual bonds	Others												
I. Ending balance of last year	2,790,788,363.00			628,807,241.85	4,634,794,115.25	45,475,983.30	4,409,197.42		463,568,796.04		7,974,695,023.80		16,451,586,754.06	373,173,475.84	16,824,760,229.90
Plus: Changes in accounting policies								4,077,267.18					4,077,267.18		4,077,267.18
Corrections of prior period errors															
Business combination under the same control															
Others															
II. Beginning balance of this year	2,790,788,363.00			628,807,241.85	4,634,794,115.25	45,475,983.30	8,486,464.60		463,568,796.04		7,974,695,023.80		16,455,664,021.24	373,173,475.84	16,828,837,497.08
III. Increase and decrease amount of current period (decrease marked with "-")	981,228,394.00			-628,807,241.85	5,827,221,559.58	-22,949,641.30	24,344,265.70		219,626,473.51		4,726,566,959.30		11,173,130,051.54	292,849,128.93	11,465,979,180.47
(I) Total comprehensive income							24,344,265.70				5,279,552,073.55		5,303,896,339.25	277,611,689.60	5,581,508,028.85
(II) Capital invested and reduced by owners	982,302,551.00			-628,807,241.85	5,831,360,558.88	-22,949,641.30							6,207,805,509.33	763,300,000.00	6,971,105,509.33
1. Common stock invested by owners	833,419,462.00				2,997,279,770.30								3,830,699,232.30	763,300,000.00	4,593,999,232.30
2. Capital invested by the holders of other equity instruments	148,883,089.00			-628,807,241.85	2,817,679,716.91								2,337,755,564.06		2,337,755,564.06
3. Amount of share-based payment included in owner's equity					10,401,071.67	-22,949,641.30							33,350,712.97		33,350,712.97
4. Others					6,000,000.00								6,000,000.00		6,000,000.00
(III) Profit distribution													-362,200,621.44		-362,200,621.44
1. Withdrawal of surplus reserve									216,742,275.43		-216,742,275.43				
2. Withdrawal of generic risk reserves															



Annual Report 2019

3. Distribution for the owners (or shareholders)													-362,200,621.44		-362,200,621.44		-362,200,621.44
4. Others																	
(IV) Internal carry-over of owners' equity																	
1. Capital reserve converted into capital (share capital)																	
Paid-up capital (or share capital)																	
2. Surplus reserve converted into capital (or share capital)																	
3. Surplus reserve for deficit coverage																	
4. Defined benefit plan changes carried forward to retained earnings																	
5. Other comprehensive income carried forward to retained earnings																	
6. Others																	
(V) Special reserves																	
1. Withdrawal in current period																	
2. Use in current period																	
(VI) Others	-1,074,157.00					-4,138,999.30				2,884,198.08			25,957,782.62		23,628,824.40	-748,062,560.67	-724,433,736.27
IV. Ending balance in current period	3,772,016,757.00					10,462,015,674.83	22,526,342.00	32,830,730.30		683,195,269.55			12,701,261,983.10		27,628,794,072.78	666,022,604.77	28,294,816,677.55

Items	2018														
	Equity attributable to owners of the parent company												Subtotal	Minority shareholders' equity	Total owners' equity
	Paid-up capital (or share capital)	Other equity instruments			Capital reserves	Minus: Treasury stock	Other comprehensive incomes	Special reserves	Surplus reserves	Generic risk reserve	Undistributed profits	Others			
	Preferred stock	Perpetual bonds	Others												
I. Ending balance of last year	1,993,989,649.00			629,305,966.83	5,433,363,019.83	98,428,945.60	-1,892,375.43		342,109,822.28		5,896,910,885.84		14,195,358,022.75	48,786,496.82	14,244,144,519.57
Plus: Changes in accounting policies															
Corrections of prior period errors															
Business combination															

Annual Report 2019

under the same control														
Others														
II. Beginning balance of this year	1,993,989,649.00			629,305,966.83	5,433,363,019.83	98,428,945.60	-1,892,375.43		342,109,822.28		5,896,910,885.84	14,195,358,022.75	48,786,496.82	14,244,144,519.57
III. Increase and decrease amount of current period (decrease marked with "-")	796,798,714.00			-498,724.98	-798,568,904.58	-52,952,962.30	6,301,572.85		121,458,973.76		2,077,784,137.96	2,256,228,731.31	324,386,979.02	2,580,615,710.33
(I) Total comprehensive income							6,301,572.85				2,557,964,089.73	2,564,265,662.58	8,629,343.64	2,572,895,006.22
(II) Capital invested and reduced by owners	74,422.00			-498,724.98	1,473,251.22	-52,952,962.30						54,001,910.54	315,757,635.38	369,759,545.92
1. Common stock invested by owners					28,630,435.11							28,630,435.11	310,340,000.00	338,970,435.11
2. Capital invested by the holders of other equity instruments	74,422.00			-498,724.98	2,206,380.75							1,782,077.77		1,782,077.77
3. Amount of share-based payment included in owners' equity					-29,363,564.64	-52,952,962.30						23,589,397.66		23,589,397.66
4. Others													5,417,635.38	5,417,635.38
(III) Profit distribution									121,458,973.76		-480,179,951.77	-358,720,978.01		-358,720,978.01
1. Withdrawal of surplus reserve									121,458,973.76		-121,458,973.76			
2. Withdrawal of generic risk reserves														
3. Distribution for the owners (or shareholders)											-358,720,978.01	-358,720,978.01		-358,720,978.01
4. Others														
(IV) Internal carry-over of owners' equity	797,621,454				-797,621,454.00									
1. Capital reserve converted into capital (or share capital)	797,621,454				-797,621,454.00									
2. Surplus reserve converted into capital (or														

Annual Report 2019

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share capital)														
3. Surplus reserve for deficit coverage														
4. Defined benefit plan changes carried forward to retained earnings														
5. Other comprehensive income carried forward to retained earnings														
6. Others														
(V) Special reserves														
1. Withdrawal in current period														
2. Use in current period														
(VI) Others	-897,162.00				-2,420,701.80							-3,317,863.80		-3,317,863.80
IV. Ending balance in current period	2,790,788,363.00			628,807,241.85	4,634,794,115.25	45,475,983.30	4,409,197.42		463,568,796.04		7,974,695,023.80	16,451,586,754.06	373,173,475.84	16,824,760,229.90

Legal representative: Li Zhenguo

Accountant officer: Liu Xuewen

Head of accounting institution: Liu Xuewen

**Statement of Changes in Owners' Equity of the Parent Company**  
January to December, 2019

Unit: Yuan; Currency: RMB

Items	2019										
	Equity attributable to owners of the parent company										
	Paid-up capital (or share capital)	Other equity instruments			Capital reserves	Minus: Treasury stock	Other comprehensive incomes	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
Preferred stock		Perpetual bonds	Others								
I. Ending balance of last year	2,790,788,363.00			628,807,241.85	4,633,062,603.32	45,475,983.30			463,568,796.04	3,080,899,445.24	11,551,650,466.15
Plus: Changes in accounting policies							6,169,340.04				6,169,340.04
Corrections of prior period errors											
Others											
II. Beginning balance of this year	2,790,788,363.00			628,807,241.85	4,633,062,603.32	45,475,983.30	6,169,340.04		463,568,796.04	3,080,899,445.24	11,557,819,806.19
III. Increase and decrease amount of current period (decrease marked with "-")	981,228,394.00			628,807,241.85	5,819,098,987.86	-22,949,641.30	-6,169,340.04		219,626,473.51	1,614,437,640.08	8,022,364,554.86
(I) Total comprehensive income							-6,169,340.04			2,167,422,754.33	2,161,253,414.29
(II) Capital invested and reduced by owners	982,302,551.00			628,807,241.85	5,823,237,987.16	-22,949,641.30					6,199,682,937.61
1. Common stock invested by owners	833,419,462.00				2,997,279,770.30						3,830,699,232.30
2. Capital invested by the holders of other equity instruments	148,883,089.00			628,807,241.85	2,817,679,716.91						2,337,755,564.06

Annual Report 2019

3. Amount of share-based payment included in owners' equity					8,278,499.95	-22,949,641.30					31,228,141.25
4. Others											
(III) Profit distribution									216,742,275.43	-578,942,896.87	-362,200,621.44
1. Withdrawal of surplus reserve									216,742,275.43	-216,742,275.43	
2. Distribution for the owners (or shareholders)										-362,200,621.44	-362,200,621.44
3. Others											
(IV) Internal carry-over of owners' equity											
1. Capital reserve converted into capital (or share capital)											
2. Surplus reserve converted into capital (or share capital)											
3. Surplus reserve for deficit coverage											
4. Defined benefit plan changes carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Others											
(V) Special reserves											
1. Withdrawal in current period											
2. Use in current period											
(VI) Others	-1,074,157.00				-4,138,999.30				2,884,198.08	25,957,782.62	23,628,824.40
IV. Ending balance in current period	3,772,016,757.00				10,452,161,591.18	22,526,342.00			683,195,269.55	4,695,337,085.32	19,580,184,361.05

Annual Report 2019

Items	2018										
	Equity attributable to owners of the parent company										
	Paid-up capital (or share capital)	Other equity instruments			Capital reserves	Minus: Treasury stock	Other comprehensive incomes	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
Preferred stock		Perpetual bonds	Others								
I. Ending balance of last year	1,993,989,649.00			629,305,966.83	5,418,963,412.66	98,428,945.60			342,109,822.28	2,346,489,659.46	10,632,429,564.63
Plus: Changes in accounting policies											
Corrections of prior period errors											
Others											
II. Beginning balance of this year	1,993,989,649.00			629,305,966.83	5,418,963,412.66	98,428,945.60			342,109,822.28	2,346,489,659.46	10,632,429,564.63
III. Increase and decrease amount of current period (decrease marked with "-")	796,798,714.00			-498,724.98	-785,900,809.34	-			121,458,973.76	734,409,785.78	919,220,901.52
(I) Total comprehensive income										1,214,589,737.55	1,214,589,737.55
(II) Capital invested and reduced by owners	74,422.00			-498,724.98	14,141,346.46	-					66,670,005.78
1. Common stock invested by owners					10,329,409.98						10,329,409.98
2. Capital invested by the holders of other equity instruments	74,422.00			-498,724.98	2,206,380.75						1,782,077.77
3. Amount of share-based payment included in owners' equity					1,605,555.73	-					54,558,518.03
4. Others											
(III) Profit distribution									121,458,973.76	-480,179,951.77	-358,720,978.01
1. Withdrawal of surplus reserve									121,458,973.76	-121,458,973.76	
2. Distribution for the owners (or shareholders)										-358,720,978.01	-358,720,978.01
3. Others											
(IV) Internal carry-over of owners' equity	797,621,454.00				-797,621,454.00						
1. Capital reserve converted into capital (or	797,621,454.00				-797,621,454.00						

Annual Report 2019

share capital)											
2. Surplus reserve converted into capital (or share capital)											
3. Surplus reserve for deficit coverage											
4. Defined benefit plan changes carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Others											
(V) Special reserves											
1. Withdrawal in current period											
2. Use in current period											
(VI) Others	-897,162.00				-2,420,701.80						-3,317,863.80
IV. Ending balance in current period	2,790,788,363.00			628,807,241.85	4,633,062,603.32	45,475,983.30			463,568,796.04	3,080,899,445.24	11,551,650,466.15

Legal representative: Li Zhenguo

Accountant officer: Liu Xuewen

Head of accounting institution: Liu Xuewen

### **III. Basic situation of the Company**

#### **1. Company profile**

√ Applicable  Non-applicable

LONGi Green Energy Technology Co., Ltd. (hereinafter referred to as “the Company”) was founded on February 14, 2000, and registered in Xi'an City, Shaanxi Province, The People's Republic of China, with its headquarters located at No. 388 Middle Aerospace Rd., Xi'an City, Shaanxi Province, The People's Republic of China. The Company was listed on Shanghai Stock Exchange on April 11, 2012. As of December 31, 2019, the total share capital of the Company was 3,772,016,757.00 yuan with a par value of 1 yuan per share.

The Company and its subsidiaries (collectively referred to as “the Group”) belong to PV industry and are mainly engaged in the R&D, production and sales of mono ingots, wafers, cells and modules, as well as the development and operation of solar power project.

The financial statements were publicized with the approval of the management of the Company on April 21, 2020.

#### **2. Scope of consolidated financial statements**

√ Applicable  Non-applicable

See IX “Equity in other entities” for the main subsidiaries included in the consolidation scope this year. See VIII “Changes in consolidation scope” for subsidiaries newly included in the consolidation scope this year and subsidiaries no longer included in the consolidation scope this year.

### **IV. Preparation basis of financial statements**

#### **1. Preparation basis**

The financial statements of the Company are prepared on a going concern basis.

#### **2. Continuing operations**

√ Applicable  Non-applicable

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises - Basic Standards, specific accounting standards and relevant regulations (hereinafter referred to as "Accounting Standards for Business Enterprises") issued by the Ministry of Finance on and after February 15, 2006 and the disclosure provisions of the China Securities Regulatory Commission - Information Disclosure and Compilation Rules for Companies Offering Securities to the Public No. 15 - General Provisions for Financial Reporting.

The financial statements of the Company are prepared on a going concern basis

### **V. Important accounting policies and accounting estimates**

Specific accounting policies and accounting estimates suggest that:

√ Applicable  Non-applicable

The Group determines specific accounting policies and accounting estimates according to the characteristics of production and operation, mainly reflected in the measurement of expected credit loss on receivables (see V. 10. Financial instruments), valuation method of inventory (see V. 15. Inventory), judgment standard of fair value of financial instruments (see V. 10. Financial instruments), depreciation of fixed assets and amortization of intangible assets (see V. 22. Fixed assets, and V. 28. Intangible assets), impairment of long-term assets (see V. 29. Impairment of long-term assets), and revenue recognition time (see V. 36. Revenues).

See V. 42. Other "important accounting estimates and judgments" for the key judgments used by the Group in determining important accounting policies.

#### **1. Statement of compliance with Accounting Standards for Business Enterprises**

The financial statements of the Company in 2019 conform to the requirements of the Accounting Standards for Business Enterprises, which completely reflect the Company's merger and financial position as of December 31, 2019, as well as the merger and company's business performance and cash flow and other relevant information in 2019.

#### **2. Accounting period**

The fiscal year is from January 1 to December 31 of the Gregorian calendar.



**3. Operating cycle**√ Applicable  Non-applicable

The normal operating cycle refers to the period from the acquisition of assets for processing by the Company to the realization of cash or cash equivalents. The Company takes 12 months as an operating cycle and regards it as a liquidity classification standard for assets and liabilities.

**4. Bookkeeping base currency**

RMB is the bookkeeping base currency of the Company and its domestic subsidiaries. Subsidiaries of the Company determine their bookkeeping base currency based on the main economic environment in which they operate. Bookkeeping base currencies for overseas subsidiaries LONGI (KUCHING) SDN. BHD., LONGI TECHNOLOGY (KUCHING) SDN BHD., LONGI Solar Technology K.K., LONGI Solar Technology (U.S.) INC., LERRI SOLAR TECHNOLOGY (INDIA) PRIVATE LIMITED, LONGi New Energy (Uganda) Limited, LONGI Solar Technologie GmbH, LONGI NEW ENERGY (THAILAND) CO., LTD and LONGi Solar Australia Pty Ltd are respectively Ringgit, Yen, U.S. dollar, Indian Rupee, Uganda Shilling, Euro, Baht, and Australian dollar. The financial statements are listed in RMB.

**5. Accounting treatment methods for business combinations under the same control and not under the same control**√ Applicable  Non-applicable**(a) Business combination under common control**

The consideration paid for combination by the combining party and the net assets obtained are measured at the book value. If the combined party is acquired from a third party by the ultimate controller in the previous year, they will be based on the book value of the combined party's assets and liabilities (including the goodwill formed by the ultimate controller's acquisition of the combined party) in the ultimate controller's consolidated financial statements. In case of the difference between the book value of the net assets obtained by the combining party and that of the consideration paid for the combination, the capital reserves (share premium) are adjusted; if the capital reserves (share premium) are insufficient to offset, the retained earnings are adjusted. The directly related expenses incurred for business combination are included in the current profits and losses when incurred. The transaction costs of issuing equity securities or debt securities for business combination are included in the initial recognition amount of equity securities or debt securities.

**(b) Business combination not under common control**

The combination cost incurred by the acquirer and the identifiable net assets obtained in the combination are measured at the fair value on the acquisition date. The difference that the combination cost is greater than the fair value of the identifiable net assets of the acquiree obtained in the combination on the acquisition date is recognized as goodwill; the difference that the combination cost is less than the fair value of the identifiable net assets of the acquiree obtained in the combination is included in the current profits and losses. The directly related expenses incurred for business combination are included in the current profits and losses when incurred. The transaction costs of issuing equity securities or debt securities for business combination are included in the initial recognition amount of equity securities or debt securities.

**6. Preparation method of consolidated financial statements**√ Applicable  Non-applicable

When preparing consolidated financial statements, the scope of consolidation covers the Company and all subsidiaries.

The Group begins to include the subsidiary in the scope of consolidation from the date when the actual control right of the subsidiary is obtained, and stops the inclusion from the date when the actual control right is lost. For subsidiaries acquired through business combination under the same control, they are included in the scope of consolidation of the Company from the date when they are under the control of the ultimate controller together with the Company, and the net profits realized before the combination date are reflected in the separate items in the consolidated profit statement.

During the preparation of consolidated financial statements, in case of inconsistent accounting policies between subsidiaries and the Company, financial statements of subsidiaries are adjusted as necessary in accordance with the accounting policies and accounting period of the Company. For subsidiaries acquired through business combination not under the same control, their financial statements are adjusted based on the fair value of the identifiable net assets on the acquisition date.

All significant transaction balances, transactions and unrealized profits within the Group are offset at the time of preparation of the consolidated financial statements. The shareholders' equity, net profits and losses of the current period and the part not owned by the Company in the comprehensive income of the subsidiary are separately listed as the minority shareholders' equity, profits and losses of minority shareholders and the total comprehensive income attributable to the minority shareholders under the shareholders' equity, net profits and total comprehensive income in the consolidated financial statements. The unrealized internal transaction profits and losses arising from the sale of assets by the Company to subsidiaries are fully offset against the net profits attributable to the shareholders of the parent company; those arising from the sale of assets by subsidiaries to the Company are distributed and offset between the net profits attributable to the shareholders of the parent company and the profits and losses of minority shareholders according to the distribution proportion of the Company to the subsidiaries. The unrealized internal transaction profits and losses arising from the sale of assets between subsidiaries are distributed and offset between the net profits attributable to the shareholders of the parent company and the profits and losses of minority shareholders according to the distribution proportion of the parent company to the selling subsidiary.

If the recognition of the same transaction with the Group as the accounting entity is different from that with the Company or subsidiary as the accounting entity, the transaction is adjusted from the perspective of the Group.

#### **7. Classification of joint venture arrangement and accounting treatment method of joint operations**

Applicable  Non-applicable

#### **8. Determination criteria for cash and cash equivalents**

Cash and cash equivalents refer to cash in hand, deposits that can be used for payment at any time, and investments with short maturities, strong liquidity, easy conversion into known amounts of cash, and little risk of value change.

#### **9. Foreign currency transactions and conversion of foreign currency statements**

Applicable  Non-applicable

##### **(a) Foreign currency transactions**

For foreign currency transactions, the foreign currency amount is converted into the bookkeeping base currency at the spot exchange rate on the transaction date. On the balance sheet date, foreign currency monetary items are converted into the bookkeeping base currency at the spot exchange rate on the balance sheet date. The exchange difference arising from the special borrowing in foreign currency for the purchase and construction of assets eligible for the capitalization of borrowing costs is capitalized during the capitalization period; other exchange differences are directly included into current profits and losses. Foreign currency non-monetary items measured at historical cost are converted at the spot exchange rate of the transaction date on the balance sheet date. The influence of exchange rate fluctuations on cash is listed separately in the cash flow statement.

##### **(b) Conversion of foreign currency financial statements**

The assets and liabilities in the balance sheet of overseas operations are converted at the spot exchange rate on the balance sheet date, and other items in the shareholders' equity are converted at the spot exchange rate at the time of occurrence except for the items of undistributed profits. The revenue and expense items in the profit statement of overseas operations are converted at the spot exchange rate or similar exchange rate on the transaction date. The conversion difference of foreign currency statements resulting from the above conversion is included in other comprehensive income. Cash flow items operated overseas are converted at the spot exchange rate on the cash flow date. The influence of exchange rate fluctuations on cash is listed separately in the cash flow statement.

#### **10. Financial instruments**

Applicable  Non-applicable

Financial instruments refer to contracts that form one party's financial assets and form other parties' financial liabilities or equity instruments. When the Group becomes a party to a financial instrument contract, relevant financial assets or financial liabilities are recognized.

##### **(a) Financial assets**

###### **(i) Classification and measurement**

According to the business model of managing financial assets and the contractual cash flow characteristics of financial assets, the Group divides financial assets into: (1) financial assets measured at amortized cost; (2) financial assets measured at fair value with changes included in other comprehensive income; (3) financial assets measured at fair value with changes included in current profits and losses.

Financial assets are measured at fair value at initial recognition. For financial assets measured at fair value with changes included in current profits and losses, relevant transaction costs are directly included in current profits and losses; for other types of financial assets, relevant transaction costs are included in the initial recognition amount. For receivables or notes receivable arising from the sale of products or the provision of services, which do not include or take into account significant financing components, the Group takes the expected amount of consideration that it is entitled to receive as the initial recognition amount.

#### Debt instruments

Debt instruments held by the Group refer to the instruments that meet the definition of financial liabilities from the perspective of the issuer and are measured in the following three ways:

##### Measured at amortized cost:

The Group's business model for managing such financial assets aims at collection of contractual cash flows, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangements, that is, the cash flow generated on a specific date is only for the payment of the principal and the interest based on the outstanding principal amount. The Group recognizes the interest incomes of such financial assets according to the effective interest rate method. Such financial assets mainly include monetary funds, notes receivable, accounts receivable, other receivables, debt investments and long-term receivables. The Group lists the debt investments and long-term receivables due within one year (including) from the balance sheet date as non-current assets due within one year, and lists the debt investments with maturity within one year (including) when obtained as other current assets.

##### Measured at fair value with changes included in other comprehensive income:

The Group's business model for managing such financial assets aims at collection of contractual cash flows and sales, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangements. Such financial assets are measured at fair value with changes included in other comprehensive income, but impairment losses or gains, exchange gains and losses and interest incomes calculated according to the effective interest rate method are included in the current profits and losses. Such financial assets mainly include receivables financing, other debt investment, etc. The Group lists the other debt investments due within one year (including) from the balance sheet date as non-current assets due within one year, and lists other debt investments with maturity within one year (including) when obtained as other current assets.

##### Measured at fair value with changes included in current profits and losses:

The Group measures the debt instruments that have not been measured at amortized cost nor at fair value with changes included in other comprehensive income at fair value with changes included in current profits and losses, and lists them as trading financial assets. At initial recognition, the Group designated some financial assets as financial assets measured at fair value with changes included in current profits and losses in order to eliminate or significantly reduce accounting mismatch. For those will be due in more than one year from the balance sheet date and are expected to be held for more than one year, they are listed as other non-current financial assets.

#### Equity instruments

The Group measures the equity instrument investments over which it has no control, has joint control and which has significant influence on it at the fair value with change included in the current profits and losses, and lists them as trading financial assets, and lists those expected to be held more than one year from the balance sheet date as other non-current financial assets.

In addition, the Group designates some non-trading equity instrument investments as financial assets measured at fair value with changes included in other comprehensive income, and lists them as other equity instrument investments. The relevant dividend income of such financial assets is included in the current profits and losses.

##### (ii) Impairment of financial assets

The Group recognizes loss reserves based on expected credit loss for financial assets measured at amortized cost, debt instrument investments measured at fair value with changes included in other comprehensive

income, and financial guarantee contracts.

Taking into account of reasonable and well-founded information such as past events, current situation, and the forecast of future economic conditions, the Group calculates the probability weighted amount of the current value of the difference between the contractual cash flow receivable and the cash flow expected to be received with the risk of default as the weight, to recognize the expected credit loss.

On each balance sheet date, the Group separately measures the expected credit losses of financial instruments at different phases. If the credit risk of financial instruments has not increased significantly since the initial recognition, it is in the first phase. The Group measures the loss reserves based on the expected credit losses in the next 12 months; if the credit risk of financial instruments has increased significantly without credit impairment since the initial recognition, it is in the second phase. The Group measures the loss reserves according to the expected credit loss of the entire duration of instruments; if the financial instrument has suffered credit impairment since the initial recognition, it is in the third phase, the Group measures the loss reserves according to the expected credit loss of the entire duration of instruments.

For financial instruments with lower credit risk on the balance sheet date, the Group assumes that its credit risk has not increased significantly since its initial recognition, and measures loss reserves based on expected credit losses within the next 12 months.

The Group calculates interest incomes based on the book balance without deduction of impairment reserves and actual interest rate of the financial instruments that are in the first and second phases and with lower credit risk. For the financial instruments in the third stage, the interest incomes are calculated based on the amortized costs obtained by deducting the accrued impairment reserves from the book balance and the actual interest rate.

For the notes receivables, accounts receivables and receivables financing caused by daily business activities such as sales of goods and provision of service, regardless of whether there is a significant financing component, the Group measures the loss reserves based on the expected credit losses for the entire duration.

If the objective evidence indicated that there is impairment and other accounts receivable suitable for individual assessment, the Group carries out the impairment test individually, confirms the expected credit loss and accrues individual impairment reserves. If there are no accounts receivable indicated by objective evidence for impairment, or it is not possible to assess expected credit losses of individual financial assets at a reasonable cost, the Group divides the accounts receivable into several portfolios according to the characteristics of credit risks as below, and measured the expected credit losses on the basis of portfolios.

1. Notes receivable	
Portfolio 1	Bank acceptance portfolio
Portfolio 2	Trade acceptance portfolio
2. Receivable financing	
Portfolio 1	Bank acceptance portfolio
Portfolio 2	Trade acceptance portfolio
3. Accounts receivable	
Portfolio 1	Portfolio of related parties within the group receivable
Portfolio 2	Portfolio of electricity bills receivable
Portfolio 3	Portfolio of receivables from corporate customers
4. Other receivables	
Portfolio 1	Portfolio of related parties and petty cashes within the group receivable
Portfolio 2	Other receivables portfolio
5. Long-term receivables	
Portfolio 1	Long-term receivables portfolio

For accounts receivable divided into portfolios and notes receivables and receivable financing caused by daily business activities such as sales of goods and provision of service, with reference to historical credit loss experience, and according to current conditions and predictions of future economic conditions, the Group compiles a comparison table of the overdue days of accounts receivable and the expected credit loss rate for the entire duration to measure the expected credit losses. In addition, for the notes receivable, receivable financing and other receivables divided into a portfolio, with reference to historical credit loss experience, and according to current conditions and predictions of future economic conditions, the Group measures the expected credit losses based on the exposure at default and expected credit loss rate within 12 months or for the entire duration.

The Group records the accrued or reversed loss reserves in the current profits and losses. For debt instruments held at fair value and whose changes are included in other comprehensive incomes, the Group adjusts other comprehensive incomes while recording the impairment losses or gains in current profits or losses.

(iii) Derecognition of financial assets

Financial assets that satisfy one of the following conditions shall be derecognized: (1) the contractual right to collect the cash flow of the financial assets is terminated; (2) the financial assets have been transferred and almost all the risks and rewards from the ownership of the financial assets have been transferred to the transferee; and (3) the financial assets have been transferred, the Group neither transfers nor reserves almost all the risks and rewards from ownership of the financial assets, but it abandons the control over the financial assets.

When the other equity instrument investments are derecognized, the difference between its book value, the consideration received and the cumulative amount of changes in fair value that were directly included in other comprehensive incomes is included in retained earnings; when the remaining financial assets are derecognized, the difference between their book value, the consideration received and the cumulative amount of changes in fair value that were directly included in other comprehensive incomes is included in the current profits and losses.

(b) Financial liabilities

It refers to financial liabilities that are classified for being measured at amortized costs at initial recognition and that are measured at fair value and whose changes are included in the current profits or losses.

The Group's financial liabilities are mainly those measured at amortized costs, including notes payable, accounts payable, other payables, loans and bonds payable. Such financial liabilities are initially measured at their fair value after deducting transaction costs, and are subsequently measured by the effective interest rate. If its maturity is less than one year (including), it is listed as current liabilities; if its maturity is more than one year but it is due within one year (including) from the balance sheet date, it is listed as non-current liabilities due within one year; while the rest are listed as non-current liabilities.

When all or part of the current obligation of the financial liabilities has been discharged, the Group derecognizes the part of the financial liabilities or obligation that has been discharged. The difference between the book value and the consideration paid of financial liabilities derecognized is included in the current profits and losses.

(c) Determination of the fair value of financial instruments

For financial instruments with an active market, their fair value is determined by the offer in the active market. For financial instruments without an active market, their fair value is determined by valuation techniques. In the valuation, the Group adopts valuation techniques that are applicable in the current situation and supported by sufficient available data and other information, and chooses input values that are consistent with the characteristics of assets or liabilities considered by market participants in the transactions of related assets or liabilities, and preferentially uses related observable input values as much as possible. When the related observable input values cannot be obtained or are infeasible to access, the non-observable input values are used.

## 11. Notes receivable

### Determination and accounting treatment methods of expected credit losses of notes receivable

Applicable  Non-applicable

For details, see 10, (a), (ii) Impairment of financial assets.

## 12. Accounts receivable

### Determination and accounting treatment methods of expected credit losses of accounts receivable

Applicable  Non-applicable

For details, see 10, (a), (ii) Impairment of financial assets.

## 13. Receivable financing

Applicable  Non-applicable

For details, see 10, (a), (ii) Impairment of financial assets.

**14. Other receivables****Determination and accounting treatment methods of expected credit losses of other receivables**

Applicable  Non-applicable

For details, see 10, (a), (ii) Impairment of financial assets.

**15. Inventory**

Applicable  Non-applicable

**a) Classification**

Inventories include raw materials, goods in process, finished goods, consigned processing materials, goods in transit, etc., which are measured at the lower of costs and net realizable value.

**b) Valuation method of inventories in transit**

The costs of inventories at the time of delivery are measured by the weighted average method. The cost of finished goods and goods in process includes raw materials, direct labor, and manufacturing costs allocated by a systematic method under normal production capacity.

**c) Basis for determining the net realizable value of inventories and method of accruing inventory falling price reserves**

Inventory falling price reserves are accrued based on the positive difference between the costs and net realizable value of inventories. The net realizable value is determined according to the amount of the estimated selling price of inventories minus the estimated costs to be incurred, the estimated sales expenses and related taxes at the time of completion in daily activities.

**d) The Group's inventory system is a perpetual inventory system.****e) Amortization method of low-value consumables and packing materials**

Circulating materials include low-value consumables, packing materials, etc. Low-value consumables are amortized by month, and packing materials are amortized by the write-off method.

**16. Held-for-sale assets**

Applicable  Non-applicable

**17. Debt investment****(1) Determination and accounting treatment methods of expected credit losses of debt investments**

Applicable  Non-applicable

**18. Other debt investments****(1) Determination and accounting treatment methods of expected credit losses of other debt investments**

Applicable  Non-applicable

**19. Long-term receivables****(1) Determination and accounting treatment methods of expected credit losses of long-term receivables**

Applicable  Non-applicable

For details, see 10, (a), (ii) Impairment of financial assets.

**20. Long-term equity investment**

Applicable  Non-applicable

Long-term equity investment includes the Company's long-term equity investment in subsidiaries; and the Group's long-term equity investment in joint venture and associated enterprises.

Subsidiaries are investees that the Company can control. A joint venture is a joint arrangement that is reached by the Group through a separate entity, capable of joint control with other parties, and entitled to the right to its net assets based on legal form, contract terms, and other facts and circumstances. Associated enterprises are investees that the Group can have a significant influence on its financial and operating decisions.

Investment in subsidiaries is shown in the Company's financial statements in accordance with the amount determined by the cost method, and adjusted & consolidated in accordance with the equity method when preparing consolidated financial statements; the equity method is used for investment in joint ventures and associated enterprises.

(a) Investment cost determination

Long-term equity investment formed by business combination: for the long-term equity investment obtained by business combination under the same control, on the combination day, its book value of the combined party's owner's equity in the final controller's consolidated financial statements is considered as investment costs; for the long-term equity investment obtained by the business combination not under the same control, its investment cost is considered as costs of long-term equity investment.

Long-term equity investments obtained by means other than business combination: for long-term equity investments obtained by cash payment, the actual purchase price is considered as the initial investment costs; for long-term equity investments obtained by issuing equity securities, the fair value of equity securities issued are considered as the initial investment costs.

The long-term equity investments accounted by the cost method are measured at the initial investment costs. The cash dividends or profits declared by the investees are recognized as investment incomes and included in the current profits and losses.

For long-term equity investments accounted by the equity method, if the initial investment costs are greater than the fair value of the investees' net identifiable assets obtained by investors at the time of investment, the initial investment costs are considered as the long-term equity investment costs; if the initial investment costs are less than the fair value of the investees' net identifiable assets obtained by investors at the time of investment, the difference is included in the current profits and losses, and the equity investment costs in the growth period are adjusted accordingly.

For long-term equity investments accounted by the equity method, the Group recognizes the current investment profits or losses based on the net profits or losses of investees to be obtained or shared. For recognition of the net loss incurred by investees, the book value of the long-term equity investment and other long-term equity that substantially constitutes a net investment in the investees are limited and wrote down to zero, but the Group has the obligation to bear additional losses and continue to confirm the expected losses if it meets the conditions for the recognition of estimated liabilities. For other changes in the owner's equity other than the net profits and losses, other comprehensive incomes and profit distribution of investees, the book value of the long-term equity investment is adjusted and included in the capital reserves. Based on the profits or cash dividends distributed by investees and to the Group upon declaration, the book value of the long-term equity investment shall be reduced accordingly. The unrealized internal transaction profits and losses between the Group and the investee are calculated for the portion attributable to the Group according to the shareholding ratio and offset, and then investment profits and losses are recognized on this basis. The internal transaction losses incurred by the Group and the investee, which are part of asset impairment losses, the corresponding unrealized losses are not offset.

If the control over investees is changed to significant influence or jointly control with other investors on investees due to reasons such as disposal of investment, the long-term equity investment costs to be derecognized shall be carried forward in proportion to the disposal of investment firstly. Then, after comparing the cost of the remaining long-term equity investment with the fair value of the net identifiable assets of investees obtained by investors when calculating the original investment according to the remaining shareholding ratio, if the former is greater than the latter, it is the goodwill reflected in the investment valuation, and the book value of long-term equity investment is not adjusted; if the former is smaller than the latter, the retained earnings are adjusted while adjusting the cost of long-term equity investment.

For the net profits and losses of investees obtained by investors from the original acquisition of the investment to the disposal of investment (converted to accounting by equity method), on the one hand, the book value of the long-term equity investment is adjusted, on the other hand, for the net profits and losses of investees obtained by investors from original acquisition of the investment to the beginning of disposal of investment (deducting the issued cash dividends and profits), the retained earnings are adjusted; for the net profits and losses of investees obtained by investors from the beginning of disposal of investment to the day of dispose of investment, the current profits and losses are adjusted; for the shares of other comprehensive income changes of investees obtained by investors, the book value of long-term equity investment is adjusted and included in other comprehensive incomes; for the shares of investees' other owners' equity changes due to reasons except for net profits and losses, other comprehensive incomes and profit distribution obtained by investors, the book value of long-term equity investment is adjusted and included in the capital reserves

(other capital reserves). After the accounting method of long-term equity investment is converted from the cost method to the equity method, the other changes in the net profits and losses, other comprehensive incomes and owner's equity of investees obtained by investors is calculated and recognized in accordance with the long-term equity investment standards in the future period.

(b) Basis for determining the control, joint control, and significant influence on the investees

Control refers to the rights to possess investees, obtain variable returns by participating in the related activities of investees, and influence the returns of investees.

Joint control refers to the common control over an activity in accordance with the relevant agreement, and related activities must be decided after being agreed by the Group and other participants sharing control rights before making decisions.

Significant influence refers to the right to participate in decision making on the financial and operating policies of the investees, without control or joint control over the formulation of these policies with other parties.

(c) Impairment of long-term equity investment

For long-term equity investments in subsidiaries, joint ventures and associated enterprises, when the recoverable amount is lower than the book value, the book value is written down to the recoverable amount (see V. 29. Impairment of long-term assets)

## 21. Investment real estate

N/A

## 22. Fixed assets

### (1) Recognition conditions

Applicable  Non-applicable

Fixed assets include houses and buildings, solar power projects, machinery and equipment, means of transport, electronic equipment and others.

Fixed assets are recognized when the economic benefits associated with them are likely to flow into the Group and their costs can be measured reliably. The purchased or newly-constructed fixed assets are initially measured at cost as obtained. The subsequent expenditures related to fixed assets are included in the costs of fixed assets when their related economic profits are likely to flow into the Group and the costs can be reliably measured; for the replaced part, the recognition of book value is terminated; other subsequent expenditures are included in current profits and losses as incurred.

### (2) Depreciation method

Applicable  Non-applicable

Category	Depreciation method	Depreciable life (year)	Residual ratio	Annual depreciation rate
Houses and buildings	Straight-line depreciation	20-60 years	5%	1.58%-4.75%
Solar power project	Straight-line depreciation	20-25 years	5%	3.80%-4.75%
Machinery equipment	Straight-line depreciation	5-10 years	5%	9.50%-19.00%
Means of transport	Straight-line depreciation	5-10 years	5%	9.50%-19.00%
Electronic equipment and others	Straight-line depreciation	3-5 years	5%	19.00%-31.67%

The estimated service life, estimated net residual value and depreciation method of fixed assets are rechecked and properly adjusted at the end of every year.

### (3) Identification basis, valuation and depreciation methods of fixed assets acquired under finance leases

Applicable  Non-applicable

The financial lease is a lease that essentially transfers all risks and remuneration related to the ownership of



assets. The lesser of the fair value of leased assets and the current value of the minimum lease payment is recognized as the entry value of leased assets for fixed assets acquired under finance leases. The difference between the entry value of leased assets and the minimum lease payment is the unrecognized financial costs (see V. 39. Lease).

The fixed assets acquired under finance leases adopt the same depreciation policy as that of the self-owned fixed assets. If it can be reasonably recognized that the ownership of the leased assets will be obtained at the expiration of lease term, the depreciation for the leased fixed assets is accrued within the estimated service life; otherwise, the depreciation is accrued within the shorter period of the lease term and the estimated service life of the asset.

#### **(4) Other explanations**

When the recoverable amount of fixed assets is less than its book value, the book value is written down to the recoverable amount (see V. 29. Impairment of long-term assets).

When a fixed asset is in a disposal state or is not expected to generate economic benefits through its use or disposal, its recognition is terminated. The amount of the disposal income from the sale, transfer, scrap or breakage of fixed assets after deducting the book value and related taxes and fees is included in current profits and losses.

### **23. Construction in progress**

Applicable  Non-applicable

Construction in progress is measured at the actual cost, which includes the construction costs, installation costs, borrowing costs that meet the capitalizing terms, and other necessary expenditures incurred to make the construction in progress reach the expected usable state. When the construction in progress reaches the expected usable state, it is transferred to the fixed assets and the depreciation will be accrued from the following month. When the recoverable amount of the construction in progress is less than its book value, the book value is written down to the recoverable amount (see V. 29. Impairment of long-term assets).

When the construction in progress of the Company reaches the expected usable state at the completion of construction, it is carried over to the fixed assets. The criterion and time of the expected usable state should meet one of the following situations:

- The physical construction (including installation) of the fixed asset has been completed or substantially completed;
- The purchased and constructed fixed assets are in accordance or basically in accordance with the design requirements, contract provisions, etc. Even though there are very few inconsistencies with the design and contract, the normal use is not affected;
- The expenditure that continuously to be incurred in the purchased and constructed fixed assets is little or hardly incurred;

For the purchased and constructed fixed assets that need trial production or running, if the result of trial production indicates that the asset can normally produce conforming products, or the result of trial running indicates that the asset can run normally, it is considered that the asset has reached the expected usable state.

### **24. Borrowing costs**

Applicable  Non-applicable

It refers to the borrowing costs incurred in the Group that can be directly attributed to the purchase and construction of assets that require a considerably long time of purchase and construction activity before reaching the expected usable state. It begins to be capitalized and included in the costs of the asset after the asset expenditures and borrowing costs have been incurred and the necessary purchase and construction activity for the assets to reach the expected usable state has started. The capitalization is stopped after the purchased and constructed assets reach the expected usable state, and the subsequent borrowing costs are included in current profits and losses. If the purchase and construction activity of the asset is interrupted abnormally, and the period of interruption exceeds three months continuously, the capitalization of borrowing costs is suspended until the purchase and construction activity of the assets starts again.

For the special borrowing costs obtained for the purchase and construction of assets meet the capitalizing terms, the amount of current actual interest expense of the special borrowing costs deducting the interest incomes of the unused borrowing money obtained after it is put into bank or the investment profits from temporary investment is recognized as the capitalized amount of the special borrowing costs.

For the general borrowing costs occupied for the purchase and construction of assets that meet the capitalizing terms, the capitalized amount is recognized by the calculation of multiplying the weighted average of capital expenditures of the accumulated asset expenditures deducting the special borrowing costs by the weighted average effective interest rate of the occupied general borrowing costs. The effective interest rate refers to the interest rate that the future cash flow of borrowing costs during the duration or suitable shorter period used to discount to the initial recognition amount of the borrowing costs.

## 25. Biological assets

Applicable  Non-applicable

## 26. Oil and gas assets

Applicable  Non-applicable

## 27. Right-of-use assets

Applicable  Non-applicable

## 28. Intangible assets

### (1) Valuation method, service life and impairment test

Applicable  Non-applicable

(a) The intangible assets include the land use right, patent right, non-patented technology, trademark right and software, which are measured at cost.

The estimated service lives of all intangible assets are as follows:

	Service life
Land use right	Determined according to the duration of warrant
Patent right/non-patented technology	Year 10
Trademark right	Year 10
ERP/software	Year 10

For the intangible assets with limited service life, the straight-line method is adopted for average amortization within its estimated service life.

(b) Regular recheck of the service life and amortization method

The estimated service life and amortization method of the intangible assets with limited service life are rechecked and properly adjusted at the end of every year.

(c) Impairment of intangible assets

When the recoverable amount of the intangible assets is less than the book value, the book value is written down to the recoverable amount (see 29. Impairment of long-term assets).

### (2) Accounting policy for internal R&D expenditures

Applicable  Non-applicable

The internal R&D expenditures are divided into expenditures in the research stage and development stage based on their nature and whether the intangible assets that eventually formed in R&D activity have larger uncertainty.

If the Company sets up a basic theory research project to provide theoretical guidance or technical reserves for applied research, expenditures are usually classified to the research stage and included in current profits and losses when incurred; in case of an applied research project, it is regarded to enter the development stage when the project is approved. Capitalization is permitted if the following conditions are met at the same time:

- The project has passed the Company's corresponding feasibility review and demonstration;
- The management has approved the plan and budget of the development project;
- The analysis of previous market research indicates that the products from the development project can be promoted to the market;
- There are sufficient technical and financial support for carrying out the development activities of

the project and subsequent production; and

- The expenditures of the development project can be reliably collected.

Expenditures in the development stage that fail to meet the aforementioned conditions are included in current profits and losses when incurred. The development expenditures that have been included in profits and losses in the previous period will not be re-recognized as assets in the subsequent period. The capitalized expenditures in the development stage are listed as development expenditures on the balance sheet, and are transferred to intangible assets from the date of the project reaching the expected usage.

## 29. Impairment of long-term assets

Applicable  Non-applicable

Impairment test is conducted to the fixed assets, construction in progress, intangible assets with limited service life and long-term equity investments to the subsidiaries and associated enterprises, etc. if there is any indication of impairment on the balance sheet date; intangible assets not under usable conditions are tested for impairment annually at least, regardless of indication of impairment. If the result of impairment test indicates that the recoverable amount of assets is less than its book value, the impairment reserves are accrued at the difference and included in the impairment losses. The greater of the net amount of the fair value of assets deducting the disposal charge and the current value of the estimated future cash flow of assets is the recoverable amount. The assets impairment reserves are calculated and recognized on the basis of individual asset. If it is difficult to estimate the recoverable amount of individual asset, the recoverable amount of asset group can be recognized according to the asset group that the asset belongs to. The asset group refers to the minimum asset combination that can generate cash inflow independently.

The goodwill listed separately in the financial statements should be tested for impairment regardless of indication of impairment. During impairment test, the book value of goodwill is amortized to the asset group or combination of asset groups that is expected to benefit from the cooperative effect of business combination. If the test result indicates that the recoverable amount of the asset group or combination of asset groups of the amortized goodwill is less than its book value, the corresponding impairment losses are recognized. The amount of impairment losses is obtained by deducting the book value of goodwill amortized to its asset group or combination of asset groups first, and then deducting the book values of other assets according to their proportion in the asset group or combination of asset groups other than the goodwill.

Once the aforementioned asset impairment losses have been recognized, the part of the value that can be restored will not be returned in the subsequent period.

## 30. Long-term deferred expenses

Applicable  Non-applicable

Long-term unamortized expenses include the betterment expense of fixed assets acquired under business leases and other expenses that have occurred but should be borne by the current period and subsequent periods with the amortization period over one year, which are amortized averagely by stages according to the estimated benefit period and listed as the net amount of the actual expenditures deducting accumulated amortization.

## 31. Employee remuneration

### (1) Accounting treatment method for short-term remuneration

Applicable  Non-applicable

Short-term remuneration includes wage, bonus, allowance and subsidy, welfare expense of employee, medical insurance premium, work-related injury insurance premium, birth insurance premium, legal reserves of housing acquisition, union and education expenditure. The actual short-term remuneration occurred during the accounting period in which the Group's employees offer services is recognized as liabilities and included in current profits and losses or relevant asset costs. Wherein the non-monetary welfare is measured at fair value.

### (2) Accounting treatment method of post-employment benefits

Applicable  Non-applicable

The Group classifies the post-employment benefit plan into the defined contribution plan and defined benefit plan. If the Group no longer undertakes the subsequent payment obligations after depositing fixed charges to independent fund, such post-employment benefit plan is called a defined contribution plan; the defined

benefit plan is post-employment benefit plan other than the defined contribution plan. During the reporting period, the post-employment benefits of the Group are mainly include the basic endowment insurance and unemployment insurance paid for the employees, which belong to the defined contribution plan.

#### Basic endowment insurance and unemployment insurance

The Group's employees have participated in the social basic endowment insurance and unemployment insurance organized and implemented by local labor and social security department. The Group pays the basic endowment insurance premium and unemployment insurance premium to the local handling agency of social basic endowment insurance according to the payment base and ratio of locally specified social basic endowment insurance and unemployment insurance. After retirement, the local labor and social security department has the responsibility to pay social basic retirement pension to the retired employees; after unemployment, the local labor and social security department has the responsibility to pay unemployment compensation to the unemployed employees. The amount payable calculated according to the aforementioned rules of social securities during the accounting period in which the Group's employees offer services is recognized as liabilities and included in current profits and losses or relevant asset costs.

#### (3) Accounting treatment method of dismissal benefits

Applicable  Non-applicable

Before the expiration of employees' labor contract, if the Group terminates the labor relation with employees or offers compensation for encouraging employees to voluntarily accept downsizing, on the earlier day of the time when the Group cannot unilaterally withdraw the plan of terminating labor relations or downsizing suggestion and the time when recognizing the costs related to the reorganization involving dismissal benefits, the Group recognizes the liabilities generated due to the compensation for terminating the labor relation with employees and includes them in current profits and losses. But the dismissal benefits that cannot be fully paid within twelve months after the end of annual reporting period in expectation are treated as other long-term employee remuneration.

#### (4) Accounting treatment method of other long-term employee benefit

Applicable  Non-applicable

#### 32. Lease liabilities

Applicable  Non-applicable

#### 33. Estimated liabilities

Applicable  Non-applicable

If the performing of current obligation formed due to product quality assurance, onerous contracts, etc. is likely to lead to the outflow of economic benefits and the amount can be reliably measured, the current obligation is recognized as estimated liabilities.

The estimated liabilities are initially measured at the best estimate of the necessary expenditures for the performing of current obligation based on the comprehensive consideration of risks, uncertainties, time value of money and other factors related to the contingencies. If the influence of time value of money is significant, the best estimate is determined by discounting relevant future cash outflows; the increase amount of the book value of estimated liabilities arising from the discounting over time is recognized as interest expenses.

The book value of estimated liabilities is rechecked and properly adjusted on balance sheet date to reflect the current best estimate.

Estimated liabilities payable within one year since the balance sheet date in expectation are listed as other current liabilities.

#### 34. Share-based payment

Applicable  Non-applicable

##### (a) Accounting treatment method of share-based payment

Share-based payment refers to the transaction of granting equity instruments or bearing liabilities recognized on the basis of equity instrument for obtaining services from employees or other parties. The share-based payment is classified into equity-settled share-based payment and cash-settled share-based payment.

##### (i) Equity-settled share-based payment

The equity-settled share-based payment in return for employee services is measured at the fair value of the equity instruments on the day granted to the employees. Under the situations that the services in the vesting period are completed or the specified performance terms are reached and based on the best estimate of the amount of vested equity instruments during the vesting period, the amount of the fair value is included in relevant costs or expenses according to the straight-line method. When it is vested immediately after grant, it is included in relevant costs or expenses as granted, and the capital reserves are increased correspondingly.

On each balance sheet date during the vesting period, the Company makes the best estimate of subsequent information such as the latest change in number of vesting employees to correct the estimated number of vested equity instruments. The aforementioned estimated influences are included in current relevant costs or expenses, and the capital reserves are adjusted correspondingly.

For the equity-settled share-based payment in return for other parties' services, if the fair value of other parties' services can be reliably measured, such payment should be measured at the fair value on the obtaining date of other parties' services; if the fair value of other parties' services cannot be reliably measured but the fair value of equity instruments can be reliably measured, such payment should be measured at the fair value of equity instrument on the services obtaining day and included in relevant costs or expenses, and the shareholders' equity is increased correspondingly.

(ii) Cash-settled share-based payment

Cash-settled share-based payment is measured at the fair value of the liabilities which are borne by the Company and recognized on the basis of shares or other equity instruments. When it is vested immediately after grant, it is included in relevant costs or expenses as granted, and the liabilities are increased correspondingly; if it is vested after completing the services in the vesting period or reaching the specified performance terms, the current obtained services are included in costs or expenses based on the best estimate of vesting and at fair value of liabilities borne by the Company on each balance sheet date of the vesting period, and the liabilities are increased correspondingly.

The fair value of liabilities is remeasured with changes included in current profits and losses on each balance sheet date and settlement date before relevant liabilities are settled.

(b) Relevant accounting treatment for amending and terminating share-based payment plan

When the Company amends the share-based payment plan, if the fair value of equity instruments granted is increased due to the amendment, the increase of the services obtained will be recognized correspondingly according to the increase of the fair value of equity instruments. The increase of the fair value of equity instruments refers to the difference between the fair values on the amendment date of equity instruments before and after amendment. If the amendment reduces the total fair value of the share-based payment or adopts other unfavorable methods to the employees, the accounting treatment of the obtained services will be continued as if the modification has never occurred, unless the Company cancels part or all of the equity instruments granted.

During the vesting period, if the granted equity instrument is canceled, the Company will handle the cancellation as an accelerated exercise of rights, the amount that shall be recognized during the remaining vesting period is immediately included in current profits and losses with the capital reserves recognized at the same time. If an employee or other party can choose to meet the non-vesting conditions but fails to meet them during the vesting period, the Company handles the failure as the cancellation of granted equity instrument.

(c) Accounting treatment of share-based payment transactions between the Company and its shareholders or actual controllers

For the share-based payment transactions between the Company and its shareholders or actual controllers, if one of the settlement enterprise and the service receiving enterprise is within the Company and the other is outside the Company, the accounting treatment is conducted in the consolidated financial statements of the Company in accordance with the following provisions:

- (i) If the settlement enterprise settles via its own equity instruments, the share-based payment transaction is treated as the share-based payment of equity settlement; in addition to this, it is treated as the share-based payment of cash settlement.

If the settlement enterprise is the investor of service receiving enterprise, the fair value of equity instrument as granted or the fair value of bearable liabilities is recognized as the long-term equity investment to the service receiving enterprise with the capital reserves (other capital reserves) or liabilities recognized at the same time.

(ii) If the service receiving enterprise has no settlement obligation or grants its employees its own equity instrument, the share-based payment transaction is treated as the share-based payment of equity settlement; if the service receiving enterprise has settlement obligation and grants its employees other than its own equity instrument, the share-based payment transaction is treated as the share-based payment of cash settlement.

In the share-based payment transactions between the enterprises of the Group, if the service receiving enterprise and the settlement enterprise are not the same one, the recognition and measurement of the individual financial statements of the two separate enterprises are treated according to the aforementioned principles.

### 35. Preferred stock, perpetual bond and other financial instruments

Applicable  Non-applicable

### 36. Revenues

Applicable  Non-applicable

The amount of revenues is recognized according to the fair value of the contract or agreement price received or receivable during the sales of goods and provision of labor services in the Group's daily business activities. The revenues are listed as the net amount after deducting the sales discount and sales return. When the economic profits related to transactions are likely to flow into the Group, and the relevant revenues are reliably measured and meet the following recognition standards of special revenue from the operation activities, the relevant revenues are recognized:

#### (a) Goods sales

The revenues of product sales can be recognized if the main risks and remuneration on the ownership of the goods have been transferred to the buyer, neither the right to continue the management generally related to the ownership nor the actual and available control of the sold goods are carried out, the revenue amount can be reliably measured, the related economic benefits are likely to flow into the enterprise, and the related costs incurred or to be incurred can be reliably measured.

Wherein, the specific recognition method for domestic sales revenue: When the products have been sent out and the delivery notes or shipping notes and receipts signed by the buyer have been obtained, the revenues are recognized depending on the relevant documents; the specific recognition method for overseas sales revenue: As overseas sales mostly adopt the FOB (free on board) settlement (FOB means the seller completes delivery when the freight crosses the ship's rail in the designated port of shipment), the revenues are recognized when the customs electronic port information is available for search after handling of the customs and commodity inspection procedures.

#### (b) Relevant business revenue from power project

When the solar power project has been connected to the grid, the economic profits related to the electricity transaction are likely to flow into the enterprise and the amount of revenue can be reliably measured, the electricity revenue of solar power project is recognized.

The sales revenue of solar equipment system is recognized after the system is installed and passes the acceptance.

#### (c) Revenue from the provision of services

Under the situation that the result of transaction concerning the provision of labor services can be reliably estimated, the revenue from the provision of services is recognized by the percentage-to-completion method on the balance sheet date. The completion progress of transaction concerning the provision of labor services is determined according to the measurement of completed works.

That the result of transaction concerning the provision of labor services can be reliably estimated means the following conditions are met at the same time: ① The amount of revenue can be reliably measured; ② Relevant economic profits are likely to flow into the enterprise; ③ The completion degree of transaction can be reliably determined; ④ Costs incurred or to be incurred in the transaction can be reliably measured.

If the result of transaction concerning the provision of labor services cannot be reliably estimated, the revenue from the provision of services is recognized at the amount of the incurred labor costs that can be compensated in expectation, and the incurred labor costs are recognized as the current expenses. The revenue will not be recognized if the incurred labor costs cannot be compensated in expectation.

If the sales of goods and provision of labor services are included in the contract or agreement signed by the Company and other enterprises and can be classified and separately measured, they should be treated individually; if they cannot be classified, or can be classified but cannot be measured separately, the whole contract should be treated as sales of goods.

### **37. Governmental subsidy**

√ Applicable  Non-applicable

The governmental subsidy refers to the monetary assets or non-monetary assets that the Group obtained free of charge from the government, such as tax refund and financial subsidies.

The governmental subsidy is allowed to be recognized when the Group meets the attached conditions and is able to receive the subsidy. If the governmental subsidy is monetary assets, it is measured at the amount received or receivable. If the governmental subsidy is non-monetary assets, it is measured at the fair value; and it is measured at the nominal amount if the fair value cannot be reliably obtained.

The governmental subsidy related to assets refers to the governmental subsidies that are obtained by the Group for purchase or construct or otherwise form long-term assets. The governmental subsidy related to incomes refers to those other than the governmental subsidy related to assets.

The Group recognizes the governmental subsidy related to assets as deferred income, and amortize and include it in profits and losses by reasonable and systematic method within the service life of relevant assets.

For the governmental subsidy related to incomes, if it is used to compensate the relevant cost expenses or losses in the subsequent period, it is recognized as deferred income and relevant costs are written down during the recognition of relevant cost expenses or losses; if it is used to compensate the incurred relevant cost expenses or losses, the relevant costs are written down directly.

The Group adopts the same listing method to the same type of governmental subsidies.

The financial discount obtained by the Group is used to write down relevant borrowing costs.

### **38. Deferred income tax assets/deferred income tax liabilities**

√ Applicable  Non-applicable

The deferred income tax assets and deferred income tax liabilities are calculated and recognized based on the difference between the tax base of assets and liabilities and their book values (temporary differences). The deductible losses that can be deducted from the income tax payable in the subsequent years as specified in the tax law are recognized as the relevant deferred income tax assets. The temporary differences incurred in the initial recognition of goodwill are not recognized as the relevant deferred income tax liabilities. The temporary differences formed in the initial recognition of assets or liabilities generated in non-business combination transactions that neither affect the accounting profit nor the income tax payable (or deductible loss) are not recognized as relevant deferred income tax assets and deferred income tax liabilities. The deferred income tax assets and deferred income tax liabilities are measured at the suitable tax rate of the asset expected collection period or the liability settlement period on the balance sheet date.

The recognition of deferred income tax assets takes the amount of income tax payable that is likely obtained to deduct the deductible temporary difference, deductible loss and tax payment as the limit.

The taxable temporary differences related to the investment of subsidiaries, associated enterprises and joint ventures are recognized as deferred income tax liabilities, unless the Group can control the time of reversal of temporary difference and the reversal of such temporary difference is not likely to happen. For the deductible temporary differences related to the investment of subsidiaries, associated enterprise and joint ventures, if such temporary differences are likely to reverse in the foreseeable future and the income tax payable is likely to be obtained to deduct the deductible temporary differences in the future, they are recognized as deferred income tax assets.

The deferred income tax assets and deferred income tax liabilities are listed as the deducted net amount if the following conditions are met at the same time:

- The deferred income tax assets and deferred income tax liabilities are related to the income tax collected on the same subject of taxation of the Group by the same tax administration department;
- The subject of taxation of the Group has the legal right to settle the current income tax assets and current income tax liabilities by the net amount.

### **39. Lease**

**(1) Accounting treatment method of operating lease**

Applicable  Non-applicable

The rental expenditure of operating lease is included in relevant asset costs or current profits and losses by straight-line method within the lease term.

The rental income of operating lease is recognized by straight-line method within the lease term.

**(2) Accounting treatment method of financial lease**

Applicable  Non-applicable

The lesser of the fair value of the leased asset and the current value of minimum lease payment is recognized as the entry value of leased asset, and the difference between the entry value of leased asset and minimum lease payment is the unrecognized financial costs, which is amortized by the effective interest rate method during the lease term. The balance of the minimum lease payment deducting the unrecognized financial expense is listed as long-term payable.

**(3) Determination method and accounting treatment method of the lease under the new lease standards**

Applicable  Non-applicable

**40. Other important accounting policies and accounting estimates**

Applicable  Non-applicable

**(1) Convertible corporate bonds**

The liabilities and equities are split up and treated individually at the initial recognition of convertible corporate bonds. The fair value of liabilities is recognized first and regarded as the initial recognition amount when splitting up, and then the amount obtained after the overall issue price of the financial instrument deducting the initial recognition amount of liabilities is recognized as the initial recognition amount of the equities. The fair value of liabilities is the current value of the contracted future cash flow discounted as certain interest rate. Wherein, the interest rate is determined by the suitable interest rate of the financial instruments on the market with comparable credit rating that provide almost the same cash flow under the same conditions but has no conversion right.

The transaction expenses incurred in the issuance of convertible corporate bonds are amortized at the corresponding fair values of liabilities and equities.

When convertible instruments are converted, they are no longer recognized as liabilities but are recognized as equities. The original component of equity remains the same (one item of the equity carried over to another item, such as converting "other equity instruments" to "capital reserves -- capital premium or share premium"). The conversion of the convertible instruments will not generate profits and losses.

When a convertible instrument with the right of conversion is terminated via redemption or buy-back before the expiration date, the payment for redemption or buy-back and the incurred transaction expense are allocated to equities and liabilities of the instrument on the transaction date. The method of allocating payment and transaction expense is the same as the method adopted for issuance of the instrument. After the payment and transaction expense are allocated, the gains or losses incurred shall be treated in accordance with the accounting principles suitable for equities and liabilities, wherein the payments allocated to equities are included in the equity, and the gains or losses related to liabilities are included in profits and losses.

**(2) Dividend distribution**

The cash dividend is recognized as liability in the current period approved by the General Meeting of Shareholders. If the non-cash dividend is converted into paid-up capital, the paid-up capital is increased and the capital reserves or retained earnings is reduced correspondingly in the current period approved by the General Meeting of Shareholders.

**(3) Segment information**

The Group determines the operation segments on the basis of internal organization structure, management requirements and internal reporting system and determines the reporting segments on the basis of operation segments and disclosing the segment information.

The operation segment refers to the component inside the Group that meets the following conditions at the same time: (1) The component can generate incomes and incur expenses in daily activities; (2) The Group's



management can evaluate the operation results of the component regularly to decide the resource allocation and performance evaluation; (3) The Group can obtain the financial status, operation results, cash flow and other relevant accounting information of the component. If two or multiple operation segments that have similar economic characteristics and meet certain conditions, they can be combined into one operation segment.

#### 41. Changes in important accounting policies and accounting estimates

##### (1) Changes in accounting policies

√ Applicable □ Non-applicable

Content and reasons of changes in accounting policies	Procedure for examination and approval	Remark (name and amount of significantly affected items in the statement)
The Ministry of Finance published the Notice on the Revision and Issuance of 2019 Formats of Financial Statements for General Enterprises (CK [2019] No.6) on April 30, 2019.	The Twelve Meeting of the Fourth Session of the Board of Directors in 2019 and the Fourth Meeting of the Fourth Session of the Board of Supervisors in 2019	See the following descriptions
The Ministry of Finance published the Notice on the Revision and Issuance of Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments (CK [2017] No.7), Notice on the Revision and Issuance of Accounting Standards for Business Enterprises No.23 - Transfer of Financial Assets (CK [2017] No.8), Notice on the Revision and Issuance of Accounting Standards for Business Enterprises No.24 - Hedging (CK [2017] No.9) on March 31, 2017 and the Notice on the Revision and Issuance of Accounting Standards for Business Enterprises No.37 - Presentation of Financial Instruments (CK [2017] No.14) on May 2, 2017.	The Twelve Meeting of the Fourth Session of the Board of Directors in 2019 and the Fourth Meeting of the Fourth Session of the Board of Supervisors in 2019	See the following descriptions
The Ministry of Finance published the Notice on the Revision and Issuance of Accounting Standards for Business Enterprises No. 7 - Exchange of Non-Monetary Assets (CK [2019] No.8) on May 9, 2019 and the Notice on the Revision and Issuance of Accounting Standards for Business Enterprises No.12 - Debt Restructurings (CK [2019] No.9) on May 16, 2019.	The Twelve Meeting of the Fourth Session of the Board of Directors in 2019 and the Fourth Meeting of the Fourth Session of the Board of Supervisors in 2019	See the following descriptions
The Notice on the Revision and Issuance of Formats of Consolidated Financial Statements (2019) (CK [2019] No.16) was published in 2019.	The Annual Meeting of the Fourth Session of the Board of Directors in 2019 and the Annual Meeting of the Fourth Session of the Board of Supervisors in 2019	See the following descriptions

##### Other explanations

The Ministry of Finance published the revised Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No.23 - Transfer of Financial Assets, Accounting Standards for Business Enterprises No.24 - Hedging, and Accounting Standards for Business Enterprises No.37 - Presentation of Financial Instruments (collectively referred to as the "new standards for financial instruments") in 2017, and the Notice on the Revision and Issuance of 2019 Formats of Financial Statements for General Enterprises (CK [2019] No.6), Notice on the Revision and Issuance of Formats of Consolidated Financial Statements (2019) (CK [2019] No.16), the revised Accounting Standards for Business Enterprises No. 7 - Exchange of Non-Monetary Assets (hereinafter referred to as the "standard for exchange of non-monetary assets") and Accounting Standards for Business Enterprises No.12 - Debt Restructurings (hereinafter referred to as the "standard for debt

restructurings") in 2019. The Group has adopted the above standards and notices to compile the 2019 financial statements. The revised standard for exchange of non-monetary assets and standard for debt restructurings have no significant influence on the Group and the Company, and the influences of other revisions on the financial statements of the Group and the Company are listed as follows:

1. Amendment of formats of financial statements for general enterprises

(1) The influences on the consolidated balance sheet and consolidated cash flow sheet are listed as follows:

Unit: Yuan

Content and reasons of changes in accounting policies	Name of the affected items in the statement	Affected amount	
		December 31, 2018/the year of 2018	January 1, 2018
The Group split the notes and accounts receivable into the accounts receivable and notes receivable.	Accounts receivable	4,362,641,671.79	3,925,763,775.89
	Notes receivable	4,090,820,743.25	2,205,568,990.63
	Notes receivable and accounts receivable	-8,453,462,415.04	-6,131,332,766.52
The Group split the notes and accounts payable into the accounts payable and notes payable.	Accounts payable	3,785,696,627.30	3,548,411,046.39
	Notes payable	4,721,151,999.58	3,801,774,265.25
	Notes payable and accounts payable	-8,506,848,626.88	-7,350,185,311.64
The Group reclassified the cash received from bond issuance to the cash received from borrowings.	Cash received from bond issuance	-498,200,000.00	
	Cash received from borrowings	498,200,000.00	

(2) The influences on the balance sheet and cash flow sheet are listed as follows:

Unit: Yuan

Content and reasons of changes in accounting policies	Name of the affected items in the statement	Affected amount	
		December 31, 2018/the year of 2018	January 1, 2018
The Company split the notes and accounts receivable into the accounts receivable and notes receivable.	Accounts receivable	2,671,215,207.12	1,278,263,174.70
	Notes receivable	2,247,266,510.12	1,329,057,203.55
	Notes receivable and accounts receivable	-4,918,481,717.24	-2,607,320,378.25
The Company split the notes and accounts payable into the accounts payable and notes payable.	Accounts payable	5,334,539,990.32	3,661,850,275.89
	Notes payable	1,435,400,398.83	1,540,370,660.12
	Notes payable and accounts payable	-6,769,940,389.15	-5,202,220,936.01
The Company reclassified the cash received from bond issuance to the cash received from borrowings.	Cash received from bond issuance	-498,200,000.00	
	Cash received from borrowings	498,200,000.00	

2. Financial instruments

According to the relevant regulations of the new standards for financial instruments, the Group and the Company adjust the retained earnings and the amounts of other relevant items in the financial statements at the beginning of 2019 according to the cumulative effects of the first implementation of the standards, which are not re-listed in comparative financial statements. On December 31, 2018 and January 1, 2019, neither the Group nor the Company designated the financial assets measured at the fair value with changes included in the current profits and losses.

1) On January 1, 2019, the financial assets in the consolidated financial statements of the Group were

classified and measured in accordance with the regulations of both the original and new standards for financial instruments, the result comparison table is as follows:

Unit: Yuan

Original standards for financial instruments			New standards for financial instruments		
Presentation items	Measurement category	Book value	Presentation items	Measurement category	Book value
Monetary funds	Amortized costs	7,707,905,516.74	Monetary funds	Amortized costs	7,707,905,516.74
Notes receivable	Amortized costs	4,090,820,743.25	Notes receivable	Amortized costs	3,647,740,296.04
			Receivable financing	Measured at fair value with changes included in other comprehensive income	443,080,447.21
Accounts receivable	Amortized costs	4,362,641,671.79	Accounts receivable	Amortized costs	4,362,641,671.79
Other receivables	Amortized costs	715,232,201.39	Other receivables	Amortized costs	715,232,201.39
Available-for-sale financial assets	Measured at cost (equity instruments)	78,046,182.96	Other equity instrument investment	Measured at fair value with changes included in other comprehensive income	82,842,967.88
Long-term receivables (including those due within one year)	Amortized costs	69,185,669.56	Long-term receivables	Amortized costs	69,185,669.56
Notes receivable	Amortized costs	4,090,820,743.25	Notes receivable	Amortized costs	3,647,740,296.04
			Receivable financing	Measured at fair value with changes included in other comprehensive income	443,080,447.21
Accounts receivable	Amortized costs	4,362,641,671.79	Accounts receivable	Amortized costs	4,362,641,671.79
Other receivables	Amortized costs	715,232,201.39	Other receivables	Amortized costs	715,232,201.39
Available-for-sale financial assets	Measured at cost (equity instruments)	78,046,182.96	Other equity instrument investment	Measured at fair value with changes included in other comprehensive income	82,842,967.88
Long-term receivables (including those due within one year)	Amortized costs	69,185,669.56	Long-term receivables	Amortized costs	69,185,669.56

2) On January 1, 2019, the financial assets in the consolidated financial statements of the Company were classified and measured in accordance with the regulations of both the original and new standards for

financial instruments, the result comparison table is as follows:

Unit: Yuan

Original standards for financial instruments			New standards for financial instruments		
Presentation items	Measurement category	Book value	Presentation items	Measurement category	Book value
Monetary funds	Amortized costs	4,077,115,102.79	Monetary funds	Amortized costs	4,077,115,102.79
Notes receivable	Amortized costs	2,247,266,510.12	Notes receivable	Amortized costs	2,247,266,510.12
Accounts receivable	Amortized costs	2,671,215,207.12	Accounts receivable	Amortized costs	2,671,215,207.12
Other receivables	Amortized costs	512,763,345.44	Other receivables	Amortized costs	512,763,345.44
Available-for-sale financial assets	Measured at cost (equity instruments)	60,193,548.39	Other equity instrument investment	Measured at fair value with changes included in other comprehensive income	67,451,595.50
Long-term receivables	Amortized costs	494,766.38	Long-term receivables	Amortized costs	494,766.38

3) On January 1, 2019, the Group and the Company adjusted the book value of the original financial assets to the book value under the new standards for financial instruments according to the measurement category under the new standards for financial instruments, the adjustment table is as follows:

Table 1: The financial assets measured at amortized cost under the new standards for financial instruments

Unit: Yuan

	Consolidated book value	Book value of the Company
Monetary funds on December 31, 2018	7,707,905,516.74	4,077,115,102.79
Minus: Transferred out to the financial assets measured at fair value with changes included in current profits and losses (new standards for financial instruments)		
January 1, 2019	7,707,905,516.74	4,077,115,102.79
Accounts receivable (note 1) on December 31, 2018	9,237,880,285.99	5,431,739,829.06
Minus: Transferred out to the financial assets measured at fair value with changes included in other comprehensive income (new standards for financial instruments)	443,080,447.21	
Remeasurement: total estimated credit losses		
January 1, 2019	8,794,799,838.78	5,431,739,829.06

Note 1: On December 31, 2018 and January 1, 2019, the balance of accounts receivable included notes receivable, accounts receivable, long-term receivables and other receivables.

Table 2: The financial assets measured at fair value with changes included in other comprehensive income under the new standards for financial instruments

Unit: Yuan

	Consolidated book value	Book value of the Company
Receivable financing on December 31, 2018		
Plus: Transferred in from the accounts receivable (original standards for financial instruments) (note a)	443,080,447.21	
Remeasurement: Measurement at amortized cost changed to measurement at fair value		
January 1, 2019	443,080,447.21	
Other equity instrument investments on December 31,		

2018		
Plus: Transferred in from the available-for-sale financial assets (original standards for financial instruments) (note b)	78,046,182.96	60,193,548.39
Remeasurement: Measurement at cost changed to measurement at fair value	4,796,784.92	7,258,047.11
January 1, 2019	82,842,967.88	67,451,595.50

a) Some subsidiaries of the Company discounted and endorsed part of the bank acceptance depending on the need of daily capital management. As the business model of managing bank acceptance by these subsidiaries aims at both collection of contract cash flow and sales, on January 1, 2019, the Group reclassified 443,080,447.21 yuan bank acceptance of these subsidiaries to the financial assets measured at fair value with changes included in other comprehensive income and listed as receivable financing.

b) On December 31, 2018, the unlisted equity investments measured at costs held by the Group and the Company had a total carrying amount of 78,046,182.96 yuan and 60,193,548.39 yuan respectively, and accumulated impairment reserves of 0.00 yuan and 0.00 yuan respectively. On January 1, 2019, the Group and the Company chose to designate these equity investments as the financial assets measured at fair value with changes included in other comprehensive income and listed as other equity instrument investments based on the consideration of strategic investment. Correspondingly, the Group and the Company used the differences of 4,796,784.92 yuan and 7,258,047.11 yuan between the fair value and the original book value to adjust other comprehensive incomes at the beginning of the period.

4) On January 1, 2019, the Group adjusted the original impairment reserves of financial assets and the financial guarantee reserves recognized according to the standard for contingencies to the loss reserves specified according to the new standards for financial instruments, and the adjustment table is as follows:

Unit: Yuan

Measurement category	Loss reserves accrued according to the original standards for financial instruments/estimated liabilities recognized according to the standard for contingencies	Reclassification	Remeasurement	Loss reserves accrued according to the new standards for financial instruments
Financial assets measured at amortized cost -				
Impairment reserves of notes receivable				
Impairment reserves of accounts receivable	149,788,532.44			149,788,532.44
Impairment reserves of other receivables	58,884,118.03			58,884,118.03
Impairment reserves of long-term receivables				
Financial assets measured at fair value with changes included in other comprehensive income				
Impairment reserves of receivable financing				
Impairment reserves of available-for-sale financial assets				
Total	208,672,650.47			208,672,650.47

5) On January 1, 2019, the Company adjusted the original impairment reserves of financial assets to the loss

reserves according to the new standards for financial instruments, and the adjustment table is as follows:

Unit: Yuan

Measurement category	Loss reserves accrued according to the original standards for financial instruments/estimated liabilities recognized according to the standard for contingencies	Reclassification	Remeasurement	Loss reserves accrued according to the new standards for financial instruments
Financial assets measured at amortized cost				
Impairment reserves of notes receivable				
Impairment reserves of accounts receivable	17,939,585.81			17,939,585.81
Impairment reserves of other receivables	2,453,966.06			2,453,966.06
Impairment reserves of long-term receivables				
Financial assets measured at fair value with changes included in other comprehensive income -				
Impairment reserves of receivable financing				
Impairment reserves of available-for-sale financial assets				
Total	20,393,551.87			20,393,551.87

Due to the exercising of the aforementioned revised standards, the Group correspondingly adjusted and reduced the deferred income tax assets of 719,517.74 yuan on January 1, 2019; the amount that affected the equity attributable to shareholders of the parent company in the Group's consolidated financial statements due to the relevant adjustment was 719,517.74 yuan, wherein other comprehensive income was 719,517.74 yuan; the Company correspondingly adjusted and reduced the deferred income tax assets of 1,088,707.07 yuan on January 1, 2019; the amount that affected the equity attributable to shareholders of the Company due to the relevant adjustment was 1,088,707.07 yuan, wherein other comprehensive income was 1,088,707.07 yuan.

**(2) Changes in important accounting estimates**

Applicable  Non-applicable

**(3) Adjustment of the items in financial statements for the beginning of the year in accordance with new financial instrument standards, new revenue standards or new lease standards from 2019**

Applicable  Non-applicable

Consolidated Balance Sheet

Unit: Yuan; Currency: RMB

Items	December 31, 2018	January 1, 2019	Adjustment
Current assets:			
Monetary funds	7,707,905,516.74	7,707,905,516.74	
Settlement reserve			
Lending funds			
Trading financial assets			
Financial assets measured at fair value and their changes included in			

current profits and losses			
Derivative financial assets			
Notes receivable	4,090,820,743.25	3,647,740,296.04	-443,080,447.21
Accounts receivable	4,362,641,671.79	4,362,641,671.79	
Receivable financing		443,080,447.21	443,080,447.21
Prepayments	608,685,522.88	608,685,522.88	
Premium receivable			
Reinsurance accounts receivable			
Reserve for reinsurance receivable contracts			
Other receivables	715,232,201.39	715,232,201.39	
Including: Interest receivable			
Dividends receivable	20,541,737.10	20,541,737.10	
Buying back the sale of financial assets			
Inventory	4,282,544,118.95	4,282,544,118.95	
Held-for-sale assets			
Non-current assets due within one year	11,000,000.00	11,000,000.00	
Other current assets	1,122,058,298.26	1,122,058,298.26	
Total current assets	22,900,888,073.26	22,900,888,073.26	
Non-current assets:			
Loans and advances			
Debt investment			
Available-for-sale financial assets	78,046,182.96		-78,046,182.96
Other debt investments			
Held-to-maturity investment			
Long-term receivables	58,185,669.56	58,185,669.56	
Long-term equity investment	733,169,655.02	733,169,655.02	
Other equity instrument investment		82,842,967.88	82,842,967.88
Other non-current financial assets			
Investment real estate			
Fixed assets	13,259,978,743.24	13,259,978,743.24	
Construction in progress	855,562,075.19	855,562,075.19	
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	226,404,404.80	226,404,404.80	
Development expenditures			
Goodwill	11,011,065.47	11,011,065.47	
Long-term deferred expenses	959,403,051.71	959,403,051.71	
Deferred income tax assets	316,660,831.89	315,941,314.15	-719,517.74
Other non-current assets	259,934,377.83	259,934,377.83	
Total non-current assets	16,758,356,057.67	16,762,433,324.85	4,077,267.18
Total assets	39,659,244,130.93	39,663,321,398.11	4,077,267.18
Current liabilities:			
Short-term borrowings	687,673,591.48	687,673,591.48	
Borrowings from the Central Bank			
Borrowings from other banks			
Trading financial liabilities			
Financial liabilities measured by fair value and their changes recorded in current profits and losses			
Derivative financial liabilities			
Notes payable	4,721,151,999.58	4,721,151,999.58	
Accounts payable	3,785,696,627.30	3,785,696,627.30	
Advance receipt	962,367,659.73	962,367,659.73	
Financial assets sold for repurchase			

Deposit taking and deposit taking of interbank			
Acting trading securities			
Acting underwriting securities			
Payroll payable	329,862,581.28	329,862,581.28	
Taxes payable	286,668,460.82	286,668,460.82	
Other payables	2,470,128,708.87	2,470,128,708.87	
Including: Interest payable	59,022,846.84	59,022,846.84	
Dividends payable			
Service charge and commission payable			
Reinsurance accounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year	1,136,598,402.23	1,136,598,402.23	
Other current liabilities	498,335,194.34	498,335,194.34	
Total current liabilities	14,878,483,225.63	14,878,483,225.63	
<b>Non-current liabilities:</b>			
Provision for insurance contracts			
Long-term borrowings	2,658,904,838.15	2,658,904,838.15	
Bonds payable	3,261,567,354.99	3,261,567,354.99	
Including: Preferred stock			
Perpetual bonds			
Lease liabilities			
Long-term payable	1,306,492,612.61	1,306,492,612.61	
Long-term payroll payable	4,242.00	4,242.00	
Estimated liabilities	318,500,876.37	318,500,876.37	
Deferred income	362,541,839.31	362,541,839.31	
Deferred income tax liabilities	47,988,911.97	47,988,911.97	
Other non-current liabilities			
Total non-current liabilities	7,956,000,675.40	7,956,000,675.40	
Total liabilities	22,834,483,901.03	22,834,483,901.03	
<b>Owner's equity (or shareholders' equity):</b>			
Paid-up capital (or share capital)	2,790,788,363.00	2,790,788,363.00	
Other equity instruments	628,807,241.85	628,807,241.85	
Including: Preferred stock			
Perpetual bonds			
Capital reserves	4,634,794,115.25	4,634,794,115.25	
Minus: Treasury stock	45,475,983.30	45,475,983.30	
Other comprehensive incomes	4,409,197.42	8,486,464.60	4,077,267.18
Special reserves			
Surplus reserves	463,568,796.04	463,568,796.04	
Generic risk reserve			
Undistributed profits	7,974,695,023.80	7,974,695,023.80	
Total equity attributable to the owners of the parent company (or shareholders' equity)	16,451,586,754.06	16,455,664,021.24	4,077,267.18
Minority shareholders' equity	373,173,475.84	373,173,475.84	
Total owner's equity (or shareholders' equity)	16,824,760,229.90	16,828,837,497.08	4,077,267.18
Total liabilities and owners' equity (or shareholders' equity)	39,659,244,130.93	39,663,321,398.11	4,077,267.18

Explanation on adjustment of each item:

√ Applicable □ Non-applicable



1) Some subsidiaries of the Company discounted and endorsed part of the bank acceptance depending on the need of daily capital management. As the business model of managing bank acceptance by these subsidiaries aims at both collection of contract cash flow and sales, on January 1, 2019, the Group reclassified 443,080,447.21 yuan bank acceptance of these subsidiaries to the financial assets measured at fair value with changes included in other comprehensive income and listed as receivable financing.

2) As of December 31, 2018, the Group's unlisted equity investments measured at costs had a total carrying amount of 78,046,182.96 yuan, and accumulated impairment reserves of 0.00 yuan. On January 1, 2019, the Group and the Company chose to designate these equity investments as the financial assets measured at fair value with changes included in other comprehensive income and listed as other equity instrument investments based on the consideration of strategic investment. Correspondingly, the Group and the Company used the difference of 4,796,784.92 yuan between the fair value and the original book value to adjust other comprehensive incomes at the beginning of the period.

3) Due to the implementation of the above revised standards, the Group correspondingly reduced the deferred income tax assets of 719,517.74 yuan on January 1, 2019; the amount of the affected equity attributable to the shareholders of the parent company in the consolidated financial statements of the Group after related adjustments was 719,517.74 yuan, of which other comprehensive income was 719,517.74 yuan.

## Balance Sheet of the Parent Company

Unit: Yuan; Currency: RMB

Items	December 31, 2018	January 1, 2019	Adjustment
<b>Current assets:</b>			
Monetary funds	4,077,115,102.79	4,077,115,102.79	
Trading financial assets			
Financial assets measured at fair value and their changes included in current profits and losses			
Derivative financial assets			
Notes receivable	2,247,266,510.12	2,247,266,510.12	
Accounts receivable	2,671,215,207.12	2,671,215,207.12	
Receivable financing			
Prepayments	3,907,544.13	3,907,544.13	
Other receivables	512,763,345.44	512,763,345.44	
Including: Interest receivable			
Dividends receivable			
Inventory	313,201,243.35	313,201,243.35	
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	87,027,200.35	87,027,200.35	
Total current assets	9,912,496,153.30	9,912,496,153.30	
<b>Non-current assets:</b>			
Debt investment			
Available-for-sale financial assets	60,193,548.39		-60,193,548.39
Other debt investments			
Held-to-maturity investment			
Long-term receivables	494,766.38	494,766.38	
Long-term equity investment	12,950,021,601.52	12,950,021,601.52	
Other equity instrument investment		67,451,595.50	67,451,595.50
Other non-current financial assets			
Investment real estate			
Fixed assets	382,631,062.88	382,631,062.88	
Construction in progress	13,497,445.78	13,497,445.78	
Productive biological assets			
Oil and gas assets			
Right-of-use assets			

Intangible assets	32,421,990.66	32,421,990.66	
Development expenditures			
Goodwill			
Long-term deferred expenses	26,166,255.07	26,166,255.07	
Deferred income tax assets	18,608,344.58	17,519,637.51	-1,088,707.07
Other non-current assets			
Total non-current assets	13,484,035,015.26	13,490,204,355.30	6,169,340.04
Total assets	23,396,531,168.56	23,402,700,508.60	6,169,340.04
Current liabilities:			
Short-term borrowings	116,584,148.92	116,584,148.92	
Trading financial liabilities			
Financial liabilities measured by fair value and their changes recorded in current profits and losses			
Derivative financial liabilities			
Notes payable	1,435,400,398.83	1,435,400,398.83	
Accounts payable	5,334,539,990.32	5,334,539,990.32	
Advance receipt	346,514,432.90	346,514,432.90	
Payroll payable	49,881,051.65	49,881,051.65	
Taxes payable	16,891,008.80	16,891,008.80	
Other payables	195,986,649.52	195,986,649.52	
Including: Interest payable	51,932,128.51	51,932,128.51	
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year	302,435,000.00	302,435,000.00	
Other current liabilities	498,335,194.34	498,335,194.34	
Total current liabilities	8,296,567,875.28	8,296,567,875.28	
Non-current liabilities:			
Long-term loans	200,000,000.00	200,000,000.00	
Bonds payable	3,261,567,354.99	3,261,567,354.99	
Including: Preferred stock			
Perpetual bonds			
Lease liabilities			
Long-term payable			
Long-term payroll payable			
Estimated liabilities	47,673,475.66	47,673,475.66	
Deferred income	39,071,996.48	39,071,996.48	
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities	3,548,312,827.13	3,548,312,827.13	
Total liabilities	11,844,880,702.41	11,844,880,702.41	
Owner's equity (or shareholders' equity):			
Paid-up capital (or share capital)	2,790,788,363.00	2,790,788,363.00	
Other equity instruments	628,807,241.85	628,807,241.85	
Including: Preferred stock			
Perpetual bonds			
Capital reserves	4,633,062,603.32	4,633,062,603.32	
Minus: Treasury stock	45,475,983.30	45,475,983.30	
Other comprehensive incomes		6,169,340.04	6,169,340.04
Special reserves			
Surplus reserves	463,568,796.04	463,568,796.04	
Undistributed profits	3,080,899,445.24	3,080,899,445.24	
Total owner's equity (or shareholders' equity)	11,551,650,466.15	11,557,819,806.19	6,169,340.04
Total liabilities and owner's equity (or shareholders' equity)	23,396,531,168.56	23,402,700,508.60	6,169,340.04

Explanation on adjustment of each item:

Applicable  Non-applicable

1) As of December 31, 2018, the Company's unlisted equity investments measured at costs had a total carrying amount of 60,193,548.39 yuan, and accumulated impairment reserves of 0.00 yuan. On January 1, 2019, the Group and the Company chose to designate these equity investments as the financial assets measured at fair value with changes included in other comprehensive income and listed as other equity instrument investments based on the consideration of strategic investment. Correspondingly, the Group and the Company used the difference of 7,258,047.11 yuan between the fair value and the original book value to adjust other comprehensive incomes at the beginning of the period.

2) Due to the implementation of the above revised standards, the Company correspondingly reduced the deferred income tax assets of 1,088,707.07 yuan on January 1, 2019; the amount of the affected equity of the shareholders of the Company after related adjustments was 1,088,707.07 yuan, of which other comprehensive income was 1,088,707.07 yuan.

**(4) Explanation on the traceability adjustment of the previous comparison data with new financial instrument standards or new lease standards from 2019**

Applicable  Non-applicable

Please see V. 41. (1). 2 "Financial instrument"

**42. Others**

Applicable  Non-applicable

Important accounting estimates and judgments

The Group conducts continuous evaluation of important accounting estimates and key judgments based on historical experience and other factors, including reasonable expectations of future events.

Important accounting estimates and their key assumptions

The following important accounting estimates and key assumptions have important risks that will cause significant adjustments to the book value of assets and liabilities in the next fiscal year:

1. Measurement of expected credit losses

The Group measures the expected credit losses through exposure at default and expected credit loss rate, and determines the expected credit loss rate based on the default probability and the default loss rate. When determining the expected credit loss rate, the Group adjusts the historical data based on the internal historical credit loss experience and other data, current situation and forward-looking information. When considering forward-looking information, the indicators used by the Group include the risk of economic downturn, expected increase in unemployment rate, and changes in external market environment, technological environment and customer conditions. The Group regularly monitors and reviews assumptions related to the measurement of expected credit losses.

2. Inventory falling price reserves

According to the inventory accounting policy, the Group measures at the lower of cost and net realizable value, and accrues the inventory falling price reserves for the inventory whose cost is higher than the net realizable value or that is obsolete and unsalable. The impairment of inventory to net realizable value is based on the assessment of the sellability of the inventory and its net realizable value. Appraisal of inventory impairment requires the management to make judgments and estimates on the basis of obtaining solid evidence and considering the purpose of holding the inventory and the impact of events occurred after the balance sheet date. The difference between the actual results and the original estimates will affect the book value of the inventory and the accrual or reversal of the inventory falling price reserves during the period when the estimate is changed.

3. Depreciation and amortization

The Group uses the straight-line method to depreciate and amortize investment real estate, fixed assets, and intangible assets within their service life after considering their residual value. The Company regularly reviews the service life to determine the depreciation and amortization expenses to be included in each reporting period. The service life is determined by the Company based on the previous experience of similar assets and in combination of the expected technical update. If the previous estimates change significantly, the depreciation and amortization expenses will be adjusted in the future.

#### 4. Deferred income tax assets

Within the limit that sufficient taxable profits may likely offset losses, the Group confirms all unused tax losses as deferred income tax assets, which requires the management of the Company to estimate the occurrence time and amount of future taxable profits with a lot of judgments, and determine the amount of deferred income tax assets that should be recognized in combination of tax planning strategies.

#### 5. Income tax

The Group pays corporate income tax in several regions. During normal business activities, the final tax treatment may be uncertain for some transactions and events. When accruing income tax expenses in various regions, the Group needs to make significant judgments. If there is a difference between the final confirmation results of these tax items and the original estimated amount, the difference will affect the current income tax and deferred income tax during the period of the above final confirmation.

#### 6. Estimated liabilities

In view of the terms of contracts, existing knowledge and historical experience, the Group estimates the product quality assurance, estimated contract losses, and liquidated damages due to delay in delivery and accrues corresponding reserves. In the event that these contingencies have formed a current obligation and the performance of the current obligation may result in the outflow of economic benefits from the Group, the Group confirms best estimates paid to perform the current obligation of contingencies as estimated liabilities. The confirmation and measurement of estimated liabilities largely rest with the judgments of the management. The Company shall evaluate factors such as relevant risks, uncertainties and time value of money related to these contingencies in the process of judgments.

Among them, the after-sales quality maintenance commitments provided by the Group to customers for the sale, maintenance and renovation shall be included into estimated liabilities. When they are included into estimated liabilities, the recent maintenance experience data in the Group have been considered, which, however, cannot reflect the future maintenance. Any increase or decrease in this reserve may affect the profits or losses in the future.

### VI. Tax items

#### 1. Tax type and tax rate

Main tax types and tax rate

√ Applicable □ Non-applicable

Tax type	Taxation basis	Tax rate
VAT	Taxable value added (the taxable amount is calculated as the balance of taxable sales multiplied by the applicable tax rate and deducting the input tax deductible for the current period)	13%, 9% and 6%
Urban maintenance and construction tax	VAT and consumption tax paid	7% and 5%
Corporate income tax	Taxable income	9%, 12%, 15%, 25%, etc.
Education surtax	VAT and consumption tax paid	3%
Local education surtax	VAT and consumption tax paid	2%

Disclosure explanation on taxpayers of different corporate income tax rates

√ Applicable □ Non-applicable

Name of taxpayer	Income tax rate (%)
LONGi Green Energy Technology Co., Ltd.	15%
Xi'an LONGi Clean Energy Ltd.	15%
LONGi Green Energy Solar Engineering Co. Ltd.	15%
Companies for solar power projects	"Three-year exemptions and three-year half-reductions"
Ningxia LONGi Silicon Materials Ltd.	15% and 9%
Yinchuan LONGi Silicon Materials Ltd.	15%, 12% and 9%
LONGi (H.K.) Trading Limited	16.50%
Lijiang LONGi Silicon Materials Ltd.	15%

Baoshan LONGi Silicon Materials Ltd.	15%
Chuxiong LONGi Silicon Materials Ltd.	15%
Huaping LONGi Silicon Materials Ltd.	15%
LONGi Solar Technology Ltd.	15%
Taizhou LONGi Solar Technology Ltd.	15%
Zhejiang LONGi Solar Technology Ltd.	15%
Yinchuan LONGi Solar Technology Ltd.	9%
LERRI SOLAR TECHNOLOGY (INDIA) PRIVATE LIMITED (hereinafter referred to as "INDIA LERRI SOLAR")	28.50%
LONGI (KUCHING) SDN. BHD.	Please see VI. 3
LONGI SOLAR TECHNOLOGY K.K. (hereinafter referred to as "JAPAN SOLAR")	21.91%
LONGi Solar Technology (U.S.) Inc.	Please see VI. 3
LONGI Solar Technologie GmbH	31.925%

## 2. Tax preference

√ Applicable □ Non-applicable

(a) In accordance with the CSF [2011] No. 58 Notice on Tax Policy Issues Concerning Deep Implementation of the Western Development Strategy issued by the Ministry of Finance, State Administration of Taxation and General Administration of Customs, and in accordance with relative regulations, the preferential policies for corporate income tax in the Western Development in the document will continue to be obeyed after the implementation of the new corporate income tax law. From January 1, 2011 to December 31, 2020, 15% preferential tax rate shall be enjoyed by enterprises of encouraged industries which are set up in the western region, and whose main business complies with the provisions of the Directory of Encouraged Industries in the Western Region, and the main business revenues for the current year accounts for more than 70% of total revenues. The following enterprises can enjoy the above preferential policies in 2019: LONGi, Clean Energy, LONGi Green Energy Solar Engineering Co. Ltd., LONGi Solar, Ningxia LONGi, Yinchuan LONGi, Yinchuan LONGi Solar, Lijiang LONGi, Baoshan LONGi, Chuxiong LONGi and Huaping LONGi.

(b) In 2017, Taizhou LONGi Solar, a subsidiary of the Company obtained the High-tech Enterprise Certificate (Certificate No.: GR201732002815), which is valid for three years. According to the relevant provisions of Article 28 of the Enterprise Income Tax Law of the People's Republic of China, the applicable corporate income tax rate for Taizhou LONGi Solar was 15% in 2019.

In 2019, the subsidiary of the Company Zhejiang LONGi Solar obtained the High-tech Enterprise Certificate (Certificate No. GR201933000939), which is valid for three years. According to the relevant provisions of Article 28 of the Enterprise Income Tax Law of the People's Republic of China, the applicable corporate income tax rate for Zhejiang LONGi Solar was 15% in 2019.

(c) According to Article 27 of the Enterprise Income Tax Law of the People's Republic of China and Article 87 of the Implementing Regulations, as for enterprises which engage in publicly-funded infrastructure projects supported by the state, their incomes from investment and operation shall be exempted from the first year to the third year since the tax year in which the first production and the revenue of the project is obtained, and corporate income tax will be halved from the fourth to the sixth year.

In accordance with the Notice of the Ministry of Finance, the State Administration of Taxation, and the National Development and Reform Commission on Promulgating the Directory of Enterprise Income Tax Preferences for Public Infrastructure Projects (2008 Edition) CS [2008] No.116, and Notice of the Ministry of Finance and the State Administration of Taxation on Issues Concerning the Implementation of Enterprise Income Tax Preference Directory for Public Infrastructure Projects (CS [2008] No.46), the solar power generation projects were included in relevant preference directory.

After the filing, the project companies of the Company's subsidiaries which meet the conditions above could enjoy the "preference of three-year exemptions and three-year half-reductions" of corporate income tax.

(d) After filing, 500MW (Phase III) mono ingot construction project in Yinchuan LONGi was exempted from the local share of corporate income tax from 2014 to 2016, and was halved the local share of corporate income tax from 2017 to 2019. In 2019, Yinchuan LONGi imposed a 12% tax rate on the proceeds of 500MW mono ingot construction project (Phase III) in Yinchuan LONGi.

After filing, 1.2GW mono ingot construction project (Phase II) in Yinchuan LONGi was exempted from the

local share of corporate income tax from 2016 to 2018, and will be halved the local share of corporate income tax from 2019 to 2021. In 2019, Yinchuan LONGi imposed a 12% tax rate on the proceeds of 1.2GW mono ingot construction project (Phase II) in Yinchuan LONGi.

After filing, 5GW mono ingot construction project in Yinchuan LONGi was exempted from the local share of corporate income tax from 2017 to 2019, and will be halved the local share of corporate income tax from 2020 to 2022. In 2019, Yinchuan LONGi imposed a 9% tax rate on the proceeds of 5GW mono ingot construction project in Yinchuan LONGi.

After filing, Yinchuan LONGi Solar was exempted from the local share of corporate income tax from 2016 to 2018, and will be halved the local share of corporate income tax from 2019 to 2021. In 2019, Yinchuan LONGi Solar implemented a tax rate of 12%.

After filing, 1GW mono ingot project in Ningxia LONGi will be exempted from the local share of corporate income tax from 2018 to 2020, and will be halved the local share of corporate income tax from 2021 to 2023. The tax rate adopted by Ningxia LONGi 1GW mono ingot project was 9% in 2019.

### 3. Others

Applicable  Non-applicable

INDIA LERRI SOLAR pays corporate income tax at 28.5% of the taxable income.

According to the relevant tax policies of MIDA in Kuching, Malaysia, LONGi (KUCHING) is exempt from corporate income tax for 5 years from the profitable year when the corresponding conditions are met.

JAPAN LERRI SOLAR pays corporate income tax at 21.91% of the taxable income.

LONGi U.S. pays corporate income tax at 21% of the federal income tax rate and 2.58%-9.50% of the state income tax rate of the taxable income.

Germany LONGi pays corporate income tax at 31.925% of the taxable income.

## VII. Notes on items in consolidated financial statements

### 1. Monetary funds

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Cash on hand	11,810.11	16,568.05
Cash at bank	15,560,263,661.74	5,665,023,600.03
Other monetary funds	3,775,477,407.56	2,042,865,348.66
Total	19,335,752,879.41	7,707,905,516.74
Including: Total amount of money deposited abroad	2,137,239,171.58	688,567,058.37

Other explanations:

As of December 31, 2019, no time deposit (December 31, 2018: 65,000,000.00 yuan) was pledged to the bank as a guarantee for loan (December 31, 2018: 61,750,000.00 yuan); other monetary funds of 3,775,477,407.56 yuan (December 31, 2018: 1,977,865,348.66 yuan) are the margin deposit made by the Group for the application to banks for unconditional and irrevocable letter of guarantee, letter of credit and bank acceptance.

### 2. Trading financial assets

Applicable  Non-applicable

### 3. Derivative financial assets

Applicable  Non-applicable

### 4. Notes receivable

#### (1) Classified list of notes receivables

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Bank acceptance	4,553,400,751.13	3,647,740,296.04
Trade acceptance		
Total	4,553,400,751.13	3,647,740,296.04

**(2) Notes receivable pledged by the Company at the end of the period**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Pledged amount at the end of the period
Bank acceptance	4,257,085,299.12
Trade acceptance	
Total	4,257,085,299.12

**(3) Notes receivable that have been endorsed or discounted by the Company at the end of the period and have not expired on the balance sheet date**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Derecognized amount at the end of the period	Non-derecognized amount at the end of the period
Bank acceptance	40,739,904.00	
Trade acceptance		
Total	40,739,904.00	

**(4) Notes transferred to receivables by the Company due to unfulfillment of agreements by the drawer** Applicable √ Non-applicable**(5) Classified disclosure according to bad debt accrual method** Applicable √ Non-applicable

Accrual for bad debt reserves by single item:

 Applicable √ Non-applicable

Accrual for bad debt reserves by portfolio:

 Applicable √ Non-applicable

If bad debt reserves are accrued according to the general model of expected credit loss, please refer to the disclosure of other receivables:

√ Applicable  Non-applicable

All notes receivable of the Group are generated from daily business activities such as sales of goods and provision of labor services. Regardless of whether there is a significant financing, the loss reserves are measured based on the expected credit losses of the entire duration.

(i) Analysis on notes receivable with accrual for bad debt reserves by portfolio is as follows:

Portfolio - bank acceptance:

As of December 31, 2019, the Group measured bad debt reserves based on the expected credit losses of the entire duration. The Group believes that the bank acceptances in its possession do not have significant credit risk and will not cause significant losses due to bank defaults. No reserves for bad debts are accrued.

(ii) No bad debts are accrued or reversed for this year.

(iii) There were no notes receivable actually written off this year.

**(6) Bad debt reserves** Applicable √ Non-applicable

**(7) Notes receivable actually written off in current period**

Applicable  Non-applicable

Other explanations

Applicable  Non-applicable

In 2019, some subsidiaries of the Group discounted and endorsed some bank acceptances according to their daily capital management requirements, so they are classified as financial assets measured at fair value and whose changes are included in other comprehensive income, and listed as receivables financing. Except for the aforementioned subsidiaries, other subsidiaries have only endorsed or discounted a very few bank acceptances receivable and have terminated the recognition, so they are still classified as financial assets measured by the amortized cost.

**5. Accounts receivable****(1) Disclosure by age**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Age	Ending book balance
Within 1 year	
Including: Sub-items within 1 year	
Including: Within 6 months	2,772,423,874.78
7-12 months	279,911,383.46
Subtotal within 1 year	3,052,335,258.24
1 to 2 years	701,640,747.11
2 to 3 years	234,348,772.89
3 to 4 years	38,287,727.08
4 to 5 years	
More than 5 years	13,015,849.85
Total	4,039,628,355.17

**(2) Classified disclosure according to bad debt accrual method**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Category	Ending balance					Beginning balance				
	Book balance		Bad-debt reserves		Book value	Book balance		Bad-debt reserves		Book value
	Amount	Proportion (%)	Amount	Proportion of accrual (%)		Amount	Proportion (%)	Amount	Proportion of accrual (%)	
Accrual for bad debt reserves by single item	98,554,221.82	2.44	84,727,255.61	85.97	13,826,966.21	40,730,430.20	0.90	29,215,850.12	71.73	11,514,580.08
Wherein:										
Accrual for bad debt reserves by single item	98,554,221.82	2.44	84,727,255.61	85.97	13,826,966.21	40,730,430.20	0.90	29,215,850.12	71.73	11,514,580.08
Accrual for bad debt reserves by portfolio	3,941,074,133.35	97.56	129,155,828.91	3.28	3,811,918,304.44	4,471,699,774.03	99.10	120,572,682.32	2.70	4,351,127,091.71
Wherein:										
Portfolio - electricity bills receivable:	1,096,944,791.24	27.15	54,503,056.37	4.97	1,042,441,734.87					
Portfolio receivables from corporate customers:	2,844,129,342.11	70.41	74,652,772.54	2.62	2,769,476,569.57	4,471,699,774.03	99.10	120,572,682.32	2.70	4,351,127,091.71
Total	4,039,628,355.17	/	213,883,084.52	/	3,825,745,270.65	4,512,430,204.23	/	149,788,532.44	/	4,362,641,671.79

Accrual for bad debt reserves by single item:

Applicable  Non-applicable



Unit: Yuan; Currency: RMB

Name	Ending balance			
	Book balance	Bad-debt reserves	Proportion of accrual (%)	Reason of accrual
China Minsheng Investment Group	33,981,483.70	27,185,186.96	80	Accrual based on the estimated recoverable amount
Nanjing ET Solar Technology Co., Ltd. (hereafter referred to as "ET Solar")	17,093,090.20	10,255,854.12	60	Accrual based on the estimated recoverable amount
Tibet Aerospace Special Spectrum Environmental Energy Engineering Co., Ltd.	13,414,317.00	13,414,317.00	100	Estimated nonrecoverable accounts
Jining Jingsen Trading Co. Ltd.	13,102,572.50	13,102,572.50	100	Project involved in litigation, fully accrued
UPSOLAR CO. LTD.	8,752,579.22	8,752,579.22	100	Estimated nonrecoverable accounts
Shenzhen Advanced Clean Power Technology Research Co., Ltd.	3,572,122.02	3,572,122.02	100	Estimated nonrecoverable accounts
Shanghai Zhongmin Huacheng New Energy Technology Co., Ltd.	967,166.96	773,733.57	80	Accrual based on the estimated recoverable amount
Others	7,670,890.22	7,670,890.22	100	Estimated nonrecoverable accounts
Total	98,554,221.82	84,727,255.61	85.97	/

Explanation on accrual for bad debt reserves by single item:

 Applicable  Non-applicable

Accrual for bad debt reserves by portfolio:

 Applicable  Non-applicable

Accrual items by portfolio: Portfolio - electricity bills receivable:

Unit: Yuan; Currency: RMB

Name	Ending balance		
	Accounts receivable	Bad-debt reserves	Proportion of accrual (%)
Within 1 year	547,730,396.87	16,431,912.05	3.00
1-2 years	387,609,200.08	23,256,552.02	6.00
2-3 years	152,601,036.35	13,734,093.35	9.00
3-4 years	9,004,157.94	1,080,498.95	12.00
4-5 years			12.00
More than 5 years			12.00
Total	1,096,944,791.24	54,503,056.37	

Recognition standard and explanation on accrual for bad debts by portfolio:

 Applicable  Non-applicable

Accrual items by portfolio: portfolio – receivables from corporate customers:

Unit: Yuan; Currency: RMB

Name	Ending balance		
	Accounts receivable	Bad-debt reserves	Proportion of accrual (%)
Within 1 year			
Including: Within 6 months	2,465,488,135.49	24,654,852.43	1.00
7-12 months	39,116,725.88	782,334.52	2.00
1-2 years	266,403,451.38	13,320,172.67	5.00
2-3 years	53,179,452.09	15,953,835.65	30.00
3-4 years	15,678,306.64	15,678,306.64	100.00
4-5 years			100.00
More than 5 years	4,263,270.63	4,263,270.63	100.00
Total	2,844,129,342.11	74,652,772.54	

Recognition standard and explanation on accrual for bad debts by portfolio:

Applicable  Non-applicable

If bad debt reserves are accrued according to the general model of expected credit loss, please refer to the disclosure of other receivables:

Applicable  Non-applicable

### (3) Bad debt reserves

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Category	Beginning balance	Changed amount in current period				Ending balance
		Accrual	Recovery or reversal	Resale or write-off	Other changes	
Bad debt reserves for accounts receivable	149,788,532.44	95,494,075.42	25,796,558.06	1,090,596.57	4,512,368.71	213,883,084.52
Total	149,788,532.44	95,494,075.42	25,796,558.06	1,090,596.57	4,512,368.71	213,883,084.52

Among them, important recovery or reversal amount of the bad debt reserves in current period:

Applicable  Non-applicable

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

Applicable  Non-applicable

### (5) Top five accounts receivable of the ending balance collected by debtors

Applicable  Non-applicable

Unit: Yuan

Items	Balance	Amount of bad debt reserves	Proportion to the total balance of accounts receivable
Total amount of the top five accounts receivable	1,027,030,199.00	22,273,145.76	25.42%

### (6) Accounts receivable derecognized due to transfer of financial assets

Applicable  Non-applicable

### (7) Amount of assets and liabilities formed by transferring accounts receivable and continuing to be involved

Applicable  Non-applicable

Other explanations:

Applicable  Non-applicable

## 6. Receivable financing

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Receivable financing	829,052,223.55	443,080,447.21
Total	829,052,223.55	443,080,447.21

Changes in receivables financing in current period and changes in fair value:

√ Applicable □ Non-applicable

In 2019, some subsidiaries of the Group discounted and endorsed some bank acceptances according to their daily capital management requirements, so they are classified as financial assets measured at fair value and whose changes are included in other comprehensive income, and listed as receivables financing. If bad debt reserves are accrued according to the general model of expected credit loss, please refer to the disclosure of other receivables:

√ Applicable □ Non-applicable

The Group does not have bank acceptances for impairment reserves accrued by single item. On December 31, 2019, the Group measured bad debt reserves based on the expected credit losses of the entire duration. The Group believes that the bank acceptances in its possession do not have significant credit risk and will not cause significant losses due to bank defaults.

Other explanations:

√ Applicable □ Non-applicable

As of December 31, 2019, notes receivable having been endorsed but not yet due and listed as receivables financing by the Group were as follows:

Unit: Yuan

	Derecognized	Non-derecognized
Bank acceptance	4,309,885,611.86	110,200,541.85

As of December 31, 2019, notes receivable having been discounted but not yet due and listed as receivables financing by the Group were as follows:

Unit: Yuan

	Derecognized	Non-derecognized
Bank acceptance		454,371,792.82

## 7. Prepayments

### (1) Prepayments listed by age

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Age	Ending balance		Beginning balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	878,938,456.44	85.22	558,270,045.27	91.72
1 to 2 years	121,178,407.58	11.75	50,306,192.60	8.26
2 to 3 years	31,277,343.45	3.03	1,100.01	0.00
More than 3 years	8,185.00	0.00	108,185.00	0.02
Total	1,031,402,392.47	100.00	608,685,522.88	100.00

Explanation on the reason why prepayments aged over 1 year and important amounts are not settled in time:

As of December 31, 2019, the prepayments aged over one year were 152,463,936.03 yuan (December 31, 2018: 50,415,477.61 yuan), which were mainly prepayments of material purchase, and the delivery date was not reached.

### (2) Prepayment of top five ending balances collected in accordance with prepayment targets:

√ Applicable □ Non-applicable

As of December 31, 2019, a summary analysis on prepayments of the top five balance collected by debtors is as follows:

Unit: Yuan

	Amount	Proportion to the total prepayment
Total amount of prepayments of the top five balance	552,753,916.11	53.59%

Other explanations

 Applicable  Non-applicable**8. Other receivables**

Project list

 Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Interests receivable		
Dividends receivable	41,421,502.96	20,541,737.10
Other receivables	254,576,090.41	694,690,464.29
Total	295,997,593.37	715,232,201.39

Other explanations:

 Applicable  Non-applicable

Interests receivable

**(1) Classification of interests receivable** Applicable  Non-applicable**(2) Important overdue interests** Applicable  Non-applicable**(3) Accrual for bad debt reserves** Applicable  Non-applicable

Other explanations:

 Applicable  Non-applicable

Dividends receivable

**(4) Dividends receivable** Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Project (or investee)	Ending balance	Beginning balance
Zhaozhou Longhui New Energy Ltd.	17,526,345.67	17,526,345.67
Wuzhong Leheng Solar Energy Technology Ltd.	5,988,893.24	
Xi'an Letian Solar Energy Ltd.	4,821,174.55	
Xi'an Lejing Solar Energy Ltd.	2,790,461.84	
Xi'an LONGi Anfang Solar Energy Ltd.	2,305,356.67	
Yangqu Lezhao Energy Technology Co., Ltd.	1,822,201.51	1,822,201.51
Zhengzhou Lemou Solar Energy Ltd.	1,398,029.26	
Xi Xian New Area Leyue Solar Energy Ltd.	1,294,486.69	
Qishan Baotong Solar Energy Ltd.	1,259,808.64	
Wuhu Solar Photovoltaic Power Engineering Co., Ltd.	1,193,189.92	1,193,189.92
Lantian Mingrui New Energy Ltd.	1,021,554.97	
Total	41,421,502.96	20,541,737.10

**(5) Important dividends receivable aged over 1 year**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Project (or investee)	Ending balance	Age	Reason for nonrecoverable accounts	Whether impairment occurred and its judgment basis
Zhaozhou Longhui New Energy Ltd.	17,526,345.67	1-2 years	Non-payment by the other party	No
Total	17,526,345.67	/	/	/

**(6) Accrual for bad debt reserves**

□ Applicable √ Non-applicable

Other explanations:

□ Applicable √ Non-applicable

Other receivables

**(7) Disclosure by age**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Age	Ending book balance
Within 1 year	
Including: Sub-items within 1 year	
Subtotal within 1 year	95,238,606.01
1 to 2 years	175,941,302.53
2 to 3 years	5,193,859.67
3 to 4 years	5,166,885.55
4 to 5 years	2,820,073.80
More than 5 years	7,662,117.24
Total	292,022,844.80

**(8) Classification according to the nature of payments**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Nature of payments	Ending book balance	Beginning book balance
Advances receivable from disposed subsidiaries	99,529,473.80	365,899,150.38
Margin deposit	68,697,822.05	174,276,396.98
Equity transfer funds	61,900,020.78	166,141,992.91
Rebates receivable	29,378,285.06	
Current payment	22,583,162.88	43,512,244.42
Petty cash	4,510,473.89	3,154,851.21
Social security payment on behalf		455,365.77
Others	5,423,606.34	134,580.65
Total	292,022,844.80	753,574,582.32

**(9) Accrual for bad debt reserves**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Bad-debt reserves	Phase I	Phase II	Phase III	Total
	Expectation of the next 12 months	Expected credit loss for the entire duration (no credit	Expected credit loss for the entire duration (credit impairment	

	credit losses	impairment occurred)	occurred)	
Balance on January 1, 2019	40,620,156.47		18,263,961.56	58,884,118.03
Balance on January 1, 2019 in current period				
- transferred to Phase II				
- transferred to Phase III				
- reversed to Phase II				
- reversed to Phase I				
Accrual in current period	20,237,851.45		1,000,000.00	21,237,851.45
Reversal in current period	29,223,830.07		500,000.00	29,723,830.07
Resale in current period				
Write-off in current period	2,669.90		7,004,461.56	7,007,131.46
Other changes	4,684,753.56		1,259,500.00	5,944,253.56
December 31, 2019 Balance	26,946,754.39		10,500,000.00	37,446,754.39

Explanation on the significant changes in the book balance of other receivables where loss reserve changes in current period:

Applicable  Non-applicable

Accrual amount of bad debt reserves and basis for assessing whether the credit risk of financial instruments has increased significantly in current period:

Applicable  Non-applicable

#### (10) Bad debt reserves

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Category	Beginning balance	Changed amount in current period				Ending balance
		Accrual	Recovery or reversal	Resale or write-off	Other changes	
Bad debt reserves for other receivables	58,884,118.03	21,237,851.45	29,723,830.07	7,007,131.46	5,944,253.56	37,446,754.39
Total	58,884,118.03	21,237,851.45	29,723,830.07	7,007,131.46	5,944,253.56	37,446,754.39

Among them, important recovery or reversal amount of the bad debt reserves in current period:

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Company name	Reversal or recovery amount	Recovery way
Other receivables 1	5,570,149.99	Cash at bank
Other receivables 2	3,423,832.26	Cash at bank
Other receivables 3	1,430,878.97	Cash at bank
Total	10,424,861.22	/

#### (11) Other accounts receivable actually written off in current period

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Amount of write-off
Other receivables actually written off	7,007,131.46

Among them, other important receivables written off:

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Company name	Nature of other receivables	Amount of write-off	Reason for write-off	Write-off procedures performed	Whether the payment is generated by related transactions
Ningbo Southern New Energy Technology Co., Ltd.	Others	7,004,461.56	Both parties signed a settlement agreement	Both parties signed a settlement agreement	No
Total	/	7,004,461.56	/	/	/

Explanation on write-off of other receivables:

 Applicable  Non-applicable**(12) Top five other accounts receivable of the ending balance collected by debtors** Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Company name	Nature of payments	Ending balance	Age	Proportion to total ending balance of other receivables (%)	Ending balance of bad debt reserves
First	Purchase profit of auxiliary materials	29,378,285.06	Within 1 year	10.06	1,468,914.25
Second	Deposit in security	28,253,610.00	1-3 years	9.68	2,895,123.22
Third	Equity transfer funds	18,551,235.56	Within 2 years	6.35	1,772,460.10
Fourth	Advance payments of disposed subsidiaries	18,245,387.68	1-2 years	6.25	1,824,538.77
Fifth	Equity transfer funds	17,793,932.76	1-2 years	6.09	1,779,393.28
Total	/	112,222,451.06	/	38.43	9,740,429.62

**(13) Receivables involving government subsidies** Applicable  Non-applicable**(14) Other receivables derecognized due to transfer of financial assets** Applicable  Non-applicable**(15) Amount of assets and liabilities formed by transferring other receivables and continuing to be involved** Applicable  Non-applicable

Other explanations:

 Applicable  Non-applicable**9. Inventory****(1) Inventory classification** Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance			Beginning balance		
	Book balance	Inventory falling price reserves/contract performance cost impairment reserves	Book value	Book balance	Inventory falling price reserves/contract performance cost impairment reserves	Book value
Raw	1,887,242,022.36	2,608,479.18	1,884,633,543.18	1,101,615,522.80	3,035,871.04	1,098,579,651.76

materials						
Goods in process	806,798,521.81	4,352,241.87	802,446,279.94	344,406,211.70	862,744.85	343,543,466.85
Finished goods	3,171,327,791.47	23,329,185.72	3,147,998,605.75	2,460,292,893.60	43,246,336.33	2,417,046,557.27
Consigned processing materials	197,167,674.72	11,652.27	197,156,022.45	308,690,502.18	843,355.32	307,847,146.86
Goods in transit	323,927,541.02	17,207.56	323,910,333.46	116,659,252.40	1,131,956.19	115,527,296.21
Total	6,386,463,551.38	30,318,766.60	6,356,144,784.78	4,331,664,382.68	49,120,263.73	4,282,544,118.95

**(2) Inventory falling price reserves**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Beginning balance	Increment in current period		Decrement in current period		Ending balance
		Accrual	Others	Reversal or resale	Others	
Raw materials	3,035,871.04	20,982,954.27		21,410,346.13		2,608,479.18
Goods in process	862,744.85	4,710,829.75		1,221,332.73		4,352,241.87
Finished goods	43,246,336.33	272,523,224.04	579,513.28	293,019,887.93		23,329,185.72
Consigned processing materials	843,355.32	579,685.04		1,411,388.09		11,652.27
Goods in transit	1,131,956.19	65,431,227.04		66,545,975.67		17,207.56
Total	49,120,263.73	364,227,920.14	579,513.28	383,608,930.55		30,318,766.60

**(3) Explanation on capitalization amount of borrowing costs contained in inventory ending balance:** Applicable  Non-applicable**(4) Completed and unsettled assets formed by the construction contract at the end of the period** Applicable  Non-applicable

Other explanations

√ Applicable  Non-applicable

Inventory falling price reserves in 2019 were as follows:

Items	Specific basis for determining net realizable value	Reason for reversing the inventory price falling reserves in the current year	Reason for reselling the inventory price falling reserves in the current year
Raw materials	The net realizable value of raw materials is mainly determined based on the market price of the final goods	The previous influencing factors to write down the value of inventories had disappeared, resulting in the inventory's net realizable value higher than its book value	Overseas sales
Goods in process	The net realizable value of goods in process is mainly determined based on the market price of the final goods	The previous influencing factors to write down the value of inventories had disappeared, resulting in the inventory's net realizable value higher than its book value	Completed the goods production for overseas sales
Finished	It is divided into two parts:	The previous influencing factors to write	Overseas sales



goods	without contract guarantee and with irrevocable contract guarantee. Without contract guarantee, the net realizable value of the goods is determined based on the market price of the final goods after deducting related expenses, and with irrevocable contract guarantee, the net realizable value of the goods is determined based on the irrevocable contract unit price	down the value of inventories had disappeared, resulting in the inventory's net realizable value higher than its book value	
Consigned processing materials	The net realizable value is mainly determined based on the market price of the final goods	The previous influencing factors to write down the value of inventories had disappeared, resulting in the inventory's net realizable value higher than its book value	Consigned withdrawal of overseas sales
Goods in transit	The net realizable value is determined based on the market value	The previous influencing factors to write down the value of inventories had disappeared, resulting in the inventory's net realizable value higher than its book value	Overseas sales

**10. Held-for-sale assets**

Applicable  Non-applicable

**11. Non-current assets due within one year**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Debt investment due within 1 year		
Other debt investment due within 1 year		
Long-term receivables due within 1 year	31,419,922.32	11,000,000.00
Total	31,419,922.32	11,000,000.00

Important debt investment and other debt investment at the end of the period:

Applicable  Non-applicable

Other explanations

None.

**12. Other current assets**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
VAT to be deducted	986,023,707.56	1,103,163,521.38
Bank financing	100,000,000.00	
Export tax refund receivable	11,456,668.11	
Prepaid income tax	6,940,496.79	13,727,592.91
Prepaid taxes and surcharges	3,187,121.21	5,167,183.97
Total	1,107,607,993.67	1,122,058,298.26

Other explanations: None.

**13. Debt investment****(1) Debt investments**

Applicable  Non-applicable

**(2) Important debt investment at the end of the period**

Applicable  Non-applicable

**(3) Accrual for impairment reserves**

Applicable  Non-applicable

Accrual amount of impairment reserves and basis for assessing whether the credit risk of financial instruments has increased significantly in current period

Applicable  Non-applicable

Other explanations

Applicable  Non-applicable

**14. Other debt investments**

**(1) Other debt investments**

Applicable  Non-applicable

**(2) Other important debt investment at the end of the period**

Applicable  Non-applicable

**(3) Accrual for impairment reserves**

Applicable  Non-applicable

Accrual amount of impairment reserves and basis for assessing whether the credit risk of financial instruments has increased significantly in current period

Applicable  Non-applicable

Other explanations:

Applicable  Non-applicable

**15. Long-term receivables**

**(1) Long-term receivables**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance			Beginning balance			Rate of discount rate
	Book balance	Bad-debt reserves	Book value	Book balance	Bad-debt reserves	Book value	
Margin deposit	25,585,349.25		25,585,349.25	31,828,450.44		31,828,450.44	
EPC projects by installments	31,419,922.32		31,419,922.32	37,357,219.12		37,357,219.12	
(Minus) The part due within 1 year	- 31,419,922.32		- 31,419,922.32	- 11,000,000.00		- 11,000,000.00	
Total	25,585,349.25		25,585,349.25	58,185,669.56		58,185,669.56	/

**(2) Accrual for bad debt reserves**

Applicable  Non-applicable

Accrual amount of bad debt reserves and basis for assessing whether the credit risk of financial instruments has increased significantly in current period

Applicable  Non-applicable

**(3) Receivables derecognized due to transfer of financial assets**

Applicable  Non-applicable

**(4) Amount of assets and liabilities formed by transferring long-term receivables and continuing to be involved**

Applicable  Non-applicable

Other explanations

Applicable  Non-applicable

**16. Long-term equity investment**

√ Applicable □ Non-applicable

Investee	Beginning balance	Changes in current period								Ending balance	Ending balance of impairment reserves Ending balance
		Additional investment	Decreased investment	Profits & losses on investments recognized by equity method	Adjustment of other comprehensive incomes	Other changes of equities	Releasing cash dividends and profits	Accrual for impairment reserves	Others		
<b>I. Joint venture</b>											
Subtotal											
<b>II. Associated enterprises</b>											
Sichuan Yongxiang New Energy Ltd.	179,980,394.31			23,173,196.21							203,153,590.52
Tongxin LONGi New Energy Ltd.	140,364,670.01			11,056,967.20							151,421,637.21
Pingmei LONGi New Energy Technology Co., Ltd.	138,516,621.09	59,400,000.00		29,967,365.13			-11,880,000.00		-3,497,774.49		212,506,211.73
Zhongning LONGi Solar New Energy Ltd.	97,945,625.51			13,125,233.60							111,070,859.11
Daqing Huiqing New Energy Ltd.	54,525,994.10			10,606,212.01							65,132,206.11
Zhaozhou Longhui New Energy Ltd.	37,102,659.13			7,471,519.98							44,574,179.11
Zhejiang MTCN Technology Ltd.	35,890,563.60			6,221,640.90							42,112,204.50
Zhongning LONGi Tianhua New Energy Ltd.	25,969,035.82			2,158,721.95							28,127,757.77
DAS Solar Co., Ltd	18,938,625.47			-3,600,113.72							15,338,511.75
Shanghai Baowang Energy Technology Co., Ltd.	2,652,927.23			-448,187.66							2,204,739.57
SRICITY ELECTRONICS MANUFACTURING CLUSTER PRIVATE LIMITED (hereafter referred to as "SCE")	1,282,538.75				-615.18						1,281,923.57
Tongchuan Xiaguang New Energy Power Generation Ltd.		217,725,701.39		12,592,214.25					-91,703,859.43		138,614,056.21
Xi'an LONGi Anfang Solar Energy Ltd.		11,362,515.24		666,028.14							12,028,543.38
Qishan Baotong Solar Energy Ltd.		2,371,208.44		258,399.75							2,629,608.19
Xi Xian New Area Leyue Solar Energy Ltd.		3,622,257.14		503,116.59							4,125,373.73
Xi'an Letian Solar Energy Ltd.		7,500,200.50		991,222.83							8,491,423.33
Lantian Mingrui New Energy Ltd.		1,984,557.95		346,303.83							2,330,861.78
Wuzhong Leheng Solar Energy Technology Ltd.		9,025,136.00		677,940.67							9,703,076.67
Xi'an Lejing Solar Energy Ltd.		5,584,348.07		440,684.45							6,025,032.52
Zhengzhou Lemou Solar Energy Ltd.		12,327,091.44		985,809.20							13,312,900.64
Subtotal	733,169,655.02	330,903,016.17		117,194,275.31	-615.18		-11,880,000.00		-95,201,633.92		1,074,184,697.40
Total	733,169,655.02	330,903,016.17		117,194,275.31	-615.18		-11,880,000.00		-95,201,633.92		1,074,184,697.40

Other explanations

None.

**17. Other equity instrument investment****(1) Other equity instrument investments**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Equity of non-listed company - Lijiang LONGi Clean Energy Ltd.	21,959,667.68	15,391,372.38
Equity of non-listed company - Zhuhai Pulo Zhongou New Energy Equity Investment Partnership (Limited Partnership)		67,451,595.50
Total	21,959,667.68	82,842,967.88

**(2) Investment in non-trading equity instruments**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Dividend incomes recognized in current period	Cumulative profits	Cumulative losses	Amount of other comprehensive income transferred into retained income	Reason for being measured at fair value with changes included in other comprehensive income	Reason for transferring other comprehensive income into retained income
Lijiang LONGi New Energy Ltd.			1,572,066.89		The purpose held by the Company is a non-contractual benefit.	
Zhuhai Pulo Zhongou New Energy Equity Investment Partnership (Limited Partnership)		28,841,980.70		24,515,683.59	The purpose held by the Company is a non-contractual benefit.	Disposal

Other explanations:

√ Applicable  Non-applicable

In 2019, due to the Group's strategic adjustments, the equity instrument investments of Zhuhai Pulo Zhongou New Energy Equity Investment Partnership was disposed at a price of 89,035,529.09 yuan, and the cumulative amount included in other comprehensive income of 24,515,683.59 yuan and the amount of deferred income tax liabilities transferred back of 4,326,297.11 yuan were transferred into retained income, of which, the surplus reserve was 2,884,198.08 yuan and undistributed profit was 25,957,782.62 yuan.

**18. Other non-current financial assets** Applicable  Non-applicable

Other explanations:

 Applicable  Non-applicable**19. Investment real estate**

Investment real estate measurement model

N/A

**20. Fixed assets**

Project list

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Fixed assets	15,467,300,311.79	13,259,978,743.24
Disposal of fixed assets		
Total	15,467,300,311.79	13,259,978,743.24

Other explanations:

□ Applicable √ Non-applicable

Fixed assets

**(1) Fixed assets**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Items	Houses and buildings	Solar power project	Machinery equipment	Means of transport	Electronic equipment and others	Total
I. Original book value						
1. Beginning balance	1,719,104,786.82	4,292,582,168.34	9,746,900,629.22	60,385,899.05	131,301,194.79	15,950,274,678.22
2. Increment of current period	73,184,282.68	127,426,364.09	4,118,907,045.88	15,044,773.30	43,206,546.12	4,377,769,012.07
(1) Acquisition	1,262,500.85	1,710,277.66	101,802,786.33	14,627,946.05	39,452,290.54	158,855,801.43
(2) Transferred from construction in progress	45,768,065.39	125,716,086.43	3,992,931,540.43	270,541.75	3,354,816.37	4,168,041,050.37
(3) Increased by business combination						
(4) Impact of exchange rate fluctuations	26,153,716.44		24,172,719.12	146,285.50	399,439.21	50,872,160.27
3. Decrement in current period	1,902,897.16	549,557,866.12	460,173,416.75	3,581,210.15	12,226,691.06	1,027,442,081.24
(1) Disposal or scrap	63,000.00	243,425.22	460,049,580.79	2,284,341.28	12,193,609.79	474,833,957.08
(2) Decreased by disposal of subsidiaries	542,210,955.16			1,296,868.87	33,081.27	543,540,905.30
(3) Impact of exchange rate fluctuations	1,839,897.16	7,103,485.74	123,835.96			9,067,218.86
4. Ending balance	1,790,386,172.34	3,870,450,666.31	13,405,634,258.35	71,849,462.20	162,281,049.85	19,300,601,609.05
II. Accumulated depreciation						
1. Beginning balance	364,941,978.39	218,381,751.04	1,993,250,891.82	23,715,979.57	54,879,088.15	2,655,169,688.97
2. Increment of current period	88,341,883.03	160,770,134.19	1,060,641,851.07	10,324,655.59	23,027,414.13	1,343,105,938.01
(1) Accrual	86,734,542.04	159,755,648.09	1,058,301,993.30	10,288,687.59	23,011,991.63	1,338,092,862.65

(2) Impact of exchange rate fluctuations	1,607,340.99	1,014,486.10	2,339,857.77	35,968.00	15,422.50	5,013,075.36
3. Decrement in current period	166,026.34	31,481,548.17	212,956,420.32	1,948,678.66	10,092,515.41	256,645,188.90
(1) Disposal or scrap	22,942.56	470,604.44	212,929,729.92	1,469,706.25	10,084,192.05	224,977,175.22
(2) Decreased by disposal of subsidiaries		31,010,943.73		478,972.41	8,323.36	31,498,239.50
(3) Impact of exchange rate fluctuations	143,083.78		26,690.40			169,774.18
4. Ending balance	453,117,835.08	347,670,337.06	2,840,936,322.57	32,091,956.50	67,813,986.87	3,741,630,438.08
III. Impairment reserves						
1. Beginning balance			35,126,246.01			35,126,246.01
2. Increment of current period			138,977,798.12	10,767.82	150,348.66	139,138,914.60
(1) Accrual			138,798,675.80	10,767.82	150,348.66	138,959,792.28
(2) Impact of exchange rate fluctuations			179,122.32			179,122.32
3. Decrement in current period			82,594,301.43			82,594,301.43
(1) Disposal or scrap			82,594,301.43			82,594,301.43
4. Ending balance			91,509,742.70	10,767.82	150,348.66	91,670,859.18
IV. Book value						
1. Ending book value	1,337,268,337.26	3,522,780,329.25	10,473,188,193.08	39,746,737.88	94,316,714.32	15,467,300,311.79
2. Beginning book value	1,354,162,808.43	4,074,200,417.30	7,718,523,491.39	36,669,919.48	76,422,106.64	13,259,978,743.24

**(2) Temporary idle fixed assets**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Items	Original book value	Accumulated depreciation	Impairment reserves	Book value	Remarks
Machinery equipment	91,365,888.06	19,299,513.95	18,165,656.05	53,900,718.06	

**(3) Fixed assets leased in through financial leases**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Items	Original book value	Accumulated depreciation	Impairment reserves	Book value
Houses and buildings	161,601,387.10	104,565,805.52		57,035,581.58
Machinery equipment	666,317,911.10	147,998,823.69		518,319,087.41
Solar power project	1,214,311,393.00	95,002,292.09		1,119,309,100.91

**(4) Fixed assets leased out by operating leases**

Applicable  Non-applicable

**(5) Fixed assets without proper certificates of title**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Book value	Reason for not obtaining the title certificate
Real estate of LONGi Solar	52,226,874.51	Involved in loan collateral
Real estate of Ningxia LONGi	34,307,477.35	Temporarily unavailable public rental housing

Other explanations:

Applicable  Non-applicable

As of December 31, 2019, the fixed assets with a book value of 1,439,423,188.08 yuan (original price of 1,722,794,574.78 yuan) (December 31, 2018: book value of 1,507,713,131.89 yuan (original price of 1,653,557,486.82 yuan)), along with the construction in progress with a book value of 109,683,205.50 yuan (December 31, 2018: book value of 62,425,048.38 yuan), and intangible assets with a book value of 79,535,329.81 yuan (original price of 85,675,400.00 yuan) (December 31, 2018: book value of 84,573,295.84 yuan (original price 90,029,163.92 yuan)) were used as a mortgage of the bank mortgage loan of 1,389,570,306.97 yuan (December 31, 2018: 1,481,790,922.15 yuan).

The depreciation amount of fixed assets accrued in 2019 was 1,338,092,862.65 yuan (2018: 1,055,058,788.46 yuan), of which the depreciation expenses including costs of revenues, sales expenses, management expenses and R&D expenses were respectively 1,282,615,521.79 yuan, 1,116,730.90 yuan, 34,069,699.22 yuan and 20,290,910.74 yuan (2018: 1,021,578,751.16 yuan, 1,639,244.89 yuan, 19,179,177.69 yuan and 12,661,614.72 yuan).

The original price of fixed assets transferred from construction in progress was 4,168,041,050.37 yuan (2018: 5,538,483,690.20 yuan).

**Disposal of fixed assets**

Applicable  Non-applicable

**21. List of construction in progress**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Construction in progress	2,875,023,029.20	850,304,923.44
Engineering materials	7,012,140.59	5,257,151.75
Total	2,882,035,169.79	855,562,075.19

Other explanations:

Applicable  Non-applicable



Construction in progress

**(1) Construction in progress**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
6GW mono ingot project (Phase II) in Baoshan LONGi	588,422,288.40		588,422,288.40			
Ningxia LONGi Solar - 5GW cell project in Yinchuan	484,950,382.71		484,950,382.71	455,660.37		455,660.37
Cell project (Phase II) in KUCHING	4,026,696.48		4,026,696.48	104,838,624.34		104,838,624.34
Cell project (Phase III) in KUCHING	409,213,296.07		409,213,296.07			
6GW mono ingot project in Huaping LONGi	297,986,881.80		297,986,881.80			
10GW mono wafer project (Phase II) in Chuxiong LONGi	228,838,725.36		228,838,725.36			
150MW solar power project in Ruicheng	183,740,542.78		183,740,542.78			
Plant technical renovation project	105,107,168.16		105,107,168.16			
5GW mono ingot project in Baoshan	11,900,372.22		11,900,372.22	167,641,079.93		167,641,079.93
5GW mono module project (Phase II) in Chuzhou LONGi Solar	80,625,814.99		80,625,814.99			
-Project of office buildings and meeting center located in phase I Production base of LONGi Solar headquarters	93,526,817.88		93,526,817.88	50,032,872.31		50,032,872.31
B1 module- workshop project in Xi'an Economic & Technological Development Zone	38,981,242.94		38,981,242.94	21,878,095.11		21,878,095.11
5GW module project in Chuzhou LONGi Solar	25,271,952.87		25,271,952.87	66,449,925.40		66,449,925.4
New 5GW module project in Jiangsu LONGi Solar	22,947,093.64		22,947,093.64			
5GW mono ingot project in Lijiang			20,130,390.58	147,349,681.63		147,349,681.63

LONGi	20,130,390.58					
-R&D line in B2 factory of the company, Building Technology	18,804,865.80		18,804,865.80			
Raw material cleaning workshop project	11,684,546.27		11,684,546.27			
5.4MW distributed power project in Liyang Era	10,052,711.68		10,052,711.68	3,637,122.65		3,637,122.65
B1 module- workshop project in Xi'an Economic & Technological Development Zone	8,193,175.61		8,193,175.61	6,558,372.88		6,558,372.88
5GW mono module - project in Xianyang	7,405,907.02		7,405,907.02			
Project of adding sorting tables to domestic sorting machines	3,932,743.40		3,932,743.40			
20MW solar power generation project in Raoyang	3,291,391.07		3,291,391.07	3,720,053.10		3,720,053.10
Chuxiong LONGi MES project	3,157,083.92		3,157,083.92			
Design fee of Chuxiong LONGi Phase II project	1,680,547.18		1,680,547.18			
Chuzhou module MES project (Phase I)	1,474,366.65		1,474,366.65			
KUCHING LONGi ingot pulling project (Phase II)	1,139,042.33		1,139,042.33	41,186,500.02		41,186,500.02
M6 renovation project in Taizhou Base	1,018,965.52		1,018,965.52			
Project approval of BIPV pilot line	976,937.50		976,937.50			
Project of drying tank reconstruction of the wafer -cleaning machine table	862,068.97		862,068.97			
Other minor works	233,950,354.90	28,271,345.50	205,679,009.40	272,404,821.46	35,847,885.76	236,556,935.7
Total	2,903,294,374.70	28,271,345.50	2,875,023,029.20	886,152,809.20	35,847,885.76	850,304,923.44

**(2) Changes of major construction in progress in current period**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Item name	Budget	Beginning balance	Increment in current period	Amount of fixed assets transferred into the current period	Other decrement in current period	Ending balance	Proportion of the cumulative project input	Progress	Cumulative amount of interest capitalization	Including: Capitalized amount of current	Interest capitalization rate in current	Capital source
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Annual Report 2019

							to the budget (%)			interest	period (%)	
6GW mono ingot project (Phase II) in Baoshan LONGi	1,474,150,000.00		891,744,882.23	295,596,624.62	7,725,969.21	588,422,288.40	60.49	60.49%				Self-raised capital
Ningxia LONGi Solar - 5GW cell project in Yinchuan	2,544,100,000.00	455,660.37	1,279,088,689.34	794,593,967.00		484,950,382.71	53.17	83.33%				Fund-raising
Cell project (Phase II) in KUCHING	608,540,000.00	104,838,624.34	266,502,221.04	367,314,148.90		4,026,696.48	74.41	100.00%				Self-raised capital
Cell project (Phase III) in KUCHING	680,620,000.00		409,213,296.07			409,213,296.07	60.12	80.00%				Self-raised capital
6GW mono ingot construction project in Huaping LONGi	1,633,393,400.00		600,225,678.62	302,238,796.82		297,986,881.80	36.75	35.00%				Self-owned capital
10GW mono wafer - project (Phase II) in Chuxiong LONGi	917,330,000.00		452,302,705.87	212,136,553.53	11,327,426.98	228,838,725.36	49.31	49.31%				Self-raised capital
150MW solar power project in Ruicheng	796,917,000.00		183,740,542.78			183,740,542.78	23.06	23.06%				Self-raised capital
Plant technical renovation project	230,018,000.00		125,065,386.33	19,958,218.17		105,107,168.16	54.37	54.00%				Self-owned capital
5GW mono ingot project in Baoshan	1,591,720,000.00	167,641,079.93	100,653.37	155,841,361.08		11,900,372.22	100.00	100.00%				Fund-raising
5GW mono module project in Chuzhou LONGi Solar Technology Ltd.	1,033,348,700.00		80,625,814.99			80,625,814.99	7.80	7.80%				Self-raised capital
-Project of office buildings and meeting center located in phase I Production base of LONGi Solar headquarters	245,350,000.00	50,032,872.31	43,493,945.57			93,526,817.88	50.00	70.00%	1,946,877.57	1,946,877.57	5.13	Self-raised capital
B1 modules workshop project in Xi'an Economic & Technological Development Zone	199,840,000.00	21,878,095.11	17,103,147.83			38,981,242.94	65.00	90.00%	28,100.70	28,100.70	5.13	Self-raised capital
5GW module project in Chuzhou LONGi Solar	1,256,940,000.00	66,449,925.40	764,918,597.86	760,060,251.74	46,036,318.65	25,271,952.87	83.78	83.78%				Fund-raising

Annual Report 2019

New 5GW module project in Jiangsu LONGi Solar	838,590,000.00		22,947,093.64			22,947,093.64	2.74	2.74%				Self-raised capital
5GW mono ingot project in Lijiang LONGi	1,736,650,000.00	147,349,681.63	324,015,051.38	449,851,510.06	1,382,832.37	20,130,390.58	100.00	100.00%				Self-raised capital
- R&D line in B2 factory of the company, Building Technology	45,540,000.00		18,804,865.80			18,804,865.80	41.29	41.29%				Self-raised capital
Raw material cleaning workshop project	30,959,100.00		12,014,634.68	330,088.41		11,684,546.27	38.81	75.00%				Self-raised capital
5.4MW distributed power project in Liyang Era	43,061,800.00	3,637,122.65	10,180,858.65	3,765,269.62		10,052,711.68	98.00	100.00%				Self-raised capital
B1 modules workshop project in Xi'an Economic & Technological Development Zone	109,960,000.00	6,558,372.88	4,395,212.15	2,760,409.42		8,193,175.61	100.00	100.00%	126,506.20	126,506.20	5.13	Self-raised capital
5GW mono module project in Xianyang	655,149,200.00		7,405,907.02			7,405,907.02	1.13	1.13%				Self-raised capital
Project of adding sorting tables to domestic sorting machines	5,566,000.00		3,932,743.40			3,932,743.40	70.66	70.66%				Self-raised capital
20MW solar power generation project in Raoyang	127,568,800.00	3,720,053.10	24,069,765.29	24,498,427.32		3,291,391.07	100.00	97.42%				Self-raised capital
Chuxiong LONGi MES project	7,031,300.00		3,157,083.92			3,157,083.92	44.90	44.90%				Self-raised capital
Design fee of Chuxiong LONGi Phase II project	3,365,202.00		1,680,547.18			1,680,547.18	49.94	49.94%				Self-raised capital
Chuzhou module MES project (Phase I)	4,580,000.00		1,474,366.65			1,474,366.65	32.19	32.19%				Self-raised capital
KUCHING LONGi ingot pulling project (Phase II)	422,010,000.00	41,186,500.02		40,047,457.69		1,139,042.33	100.00	100.00%				Self-raised capital
M6 renovation project in Taizhou Base	120,000,000.00		34,599,425.96	33,580,460.44		1,018,965.52	28.83	27.98%				Self-raised capital

BIPV pilot line approval project of Xi'an LONGi Green Building Technology Ltd.	133,780,000.00		976,937.50			976,937.50	0.73	0.73%				Self-raised capital
Project of drying tank reconstruction of the wafer slicing cleaning machine table	800,000.00		862,068.97			862,068.97	100.00	100.00%				Self-raised capital
Others		272,404,821.46	831,131,973.65	705,467,505.55	164,118,934.66	233,950,354.90						
Total	17,496,878,502.00	886,152,809.20	6,415,774,097.74	4,168,041,050.37	230,591,481.87	2,903,294,374.70		/	2,101,484.47	2,101,484.47	5.13	/

Note: The budget amount of the above investment projects is adjusted by the Company in a timely manner according to market conditions and does not include bottom-line working capital.

**(3) Impairment reserves of construction in progress accrued in current period**

Applicable  Non-applicable

Other explanations

Applicable  Non-applicable

As of December 31, 2019, the construction in progress with a book value of 176,991,150.44 yuan was finance leases (December 31, 2018: book value of 0.00 yuan).

Engineering materials

**(4) Engineering materials**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Materials and tools prepared for the project	7,012,140.59		7,012,140.59	5,257,151.75		5,257,151.75
Total	7,012,140.59		7,012,140.59	5,257,151.75		5,257,151.75

Other explanations: None.

**22. Productive biological assets****(1) Productive biological assets measured by cost** Applicable  Non-applicable**(2) Productive biological assets measured by fair value** Applicable  Non-applicable

Other explanations

 Applicable  Non-applicable**23. Oil and gas assets** Applicable  Non-applicable**24. Right-of-use assets** Applicable  Non-applicable**25. Intangible assets****(1) Intangible assets**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Land use right	Right of patent	Non-patent technology	Trademark right	ERP	Software	Total
I. Original book value							
1. Beginning balance	237,926,394.28	346,594.35	2,500,000.00	104,564.33	20,573,333.44	26,859,720.25	288,310,606.65
2. Increment of current period	6,755,821.18				7,023,770.30	20,949,802.26	34,729,393.74

(1) Acquisition					5,038,726.34	19,750,985.85	24,789,712.19
(2) Internal R&D							
(3) Increased by business combination							
(4) Transferred from construction in progress	6,755,821.18				1,985,043.96	1,198,816.41	9,939,681.55
3. Decrement in current period						407,186.90	407,186.90
(1) Disposal						407,186.90	407,186.90
4. Ending balance	244,682,215.46	346,594.35	2,500,000.00	104,564.33	27,597,103.74	47,402,335.61	322,632,813.49
II. Cumulative amortization							
1. Beginning balance	51,384,709.72	141,920.78	62,500.00	36,635.21	5,069,722.70	5,210,713.44	61,906,201.85
2. Increment of current period	7,741,369.18	45,097.84	250,000.00	12,837.52	3,018,212.54	4,634,922.17	15,702,439.25
(1) Accrual	7,741,369.18	45,097.84	250,000.00	12,837.52	3,018,212.54	4,634,922.17	15,702,439.25
3. Decrement in current period						140,995.58	140,995.58
(1) Disposal						140,995.58	140,995.58
4. Ending balance	59,126,078.90	187,018.62	312,500.00	49,472.73	8,087,935.24	9,704,640.03	77,467,645.52
III. Impairment reserves							
1. Beginning balance							
2. Increment of current period							
(1) Accrual							
3. Decrement in current period							
(1) Disposal							
4. Ending balance							
IV. Book value							
1. Ending book value	185,556,136.56	159,575.73	2,187,500.00	55,091.60	19,509,168.50	37,697,695.58	245,165,167.97
2. Beginning book value	186,541,684.56	204,673.57	2,437,500.00	67,929.12	15,503,610.74	21,649,006.81	226,404,404.80

The intangible assets formed by the Company's internal R&D at the end of current period accounted for 0.00%

of the balance of intangible assets.

**(2) Use rights of land without proper certificates of title**

Applicable  Non-applicable

Other explanations:

Applicable  Non-applicable

- (1) The amortized amount of the intangible assets in 2019 was 15,702,439.25 yuan (2018: 11,730,141.58 yuan).
- (2) As of December 31, 2019, there were no land use rights without certificates (December 31, 2018: none).
- (3) As of December 31, 2019, the land use right with a book value of 14,439,742.32 yuan (original price of 46,207,177.00 yuan) was finance leases (December 31, 2018: book value of 18,290,340.36 yuan (original price of 46,207,177.00 yuan)).

**26. Development expenditures**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Beginning balance	Increment in current period			Decrement in current period			Ending balance
		Internal development expenditure	Others		Recognized as intangible assets	Transferred to current profits and losses		
Expensed expenditure		304,198,315.84				304,198,315.84		
Capitalized expenditure		45,849.02						45,849.02
Total		304,244,164.86				304,198,315.84		45,849.02

Other explanations

None.

**27. Goodwill**

**(1) Original book value of goodwill**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

	Beginning balance	Increment in current period		Decrement in current period		Ending balance
Name of investees or items forming the goodwill		Formed by business combination		Disposal		
Hami Liushuquan Xuanli	5,006,322.98					5,006,322.98



Solar Power Generation Ltd. (hereafter referred to as "Hami Xuanli Clean Energy")						
Hami Liurui New Energy Development Ltd. (hereafter referred to as "Hami Liurui Clean Energy")	2,000,000.00					2,000,000.00
Hami Liuyang Solar Technology Development Ltd. (hereafter referred to as "Hami Liuyang Clean Energy")	4,004,742.49					4,004,742.49
Total	11,011,065.47					11,011,065.47

**(2) Goodwill impairment reserves**

Applicable  Non-applicable

**(3) Information about the asset group or asset group portfolio with goodwill**

Applicable  Non-applicable

**(4) Explanation about the business reputation impairment test process, key parameters (such as the growth rate of forecast period, growth rate of stationary phase, profit margin, discount rate, forecast period, etc. when estimating the present value of future cash flow, if applicable) and confirmation method of goodwill impairment losses**

Applicable  Non-applicable

**(5) Impact of goodwill impairment test**

Applicable  Non-applicable

Other explanations

Applicable  Non-applicable

When conducting a goodwill impairment test, the Group compares the book value of related assets or asset combinations (including goodwill) with its recoverable amount. If the recoverable amount is lower than the book value, the relevant difference is included in the current profits and losses. There was no change of the Group's goodwill allocation in 2019.

**28. Long-term deferred expenses**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Beginning balance	Increment in current period	Amortization amount in current period	Other decrement	Ending balance
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Decoration and renovation fees	882,037,538.62	197,766,278.19	121,492,583.96	55,644,972.38	902,666,260.47
Prepaid rents	63,186,370.90	18,937,681.63	12,113,888.72	2,178,594.08	67,831,569.73
Others	14,179,142.19	52,201.36	125,392.48	13,638,346.82	467,604.25
Total	959,403,051.71	216,756,161.18	133,731,865.16	71,461,913.28	970,965,434.45

Other explanations:

None.

## 29. Deferred income tax assets/deferred income tax liabilities

### (1) Non-offsetting deferred income tax assets

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance		Beginning balance	
		Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Assets impairment reserves	387,383,441.84	49,144,968.17	328,604,346.70	38,120,903.33
Unrealized profits from internal transactions	1,698,404,891.00	283,016,088.95	876,472,836.21	154,840,345.48
Deductible losses	895,047,239.72	193,532,703.70	721,163,479.67	122,578,335.03
Deferred income	516,595,134.18	73,109,827.50	362,541,839.31	48,332,367.81
Depreciation of fixed assets	71,157,444.54	17,774,603.56	54,071,375.19	5,110,622.00
Amortization of intangible assets	48,984,177.59	12,246,044.40	46,859,400.50	7,028,910.08
Share-based payment	40,786,138.48	6,200,522.72	37,377,872.20	5,462,799.07
Long-term payable	122,615,425.68	19,848,659.20	67,189,196.87	14,171,661.14
Estimated liabilities	472,474,334.03	64,114,225.33	318,500,876.37	44,705,451.42
Amortization of long-term deferred expenses	29,781,654.19	3,451,372.13		
Changes in fair value of other equity instrument investments	1,572,066.89	235,810.03		
Total	4,284,801,948.14	722,674,825.69	2,812,781,223.02	440,351,395.36

### (2) Non-offsetting deferred income tax liabilities

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Asset appraisal and appreciation of business combination not under the same control	14,123,497.79	2,118,524.67	14,988,344.20	2,248,251.63
Changes in fair value of other debt investments				
Changes in fair value of other equity instrument investments				
Accelerated depreciation of fixed assets	3,225,400,795.44	544,424,952.30	1,111,013,747.79	169,431,223.81
Total	3,239,524,293.23	546,543,476.97	1,126,002,091.99	171,679,475.44

**(3) Deferred income tax assets or liabilities listed as net amount after offset**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending amount of deferred income tax assets and liabilities after offset	Ending balance of deferred income tax assets or liabilities after offset	Beginning amount of deferred income tax assets and liabilities after offset	Beginning balance of deferred income tax assets or liabilities after offset
Deferred income tax assets	222,739,373.71	499,935,451.98	123,690,563.47	316,660,831.89
Deferred income tax liabilities	222,739,373.71	323,804,103.26	123,690,563.47	47,988,911.97

**(4) Details of unrecognized deferred income tax assets**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Deductible temporary differences	168,061,401.79	
Deductible losses	37,281,564.41	108,052,168.70
Total	205,342,966.20	108,052,168.70

**(5) The deductible loss on unrecognized deferred income tax assets will expire in the following year**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Year	Ending balance	Beginning balance	Remarks
2021		5,842,738.47	
2022	7,651,031.71	63,597,523.65	
2023	12,279,949.37	38,611,906.58	
2024	17,350,583.33		
Total	37,281,564.41	108,052,168.70	/

Other explanations:

Applicable  Non-applicable

### 30. Other non-current assets

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Prepaid equipment, project funds	739,261,134.38	259,934,377.83
Total	739,261,134.38	259,934,377.83

Other explanations: None.

### 31. Short-term loans

#### (1) Classification of short-term loan

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Pledged loan	454,371,792.82	61,750,000.00
Mortgage loan		
Guaranteed loan		
Credit loan	400,000,000.00	625,923,591.48
Total	854,371,792.82	687,673,591.48

Explanation on classification of short-term loans: None.

#### (2) Overdue and unliquidated short-term loans

Applicable  Non-applicable

Important overdue and unliquidated short-term loans are as follows:

Applicable  Non-applicable

Other explanations

Applicable  Non-applicable

(1) As of December 31, 2019, the bank pledged loan was 454,371,792.82 yuan with the receivables financing of 454,371,792.82 yuan as pledge; on December 31, 2018, the bank pledged loan of 61,750,000.00 yuan was time deposit of 65,000,000.00 yuan.

(2) As of December 31, 2019, the interest rate for short-term credit loans was 4.785% (December 31, 2018: 3.23% to 5.44%).

### 32. Trading financial liabilities

Applicable  Non-applicable

### 33. Derivative financial liabilities

Applicable  Non-applicable

### 34. Notes payable

(1) List of notes payable

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Category	Ending balance	Beginning balance
Trade acceptance		
Bank acceptance	8,111,877,027.54	4,721,151,999.58
Total	8,111,877,027.54	4,721,151,999.58

The total amount of notes payable due at the end of current period was 0 yuan.

### 35. Accounts payable

(1) List of accounts payable

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Trade accounts payable	5,602,048,097.26	3,785,696,627.30
Total	5,602,048,097.26	3,785,696,627.30

(2) Important accounts payable aged over 1 year

Applicable  Non-applicable

Other explanations

Applicable  Non-applicable

As of December 31, 2019, the accounts payable aged over one year were 119,033,628.72 yuan (December 31, 2018: 147,316,893.45 yuan), which were mainly trade accounts payable, and have not been paid.

### 36. Advance receipt

(1) List of advance receipts

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
-------	----------------	-------------------

Advances on sales	3,679,503,563.97	962,367,659.73
Total	3,679,503,563.97	962,367,659.73

**(2) Important advance receipts aged over 1 year**

Applicable  Non-applicable

**(3) Settled and unfinished projects formed by the final construction contract**

Applicable  Non-applicable

Other explanations

Applicable  Non-applicable

As of December 31, 2019, the advance receipts aged over one year were 103,125,391.91 yuan (December 31, 2018: 45,941,356.04 yuan), which were mainly advances on sales. The contract period was longer, and it was carried forward gradually with the delivery progress.

**37. Payroll payable****(1) List of payroll payable**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Beginning balance	Increment in current period	Decrement in current period	Ending balance
I. Short-term payroll	324,017,642.75	2,848,178,333.99	2,620,110,668.54	552,085,308.20
II. Post-employment benefits - defined contribution plans	5,418,839.84	117,805,505.98	117,908,466.91	5,315,878.91
III. Dismissal benefits	426,098.69	8,167,215.47	7,639,278.45	954,035.71
IV. Other benefits due within one year				
Total	329,862,581.28	2,974,151,055.44	2,745,658,413.90	558,355,222.82

**(2) List of short-term salaries**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Beginning balance	Increment in current period	Decrement in current period	Ending balance
I. Wages, bonuses, allowances and subsidies	265,060,851.84	2,391,445,708.27	2,190,115,514.09	466,391,046.02
II. Staff welfare fees	908,152.83	264,313,308.31	265,030,895.22	190,565.92
III. Social insurance premiums	2,096,248.45	93,047,360.89	92,797,694.23	2,345,915.11
Including: Medical insurance premiums	1,388,384.76	77,265,396.89	77,001,833.79	1,651,947.86

Work-related injury insurance premiums	442,013.43	7,519,271.36	7,477,197.14	484,087.65
Maternity insurance premiums	265,850.26	8,262,692.64	8,318,663.30	209,879.60
IV. Housing funds	262,218.65	50,416,637.63	50,233,970.50	444,885.78
V. Union and employee education expenditures	55,690,170.98	48,955,318.89	21,932,594.50	82,712,895.37
VI. Short-term paid absences				
VII. Short-term profit sharing plans				
Total	324,017,642.75	2,848,178,333.99	2,620,110,668.54	552,085,308.20

**(3) List of defined contribution plans**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Beginning balance	Increment in current period	Decrement in current period	Ending balance
1. Basic retirement insurances	5,246,854.47	114,350,460.94	114,535,954.89	5,061,360.52
2. Unemployment insurance premiums	171,985.37	3,455,045.04	3,372,512.02	254,518.39
3. Enterprise annuity payments				
Total	5,418,839.84	117,805,505.98	117,908,466.91	5,315,878.91

Other explanations:

 Applicable  Non-applicable**38. Taxes payable**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
VAT	93,294,164.88	135,103,810.42
Consumption tax		
Turnover tax		
Corporate income tax	214,015,814.13	106,955,621.94
Individual income tax	17,385,810.55	17,857,263.72
Urban maintenance and construction tax	2,468,975.10	8,090,086.95
Stamp tax	6,767,491.70	3,235,661.52
Water construction funds	4,037,411.35	5,830,295.47
Land use tax	2,086,320.36	1,312,194.14
Education surtax	1,819,311.35	5,889,864.14
House property tax	1,990,353.86	1,868,554.13
Insurance funds for the disabled	20,440.12	16,022.78

Vehicle and vessel tax	2,616.00	2,616.00
Others	200,715.55	506,469.61
Total	344,089,424.95	286,668,460.82

Other explanations:

None.

### 39. List of other payables

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Interests payable	53,289,437.89	59,022,846.84
Dividends payable		
Other payables	3,844,825,637.60	2,411,105,862.03
Total	3,898,115,075.49	2,470,128,708.87

Other explanations:

Applicable  Non-applicable Interests payable

#### (1) List by classification

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Interest on long-term loans with interest paid by installments and principal paid on maturity date	4,073,310.77	5,245,705.96
Corporate bond interest	48,631,293.80	46,916,666.66
Interest payable on short-term loans	584,833.32	3,940,101.16
Interest on preferred stocks/perpetual debt divided into financial liabilities		
Interest on convertible bonds payable		2,331,484.17
Interest on short-term financing bonds payable		588,888.89
Total	53,289,437.89	59,022,846.84

Important interest overdue and unpaid:

Applicable  Non-applicable

Other explanations:

Applicable  Non-applicable

Dividends payable

#### (2) List by classification



Applicable  Non-applicable

Other payables

**(1) Other payable listed according to payment nature**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Payment for equipment	2,926,223,317.48	1,547,807,732.05
Freight and miscellaneous expense	152,820,183.61	78,434,509.25
Quality guarantee deposit	143,483,060.29	49,779,172.37
Project funds	91,912,453.53	173,371,407.31
Margin deposit	82,294,883.41	271,819,149.91
Drawing expense in advance	74,507,439.47	52,405,973.86
Electric charge	58,315,784.13	22,422,085.87
Restricted stock repurchase obligation	22,526,342.00	45,778,654.06
Agency commission	8,129,716.68	8,634,449.30
Equity transfer funds		55,924,951.93
Others	284,612,457.00	104,727,776.12
Total	3,844,825,637.60	2,411,105,862.03

**(2) Other important payables aged over 1 year**

Applicable  Non-applicable

Other explanations:

Applicable  Non-applicable

As of December 31, 2019, other payables aged over one year were 287,996,251.26 yuan (December 31, 2018: 310,914,868.42 yuan), which were mainly payables on equipment.

**40. Held-for-sale liabilities**

Applicable  Non-applicable

**41. Non-current liabilities due within 1 year**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Long-term loans due within 1 year	963,166,000.00	676,756,000.00
Bonds payable due within 1 year		2,435,000.00
Long-term payables due within 1 year	608,315,098.00	257,407,402.23
Lease liabilities due within 1 year		

Other non-current liabilities due within 1 year		200,000,000.00
Total	1,571,481,098.00	1,136,598,402.23

Other explanations:

None.

#### 42. Other current liabilities

Other current liabilities

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Short-term bonds payable		498,335,194.34
Total		498,335,194.34

Changes in short-term bonds payable:

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Bond name	Nominal value	Issuing date	Bond term	Issue amount	Beginning balance	Issuance in current period	Accrued interest at nominal value	Premium, discount amortization	Current repayment	Ending balance
The first phase short-term financing bonds in 2018	100.00	December 24, 2018	Year 1	500,000,000.00	498,335,194.34		25,911,111.11	1,664,805.66	500,000,000.00	0.00
Total	/	/	/	500,000,000.00	498,335,194.34		25,911,111.11	1,664,805.66	500,000,000.00	0.00

Other explanations:

Applicable  Non-applicable

The First Meeting of the Fourth Session of the Board of Directors of the Company in 2018 and the Third Extraordinary General Meeting of Shareholders in 2018 deliberated and approved the Proposal on Application for Registration and Issuance of Short-term Financing Bonds, and agreed that the Company applied to National Association of Financial Market Institutional Investors (hereafter referred to as the "Association of Dealers") for registration of short-term financing bonds without exceeding 3 billion yuan (including) On December 4, 2018, the Association of Dealers issued a Registration Acceptance Notice (ZSXZ [2018] CP No. 196) to the Company, accepting the Company's short-term financing bond registration, the registration amount was 2 billion yuan, and the registration quota is valid for two years from the date of signing the notice.

On December 24, 2018, the Company issued the first phase of short-term financing bonds of 500 million yuan with a one-year term and an interest rate of 5.30%. As of December 24, 2019, the Company completed the maturity payment of the above short-term financing bonds, and the total principal payment was 526.5 million yuan.

**43. Long-term loans****(1) Classification of long-term loans**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Pledged loan	700,000,000.00	700,000,000.00
Mortgage loan	1,389,570,306.97	1,481,790,922.15
Guaranteed loan	310,000,000.00	140,000,000.00
Credit loan	1,072,189,916.00	1,013,869,916.00
(Minus) Long-term loans due within one year		
Pledged loan	-200,000,000.00	-300,000,000.00
Mortgage loan	-269,486,000.00	-205,896,000.00
Guaranteed loan	-60,000,000.00	-20,000,000.00
Credit loan	-433,680,000.00	-150,860,000.00
Total	2,508,594,222.97	2,658,904,838.15

Explanation on classification of long-term loans:

None.

Other explanations, including interest rate corridor:

√ Applicable  Non-applicable

(1) As of December 31, 2019, the bank mortgage loan of 1,389,570,306.97 yuan (December 31, 2018: 1,481,790,922.15 yuan) was mortgaged by the fixed assets with a book value of 1,439,423,188.08 yuan (original value of 1,722,794,574.78 yuan) (December 31, 2018: book value of 1,507,713,131.89 yuan (original value of 1,653,557,486.82 yuan)), the intangible assets with a book value of 79,535,329.81 yuan (original value of 85,675,400.00 yuan) (December 31, 2018: book value of 84,573,295.84 yuan (original value of 90,029,163.92 yuan)), and the construction in progress with a book value of 109,683,205.50 yuan (December 31, 2018: book value of 62,425,048.38 yuan).

(2) As of December 31, 2019, the bank pledge loan of 700,000,000.00 yuan (December 31, 2018: 700,000,000.00 yuan) was pledged by the equity of Li Zhenguo and Li Chun'an (December 31, 2018: equity of Li Zhenguo and Li Chun'an).

(3) As of December 31, 2019, the bank's guaranteed loan of 310,000,000.00 yuan (December 31, 2018: 140,000,000.00 yuan) was guaranteed by Li Zhenguo (December 31, 2018: guaranteed by Li Zhenguo).

(4) As of December 31, 2019, the interest rate corridor for long-term loans was 2.92% to 5.70% (December 31, 2018: 2.65% to 5.70%).

**44. Bonds payable****(1). Bonds payable**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
16 LONGi Bonds 01(a)	995,584,143.19	993,884,438.23
LONGi Convertible Bonds(b)		2,267,682,916.76
Total	995,584,143.19	3,261,567,354.99

**(2) Changes in bonds payable: (excluding preferred stocks, perpetual bonds and other financial instruments classified as financial liabilities)**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Bond name	Nominal value	Issuing date	Bond term	Issue amount	Beginning balance	Issuance in current period	Accrued interest at nominal value	Premium, discount amortization	Current repayment	Ending balance
16 LONGi Bonds 01(a)	100.00	3/7/2016	Year 5	1,000,000,000.00	993,884,438.23		58,014,627.14	1,699,704.96		995,584,143.19
LONGi Convertible Bonds(b)	100.00	11/2/2017	Year 6	2,800,000,000.00	2,267,682,916.76		9,320,944.16	530,002,083.24	2,797,685,000.00	0.00
Total	/	/	/	3,800,000,000.00	3,261,567,354.99		67,335,571.30	531,701,788.20	2,797,685,000.00	995,584,143.19

### (3) Conversion conditions and time of convertible corporate bonds

Applicable  Non-applicable

(a) Upon approval of China Securities Regulatory Commission (CSRC License [2016] No. 296), the Company issued corporate bonds on March 7, 2016. The bonds are calculated for simple interest year on year, with a coupon rate of 5.63% for the first 3 years of the duration. In 2019, the issuer raised the coupon rate, so in the last two interest-bearing years (March 7, 2019 to March 6, 2021), the coupon rate is adjusted to 5.85%, and the interest is paid once a year.

According to the Company's Announcement on the Put-back Declaration of "16 LONGi 01" Corporate Bonds on February 20, 2019, and data of bond put-back declaration from China Securities Depository and Clearing Corporation Limited, Shanghai Branch (hereinafter referred to as "CSDC Shanghai Branch"), the number of "16 LONGi 01" corporate bonds was 2,435, with the amount of 2,435,000.00 yuan at this put-back declaration.

(b) Upon approval of CSRC (CSRC License [2017] No. 1594), the Company issued 28,000,000 convertible bonds with a par value of 100 yuan on November 2, 2017. The coupon rate of bonds is 0.3% in the first year, 0.5% in the second year, 1% in the third year, 1.3% in the fourth year, 1.5% in the fifth year, and 1.8% in the sixth year. The interest is paid once a year, and the principal is paid for once at maturity with the interest for the last year. The conversion period of the convertible corporate bonds issued is from the first trading day six months after the end of the issue to the maturity date of the convertible corporate bonds.

The initial conversion price of the convertible corporate bonds issued is 32.35 yuan per share. After this issue, if the Company carries out bonus issue, conversion to share capital, seasoned equity offering (excluding the increased share capital due to the conversion of the convertible corporate bonds issued), rights issue, and cash dividend distribution, the conversion price will be adjusted accordingly. During the duration of the convertible corporate bonds issued, when the closing price of the Company's stocks is lower than 85% of the current conversion price for at least 15 in any 30 consecutive trading days, the Company's Board of Directors has the right to propose the plan for downward adjustment of conversion price and submit it to the Company's shareholders' meeting for voting.

Within five trading days after the maturity of the convertible corporate bonds issued, the Company will redeem the unconverted convertible corporate bonds at a price of 106% of the par value of bonds (including the interest for the last period).

During the conversion period of the convertible corporate bonds issued, if the closing price of the Company's A shares is not less than 130% (including) of current conversion price for at least 20 in 30 consecutive trading days, or the balance of the unconverted convertible corporate bonds issued is less than 30 million yuan, the Company has the right to redeem all or part of the unconverted convertible corporate bonds at the price of the bonds' par value plus current interest accrued.

In the last two interest-bearing years of the convertible corporate bonds issued, if the closing price of the Company's stocks is less than 70% of the current conversion price for any 30 consecutive trading days, holders of the convertible corporate bonds have the rights to put all or part of their convertible corporate bonds back to the Company at the price of bonds' par value plus current interest accrued.

If the application of funds from the issue of convertible corporate bonds changes compared with that committed by the Company in the prospectus, which is recognized by CSRC as a change in the purpose of

funds raised, holders of the convertible corporate bonds have one opportunity to put all or part of their convertible corporate bonds back to the Company at the price of bonds' par value plus current interest accrued. Under the above circumstances, holders of convertible corporate bonds may put bonds back during the put-back declaration period, and if not, they shall not exercise the additional put-back right.

On the issue date, the fair value of the bond liabilities is estimated based on the market interest rate of similar bonds without warrants, and the remaining bonds are taken as the fair value of the equity and included in the shareholders' equity.

The CSRC approved the rights issue by the Company to the original shareholders on February 22, 2019. The total number of additional shares after issue was 833,419,462, and the additional shares were listed and circulated from April 29, 2019.

The 2018 profit distribution plan was approved by the 2018 Annual General Meeting of Shareholders on May 21, 2019, which is as follows: Distribute cash dividend of 1.00 yuan (including tax) to all shareholders for every ten shares based on the share capital after the total share capital on the equity registration date of implementing profit distribution deducting 576,254 Company's restricted shares to be repurchased that do not participate in profit distribution, and do not convert the capital reserve into share capital and issue the bonus.

According to the issue clauses and relevant provisions in the Company's Prospectus for Public Offering of Convertible Corporate Bonds, after the issue of LONGi Convertible Bonds, if the Company carries out bonus issue, conversion to share capital, seasoned equity offering (excluding the increased share capital due to the conversion of the convertible corporate bonds issued), rights issue, and cash dividend distribution, the conversion price will be adjusted accordingly. The conversion date is from May 8, 2018 to November 1, 2023. The initial conversion price was 32.35 yuan/share. After the equity distribution in 2017, the conversion price was adjusted to 22.98 yuan/share, which was adjusted to 18.76 yuan/share after the rights issue in 2019, and to 18.66 yuan/share after the equity distribution in 2018.

As of December 31, 2019, the "LONGi Convertible Bonds" with a cumulative amount of 2,780,573,000.00 yuan has been converted into Company stocks, with a total of 148,957,511 shares. The remaining bonds with amount of 19,427,000.00 yuan triggered the redemption clause, which were all redeemed by the Company.

#### **(4) Explanation on other financial instruments classified as financial liabilities**

Basic situation of preferred shares, perpetual bonds and other financial instruments issued externally at the end of the period

Applicable  Non-applicable

Table for changes in financial instruments such as preferred stocks and perpetual bonds issued externally at the end of the period

Applicable  Non-applicable

Explanation on the basis for dividing other financial instruments into financial liabilities:

Applicable  Non-applicable

Other explanations:

Applicable  Non-applicable

#### **45. Lease liabilities**

Applicable  Non-applicable

#### 46. List of long-term payable items

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Long-term payable	1,528,226,692.46	1,306,492,612.61
Special payable		
Total	1,528,226,692.46	1,306,492,612.61

Other explanations:

Applicable  Non-applicable

#### Long-term payable

##### (1) Long-term payables listed according to the nature of payments

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Beginning balance	Ending balance
Finance lease payable	1,656,560,975.89	2,178,077,816.42
Minus: Unrecognized financing costs	-256,550,323.90	-286,068,155.11
Asset purchase in installments	138,136,982.01	153,346,906.71
Accrued rent in rent-free period	25,752,380.84	91,185,222.44
(Minus) Long-term payables due within one year	-257,407,402.23	-608,315,098.00
Total	1,306,492,612.61	1,528,226,692.46

Other explanations:

None.

#### Special payable

##### (2) Special payables listed according to the nature of payments

Applicable  Non-applicable

#### 47. Long-term payroll payable

Applicable  Non-applicable

##### (1) Table for long-term payroll payable

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
I. Post-employment benefits - net liabilities of defined benefit plan		
II. Dismissal benefits		
III. Other long-term benefits		4,242.00
Total		4,242.00

##### 2) Changes in the defined benefit plan

**Present value of the defined benefit plan obligations:**

Applicable  Non-applicable

Plan assets:

Applicable  Non-applicable

Net liabilities (net assets) of defined benefit plan

Applicable  Non-applicable

Explanation on the contents of defined benefit plan, its associated risks, and its impact on the Company's future cash flow, time and uncertainty:

Applicable  Non-applicable

Explanation on major actuarial assumption and sensitivity analysis results of the defined benefit plan

Applicable  Non-applicable

Other explanations:

Applicable  Non-applicable

**48. Estimated liabilities**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Beginning balance	Ending balance	Reasons
External guarantee			
Pending litigation			
Product quality guarantee margins	318,500,876.37	476,930,834.07	Product quality guarantee margins accrued for sales of modules
Restructuring obligations			
Pending loss contracts			
Others		39,580,000.00	
Total	318,500,876.37	516,510,834.07	/

Other explanations, including relevant important assumptions and estimations of significant estimated liabilities:

None.

**49. Deferred incomes****Deferred incomes**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Beginning balance	Increment in current period	Decrement in current period	Ending balance	Reasons
Governmental subsidy	362,541,839.31	239,051,675.00	84,998,380.13	516,595,134.18	
Total	362,541,839.31	239,051,675.00	84,998,380.13	516,595,134.18	/



Projects involving government subsidies:

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Projects with liabilities	Beginning balance	Increased subsidies in the current period	Amount included in non-operating incomes in the current period	Amount included in other incomes in the current period	Other changes	Ending balance	Asset-related/income-related
Reward for fixed asset investment on Yinchuan LONGi 5GW cell project	57,413,043.46	73,822,200.00		11,466,949.03		119,768,294.43	Asset-related
Reward for intelligent production capacity of 1GW above mono ingots and mono wafers	32,116,500.00	22,000,000.00		5,030,842.14		49,085,657.86	Asset-related
Construction of 3GW module project	48,712,881.28			5,412,542.40		43,300,338.88	Asset-related
Equipment investment incentives		35,449,600.00		1,740,179.68		33,709,420.32	Asset-related
National robot program		30,750,000.00		771,367.51		29,978,632.49	Asset-related
Equipment investment supportive subsidies by Financial Department of Hailing Industrial Park	34,515,168.34			5,066,253.68		29,448,914.66	Asset-related
Fixed asset investment subsidies		30,000,000.00		782,608.71		29,217,391.29	Asset-related
Subsidy for public rental housing of Ningxia LONGi	11,405,470.25			781,435.08		10,624,035.17	Asset-related
R&D and application of intelligent control and transportation -in the wafer production lines		10,000,000.00				10,000,000.00	Asset-related

## Annual Report 2019

5GW mono ingot project supported by special funds for industrial and information development	10,170,704.85			1,122,997.80		9,047,707.05	Asset-related
Special funds for industrial transformation and upgrade	9,000,000.04			999,999.96		8,000,000.08	Asset-related
Subsidies for R&D and application of intelligent control and transportation in the wafer production lines	4,000,000.00	3,000,000.00				7,000,000.00	Asset-related
Energy-saving transformation project of low-energy - consumed diamond wire slicing process of high-efficiency silicon materials	7,825,750.88			1,016,949.12		6,808,801.76	Asset-related
Investment subsidies in the central budget for resource conservation and environmental protection	8,057,142.86			1,342,857.12		6,714,285.74	Asset-related
2018 central industrial transformation and upgrading funds	5,920,000.00					5,920,000.00	Asset-related
Subsidy for fixed assets by Economic and Trade Bureau of High-tech Zone	6,980,891.00			1,132,036.32		5,848,854.68	Asset-related
Subsidy for public rental housing of Ningxia LONGi	6,059,609.05			502,500.00		5,557,109.05	Asset-related
-Subsidy for wafer thinning technology upgrade using diamond wires	6,231,043.68			842,105.28		5,388,938.40	Asset-related

## Annual Report 2019

-Provincial special fund 2018 for technology achievement application by Hailing Financial Bureau		6,000,000.00		615,384.60		5,384,615.40	Asset-related
500MW mono ingot project (Phase II)	6,666,666.67			1,333,333.32		5,333,333.35	Asset-related
-Supportive subsidy for the first batch of technical upgrade projects in 2016 – 850MW technical upgrade project	6,097,435.90			841,025.64		5,256,410.26	Asset-related
Special funds for transformation and upgrading of industrial enterprises	6,300,000.04			406,000.02	1,470,000.00	4,424,000.02	Asset-related
Equipment subsidies	10,813,554.76			10,813,554.76			Asset-related
Others	84,255,976.25			21,178,916.38	10,328,541.58	80,778,393.29	Asset-related/income-related
Total	362,541,839.31	239,051,675.00		73,199,838.55	11,798,541.58	516,595,134.18	

Other explanations:

Applicable  Non-applicable

**50. Other non-current liabilities**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Fucheng Hefan No.1 Contract Fund		200,000,000.00
(Minus) The part due within 1 year		-200,000,000.00
Total		0.00

Other instructions:

In 2017, the Company signed a Contract for Fucheng Hefan No. 1 Contract Fund with fund manager of Zheyin Fucheng (Hangzhou) Capital Management Co., Ltd. and fund trustee of China Zheshang Bank Co., Ltd. According to the contract, the ratio of the preferred shares to the inferior shares of funds was 3:1, the preferred shares were subscribed by Chang'an International Trust Co., Ltd., and the inferior shares were subscribed by the Company. Among them, Chang'an International Trust Co., Ltd. paid 425 million yuan, and the Company paid 141.2 million yuan. The fund's investment scope is investible unlisted company equities, various debt asset management plans, trust plans and beneficial trust plan rights. The duration of the funds was three years.

An investment decision-making committee was established for the funds, and Chang'an International Trust Co., Ltd., the Company and Zheyin Fucheng (Hangzhou) Capital Management Co., Ltd. appointed a member, respectively. The investment decision-making committee implemented a system of one person with one vote. Upon the unanimous consent of all members of the investment decision-making committee, the target project can be invested. The performance comparison benchmark yield of preferred shares of funds was 6.31%/year. In any case, if the monetary property of the funds does not reach the performance comparison fund, the manager shall distribute the income within the limit of the current monetary property of the fund. On the day of income distribution, if the principal and expected incomes are not fully obtained for preferred shares, the Company has the obligation to make up the difference. 300 million yuan of the above funds is used to invest in the Company's subsidiary of LONGi New Energy, with a shareholding ratio of 21.43%; 267 million yuan is used as loans to LONGi New Energy, with term of two years and maturity on September 7, 2019.

Although the Company does not have the right to control the fund, there are fixed returns from preferred shares of the fund, and the Company actually bears all the variable returns of the fund, therefore, the fund is a structured entity that should be included in the consolidation by the Company. The preferred share is actually a debt instrument, so the Company included the fund in other non-current liabilities in 2017 with an amount of 425 million yuan.

In 2018, the Company repurchased the equity investment of 300 million yuan on LONGi New Energy from the fund, with a proportion of 21.43%, of which the preferred share was 225 million yuan.

In 2019, LONGi New Energy, a subsidiary of the Company, repaid the loan of 200 million yuan from the fund, and the fund was terminated early.

**51. Share capitals**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

	Beginning balance	Increase and decrease in this change (+, -)					Ending balance
		New shares issued	Bonus share issued	Transfer of shares by reserved funds	Others	Subtotal	
Total shares	2,790,788,363.00				981,228,394.00	981,228,394.00	3,772,016,757.00

Other instructions:

(a) For details of share conversion of convertible bonds, see VII. 44. Bonds payable, and the share capital was increased by 148,883,089.00 yuan.

(b) Upon approval of the Fourth Meeting of the Company's Fourth Session of the Board of Directors and the Third Extraordinary General Meeting of Shareholders in 2018 for the Proposal on the *Company's Qualification for Public Offering of Securities for Rights Issue*, *Proposal on 2018 Plan for the Company's Public Offering of Securities for Rights Issue*, and *Proposal on 2018 Pre-arranged Planning for the Company's Public Offering of Securities for Rights Issue*, and *China Securities Regulatory Commission for Official Reply on Approval of LONGi Green Energy Technology Co., Ltd. for Rights Issue* (CSRC License [2019] No. 202), LONGi conducted rights issue to the original shareholders. The rights issue was completed on April 17, 2019, with a total of 833,419,462.00 shares. The new share capital was 833,419,462.00 yuan, and the capital reserve was 2,997,279,770.30 yuan (including the input tax of issue expenses of 2,682,075.95 yuan). Ruihua Certified Public Accountants (Special General Partnership) has verified the capital, and issued the capital verification report with RHYZ [2019] No. 02360004.

(c) The 2018 Annual Meeting of the Fourth Session of the Board of Directors, and the 2018 Annual General Meeting of Shareholders deliberated and approved the Proposal on Repurchase and Cancellation of Partially Restricted Shares to conduct the repurchase and cancellation of 576,254.00 restricted shares which have been granted to incentive objects in the first and second restricted share incentive plans and approved but locked, and reduce the registered capital by 576,254.00 yuan and the capital reserve by 2,126,048.60 yuan. The 2019 Twelfth Meeting of the Fourth Session of the Board of Directors, and the 2019 Third Extraordinary General Meeting of Shareholders deliberated and approved the Proposal on Repurchase and Cancellation of Partially Restricted Shares to conduct the repurchase and cancellation of 497,903.00 restricted shares which have been granted to incentive objects in the second restricted share incentive plan and approved but locked, and reduce the registered capital by 497,903.00 yuan and the capital reserve by 2,012,950.70 yuan.

## 52. Other equity instruments

### (1) Basic situation of preferred shares, perpetual bonds and other financial instruments issued at the end of the period

Applicable  Non-applicable

Upon approval of China Securities Regulatory Commission for Official Reply of Public Offering of Convertible Corporate Bonds by LONGi Green Energy Technology Co., Ltd. with CSRC License [2017] No. 1594, the Company publicly issued convertible corporate bonds with a total par value of 2.8 billion yuan to the public for a period of 6 years.

The coupon rate of convertible corporate bonds was 0.3% in the first year, 0.5% in the second year, 1% in the third year, 1.3% in the fourth year, 1.5% in the fifth year, and 1.8% in the sixth year. The interest is paid once a year, and the principal is paid for once at maturity with the interest for the last year.

**(2) Table for changes in financial instruments such as preferred stocks and perpetual bonds issued externally at the end of the period**

√ Applicable □ Non-applicable

Financial instruments issued externally	At the beginning of the period		Increase in the current period		Decrement in current period		At the end of the period	
	Number	Book value	Number	Book value	Number	Book value	Number	Book value

Explanations on changes in other equity instruments during the current period, and reasons for the changes, and basis for related accounting treatment:

□ Applicable √ Non-applicable

Convertible corporate bonds	27,976,850.00	628,807,241.85	0.00	0.00	27,976,850.00	628,807,241.85	0.00	0.00
Total	27,976,850.00	628,807,241.85	0.00	0.00	27,976,850.00	628,807,241.85	0.00	0.00

Other explanations:

√ Applicable □ Non-applicable

When convertible bonds are converted into shares, part of equities is carried forward to the capital reserves.

**53. Capital reserves**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Items	Beginning balance	Increase in the current period	Decrement in current period	Ending balance
Capital premium (share premium)	4,592,764,157.15	5,832,093,032.21	4,138,999.30	10,420,718,190.06
Other capital reserves	42,029,958.10	16,401,071.67	17,133,545.00	41,297,484.77
Total	4,634,794,115.25	5,848,494,103.88	21,272,544.30	10,462,015,674.83

Other explanations, including changes in the current period and reasons for the changes:

(1) Upon approval of the Fourth Meeting of the Company's Fourth Session of the Board of Directors and the Third Extraordinary General Meeting of Shareholders in 2018 for the *Proposal on the Company's Qualification for Public Offering of Securities for Rights Issue*, *Proposal on 2018 Plan for the Company's Public Offering of Securities for Rights Issue*, and *Proposal on 2018 Pre-arranged Planning for the Company's Public Offering of Securities for Rights Issue*, and *China Securities Regulatory Commission for Official Reply on Approval of LONGi Green Energy Technology Co., Ltd. for Rights Issue* (CSRC License [2019] No. 202), LONGi conducted rights issue to the original shareholders. The rights issue was completed on April 17, 2019, with a total of 833,419,462.00 shares. The share capital was increased by 833,419,462.00 yuan, and the capital reserve was increased by 2,997,279,770.30 yuan.

(2) For details of share conversion of convertible bonds, see VII. 44 Bonds payable. The capital reserve (share premium) was increased by 2,817,679,716.91 yuan.

(3) According to the *Proposal on Phase II Restricted Share Incentive Plan (Draft) and Its Summary of Xi'an LONGi Silicon Materials Corp.* reviewed and approved by the Company at the Seventh Extraordinary Meeting of Shareholders in 2016, the other capital reserves of 17,133,545.00 yuan from unlocked restricted shares were transferred into capital reserves (share premium) in the year.

(4) For the changes in capital reserves (share premium) caused by the share repurchases this year, see VII. 51. Share capitals. The capital reserve (share premium) was reduced by 4,138,999.30 yuan in the year.

(5) The other capital reserves increased by 16,401,071.67 yuan in the year, of which, based on the fair value of the restricted shares on the date of grant, the services provided by employees in the current period were included in the relevant costs of 7,757,330.48 yuan. In the share-based payment, after the estimated amount of pre-tax deductible costs and expenses in the future period was partially adjusted for difference in the accounting standards, the other capital reserves were increased by 2,643,741.19 yuan. According to the Cooperation Agreement of *30MW Centralized Solar Poverty Alleviation Project in Yunzhou District, Datong City* signed by Datong Clean, a subsidiary of the Company's subsidiary of Clean Energy, and the People's Government of Yunzhou District, Datong City, the latter invested 6 million yuan for project construction, which was included in other capital reserves.

(6) The other capital reserves decreased by 17,133,545.00 yuan in the year, which was caused by the transfer of restricted shares into capital reserves (share premium).

#### 54. Treasury stocks

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Beginning balance	Increase in the current period	Decrement in current period	Ending balance
Share-based payment	45,475,983.30		22,949,641.30	22,526,342.00
Total	45,475,983.30		22,949,641.30	22,526,342.00

Other explanations, including changes in the current period and reasons for the changes:

According to the *Restrictive Share Incentive Plan* and its summary approved by the resolution of the Company's Fourth Extraordinary General Meeting of Shareholders on December 12, 2014, which was confirmed without any objection and filed by China Securities Regulatory Commission, the Company intended to grant 12,225,000 restricted shares to incentive objects, including some directors, senior managers, and core technical, business and management personnel of the Company, in total of 728 employees, with the price of 9.90 yuan per share. On the actual grant date of December 16, 2014, a total of 489 incentive objects were granted to subscribe for 9,272,300.00 restricted RMB common shares, and the registered capital was increased by 9,272,300.00 yuan.

According to the *Proposal on Granting Restricted Shares to Incentive Objects* approved by the 2015 Sixteenth Meeting of the Third Session of the Board of Directors held on November 10, 2015, the Company granted 76 incentive objects through private issue for 3,000,000.00 restricted RMB common shares with a par value of 1 yuan per share and a grant price of 6.26 yuan per share. On the actual grant date of November 10, 2015, a total of 76 incentive objects were granted to subscribe for 2,960,000.00 restricted RMB common shares, and the registered capital was increased by 2,960,000.00 yuan.

According to the resolution of the Company's Seventh Extraordinary General Meeting of Shareholders on October 17, 2016 and the amended Articles of Association, the Company applied for granting 18,900,000 restricted RMB common shares for 1371 incentive objects including the Company's middle managers and core technical (business) personnel through private issue. In the first granting, 15,120,000 shares were granted, among which 12,577,400.00 restricted RMB common shares were actually subscribed by 1202 incentive objects including middle managers and core technical (business) personnel, and the registered capital was increased by 12,577,400.00 yuan.

The Company stipulated the lock-up period and unlocking conditions for the shares granted to the incentive objects by the above non-public offering. The Company has confirmed the other receivables according to the full amount of subscriptions received for restricted share repurchase obligations, and confirmed treasury stocks. If the unlocking conditions stipulated in the final equity incentive plan are not met, the Company will repurchase the shares at the grant price and offset the treasury shares. Partial restricted stocks that met the unlocking conditions will be used to offset treasury shares.

### 55. Other comprehensive incomes

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Items	Beginning balance	Amount incurred in the current period						Ending balance
		Amount incurred before income tax in the current period	Minus: Amount included in other comprehensive incomes in the previous period and transferred to profits or losses for the current period	Minus: Amount included in other comprehensive incomes in the previous period and transferred to retained earnings for the current period	Minus: Income tax expenses	Amount attributable to parent company after tax	Amount attributable to minority shareholders after tax	
I. Other comprehensive incomes that cannot be reclassified as profits and losses	4,077,267.18	22,473,128.89		24,515,683.59	3,370,969.34	-5,413,524.04		-1,336,256.86
Including: Re-measured changed amount in the defined benefit plan								
Other comprehensive incomes that cannot be transferred to profits and losses under the equity method								
Changes in fair value of other equity instrument investments	4,077,267.18	22,473,128.89		24,515,683.59	3,370,969.34	-5,413,524.04		-1,336,256.86



Changes in fair value of the Company's own credit risks								
II. Other comprehensive incomes that will be reclassified as profits or losses	4,409,197.42	29,757,789.74				29,757,789.74		34,166,987.16
Including: Other comprehensive incomes that can be transferred to profits and losses under the equity method								
Changes in fair value of other debt investments								
Amount of financial assets reclassified into other comprehensive incomes								
Credit impairment reserves of other debt investments								
Effective portion of cash flow hedging profits and losses								
Converted difference of foreign currency financial statements	4,409,197.42	29,757,789.74				29,757,789.74		34,166,987.16
Total of other comprehensive incomes	8,486,464.60	52,230,918.63		24,515,683.59	3,370,969.34	24,344,265.70	0.00	32,830,730.30

Other explanations, including transfer of effective portion of the cash flow hedging profits and losses to the adjusted initially recognized amount of hedged items: None.

#### 56. Special reserves

Applicable  Non-applicable

#### 57. Surplus reserves

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Beginning balance	Increase in the current period	Decrement in current period	Ending balance
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Statutory surplus reserves	463,568,796.04	219,626,473.51		683,195,269.55
Discretionary surplus reserves				
Reserve funds				
Business development funds				
Others				
Total	463,568,796.04	219,626,473.51		683,195,269.55

Explanations on surplus reserves, including changes in the current period and reasons:

1. According to the *Company Law of the People's Republic of China* and the Articles of Association of the Company, the Company withdraws the statutory surplus reserve at 10% of the annual net profits. When the statutory surplus reserve reaches more than 50% of the registered capital, it may not be withdrawn. The statutory surplus reserve can be used to make up for losses or increase share capital after approval. In 2019, the Company withdrew statutory surplus reserve of 216,742,275.43 yuan at 10% of net profits (in 2018, it withdrew 121,458,973.76 yuan at 10% of net profits).

2. In 2019, due to the Group's strategic adjustments, the equity instrument investments of Zhuhai Pulo Zhongou New Energy Equity Investment Partnership was disposed at a price of 89,035,529.09 yuan, and the cumulative amount included in other comprehensive income of 24,515,683.59 yuan and the amount of deferred income tax liabilities transferred back of 4,326,297.11 yuan were transferred into retained income, of which, the surplus reserve was 2,884,198.08 yuan and undistributed profit was 25,957,782.62 yuan.

## 58. Undistributed profits

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Current period	Last period
Undistributed profits at the end of last period before adjustment (total undistributed profits at the beginning of adjustment (increase marked with +, and decrease marked with -))	7,974,695,023.80	5,896,910,885.84
Undistributed profits at the beginning of the period after adjustment	7,974,695,023.80	5,896,910,885.84
Plus: Net profits attributable to owners of the parent company in the current period	5,279,552,073.55	2,557,964,089.73
Minus: Withdrawal of statutory surplus reserve	216,742,275.43	121,458,973.76
Withdrawal of discretionary surplus reserve		
Withdrawal of generic risk reserves		
Common stock dividends payable	362,200,621.44	358,720,978.01
Common stock dividends transferred to share capital		

Minus: Transferred in from disposal of other equity instruments (see VII. 17. Other equity instrument investments)	-25,957,782.62	
Undistributed profits at the end of the period	12,701,261,983.10	7,974,695,023.80

Details of undistributed profits at the beginning of the adjustment period:

1. Due to retroactive adjustment by the *Accounting Standards for Business Enterprises* and its related new regulations, the amount affected of undistributed profit at the beginning of the period was 0 yuan.
2. Due to changes in accounting policies, the amount affected of undistributed profit at the beginning of the period was 0 yuan.
3. Due to correction of major accounting errors, the amount affected of undistributed profit at the beginning of the period was 0 yuan.
4. Due to changes in scope of consolidation caused by the same control, the amount affected of undistributed profit at the beginning of the period was 0 yuan.
5. The total amount affected of undistributed profit due to other adjustments at the beginning of the period was 0 yuan.

## 59. Revenues and costs of revenues

### (1) Revenues and costs of revenues

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period		Accrual of the last period	
	Revenues	Costs	Revenues	Costs
Main business	32,897,455,384.24	23,389,364,451.22	21,987,614,949.84	17,095,694,430.48
Total	32,897,455,384.24	23,389,364,451.22	21,987,614,949.84	17,095,694,430.48

Other explanations:

None.

## 60. Taxes and surcharges

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period
Urban maintenance and construction tax	55,623,620.54	28,418,965.02
Education surtax	41,035,698.21	21,465,218.57
House property tax	7,700,425.52	7,681,698.04
Land use tax	5,440,046.06	3,552,661.22
Vehicle and vessel use taxes	47,280.40	53,421.05

Stamp tax	43,531,498.62	28,680,699.50
Water construction funds	22,268,294.06	21,935,922.98
Insurance funds for the disabled	2,064,193.90	4,940,768.99
Others	707,044.07	452,152.49
Total	178,418,101.38	117,181,507.86

Other explanations:

None.

## 61. Selling expenses

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period
Freight and miscellaneous expense	597,448,794.90	397,398,729.50
Employee remuneration	225,384,885.73	200,154,377.01
Quality guarantee margins	160,532,088.75	137,742,274.35
Consultation and certification fees	105,708,745.85	18,638,032.22
Advertising and promotion expenses	56,163,467.84	67,585,444.65
Travel expenses	51,772,094.47	58,275,201.64
Insurance expenses	38,982,673.28	20,437,516.37
Lease expenses	33,911,388.55	27,086,546.71
Agency commission	18,759,221.29	31,884,160.50
Entertainment expenses	16,079,419.11	23,344,918.13
Depreciation of fixed assets	1,116,730.90	1,639,244.89
Amortization of long-term deferred expenses	1,081,769.04	576,716.33
Amortization of intangible assets	68,352.13	79,533.67
Others	22,738,702.83	32,511,868.73
Total	1,329,748,334.67	1,017,354,564.70

Other explanations:

None.

## 62. Administration expenses

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period
Employee remuneration	653,541,903.87	395,784,076.80
Professional expenses	37,625,277.86	15,290,878.20
Depreciation of fixed assets	34,069,699.22	19,179,177.69
Travel expenses	37,495,913.96	32,827,879.57
Lease expenses	17,443,104.08	8,861,672.14
Entertainment expenses	15,164,566.96	16,290,162.45

Water, electric and other power expenses	12,627,484.88	9,289,243.43
Articles of consumption	11,359,278.20	2,629,474.28
Recruitment fees	12,949,512.55	9,349,530.76
Office expenses	10,328,571.84	8,921,598.12
Repair expenses	3,135,009.42	8,312,289.96
Others	125,284,785.98	96,130,379.72
Total	971,025,108.82	622,866,363.12

Other explanations:

None.

### 63. R&D expenses

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period
Employee remuneration	181,165,910.63	104,073,047.49
Articles of consumption	25,680,740.48	27,924,520.19
Depreciation of fixed assets	20,290,910.74	12,661,614.72
Professional expenses	19,908,215.64	17,023,316.55
Travel expenses	12,260,868.10	5,489,485.50
Technology development expenses	10,230,716.27	2,739,371.54
Repair expenses	6,913,236.14	12,439,857.13
Inspection and testing expenses	6,572,711.82	2,753,707.58
Water, electric and other power expenses	5,279,419.38	5,960,118.60
Lease expenses	4,430,521.55	4,146,028.56
Others	11,465,065.09	6,625,963.88
Total	304,198,315.84	201,837,031.74

Other explanations:

None.

### 64. Financial expenses

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period
Interest expenses	458,432,621.25	408,889,931.51
Interest incomes	-232,879,970.03	-128,645,025.63
Exchange gains or losses	-30,205,736.66	-66,478,346.57
Bank service charges	32,731,775.59	44,878,174.49
Others	21,529,740.58	8,231,789.45
Total	249,608,430.73	266,876,523.25

Other explanations:

None.

**65. Other incomes**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period
Governmental subsidies related to daily activities	203,896,364.11	141,919,750.75
Total	203,896,364.11	141,919,750.75

Other explanations:

None.

**66. Investment incomes**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period
Incomes from long-term equity investments accounted by equity method	117,194,275.31	61,855,877.81
Incomes from disposal of long-term equity investments	7,918,075.35	645,362,010.77
Investment incomes from financial assets measured at fair value with changes included in the current profits and losses during the holding period		
Investment incomes from disposal of financial assets measured at fair value with changes included in the current profits and losses	109,984,235.52	
Incomes from held-to-maturity investments during the holding period		
Incomes from disposal of held-to-maturity investments		
Investment incomes from available-for-sale-financial assets during the holding period		
Investment incomes from disposal of available-for-sale financial assets		84,773,124.69
Investment incomes from trading financial assets during the holding period		
Dividend incomes from other equity instrument investments during the holding period		
Interest incomes from debt investments		

during the holding period		
Interest incomes from other debt investments during the holding period		
Investment incomes from disposal of trading financial assets		
Incomes from disposal of other equity instrument investments		
Incomes from disposal of debt investments		
Incomes from disposal of other debt investments		
Gains from residual equities re-measured at fair value after losing right of control	4,887,193.17	989,446.42
Unrealized gross margin of downstream transactions of associated enterprises		783,736.14
Total	239,983,779.35	793,764,195.83

Other explanations:

None.

#### 67. Net exposure hedging incomes

Applicable  Non-applicable

#### 68. Incomes from changes in fair value

Applicable  Non-applicable

#### 69. Credit impairment losses

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period
Bad debt losses on other receivables	8,485,978.62	
Impairment losses on debt investments		
Other impairment losses on debt investments		
Bad debt losses on long-term receivables		
Bad debt losses on accounts receivable	-69,697,517.36	
Total	-61,211,538.74	

Other explanations:

None.

#### 70. Assets impairment losses

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the	Accrual of the
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	current period	last period
I. Bad debt losses		-60,550,292.80
II. Inventory falling price losses	-362,330,188.71	-628,514,280.54
III. Impairment losses on available-for-sale financial assets		
IV. Impairment losses on held-to-maturity investments		
V. Impairment losses on long-term equity investments		
VI. Impairment losses on investment real estate		
VII. Impairment losses on fixed assets	-138,959,792.28	-10,390,630.87
VIII. Impairment losses on engineering materials		
IX. Impairment losses on constructions in progress		-28,271,345.50
X. Impairment losses on productive biological assets		
XI. Impairment losses on oil and gas assets		
XII. Impairment losses on intangible assets		
XIII. Goodwill impairment losses		
XIV. Others		
Total	-501,289,980.99	-727,726,549.71

Other explanations:

None.

#### 71. Assets disposal incomes

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period
Losses on disposal of fixed assets	-58,643,251.81	-4,307,816.96
Total	-58,643,251.81	-4,307,816.96

Other explanations:

None.

#### 72. Non-operating revenues

Non-operating revenues

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period	Amount included in the current non-recurring profits and losses
Total gains from disposal of non-current assets	1,416,533.62	1,016,785.15	1,416,533.62
Including: Gains from disposal of fixed assets	1,416,533.62	1,016,785.15	1,416,533.62
Governmental subsidy	1,159,843.50	3,541,823.10	1,159,843.50
Others	5,608,314.23	3,159,080.45	5,608,314.23
Total	8,184,691.35	7,717,688.70	8,184,691.35



Governmental subsidies included in the current profits and losses

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Subsidy items	Amount incurred in the current period	Accrual of the last period	Asset-related/income-related
Post stabilization subsidies	845,743.50	312,823.10	Incomes related
Rewards for compliance enterprises	150,000.00		Incomes related
Living subsidies for internship of college graduates	126,600.00		Incomes related
Reward funds for excellent construction items	1,500.00	200,000.00	Incomes related
Subsidies for entering the park		3,000,000.00	Incomes related
Subsidies for scientific and technological innovation and others		26,600.00	Incomes related
Others	36,000.00	2,400.00	Incomes related
Total	1,159,843.50	3,541,823.10	

Other explanations:

Applicable  Non-applicable

### 73. Non-operating expenses

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period	Amount included in the current non-recurring profits and losses
Total losses on disposal of non-current assets	13,004,602.93	5,632,985.83	13,004,602.93
Including: Losses on disposal of fixed assets	13,004,602.93	5,632,985.83	13,004,602.93
External donation	33,845,857.58	2,220,728.69	33,845,857.58
Contract liquidated damages	5,004,615.57	140,004.88	5,004,615.57
Others	7,225,354.91	1,744,906.68	7,225,354.91
Total	59,080,430.99	9,738,626.08	59,080,430.99

Other explanations:

None.

### 74. Income tax expenses

#### (1) Income tax expenses table

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period
Current income tax expenses	595,420,501.64	292,882,865.06
Deferred income tax expenses	94,348,009.07	7,926,235.36
Total	689,768,510.71	300,809,100.42

**(2) Adjustment process of accounting profits and income tax expenses**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period
Total profits	6,246,932,273.86
Income tax expenses calculated at the statutory/applicable tax rate	937,039,841.08
Amount affected of different applicable tax rates of subsidiaries	-197,554,949.01
Amount affected of income taxes in the period before adjustment	-2,167,792.50
Amount affected of non-taxable incomes	-15,042,143.21
Amount affected of non-deductible costs, expenses and losses	20,575,537.01
Amount affected of deductible losses on unrecognized deferred income tax assets in the early use period	
Amount affected of deductible temporary difference of or deductible losses on current unrecognized deferred income tax assets	11,092,301.69
Changes in the balance of deferred income tax assets/liabilities at the beginning of the year due to tax rate adjustment	-15,249,029.27
Expenses in line with tax benefits	-48,925,255.08
Income tax expenses	689,768,510.71

Other explanations:

□ Applicable √ Non-applicable

**75. Other comprehensive incomes**

√ Applicable □ Non-applicable

See VII. 55 Other comprehensive incomes for details.

**76. Cash flow statement items**

(1) Other cash received related to operating activities

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period
Margins and deposits	1,170,484,307.48	375,329,219.20
Governmental subsidies	369,748,200.56	295,677,165.88
Current payment	216,472,229.82	328,877,137.85
Interest incomes	187,415,046.15	119,152,052.79
Returned loans by employees	413,967.78	8,019,507.57

Others	178,854,177.54	41,503,098.66
Total	2,123,387,929.33	1,168,558,181.95

Description of other cash received related to operating activities:

None.

**(2) Other cash paid related to operating activities**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period
Period expenses	1,533,519,151.89	667,596,357.59
Margin deposit	585,498,552.53	686,366,313.46
Bank service charges	32,731,775.59	22,996,258.73
Individual loans	1,569,766.32	12,439,382.92
Others	19,666,684.62	125,541,394.59
Total	2,172,985,930.95	1,514,939,707.29

Description of other cash paid related to operating activities:

None.

**(3) Other cash received related to investment activities**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period
Margin deposit	40,002,895.64	22,847,582.91
Equity transfer prepayments		55,924,951.93
Others	7,923,000.00	31,260.00
Total	47,925,895.64	78,803,794.84

Description of other cash received related to investment activities:

None.

**(4) Other cash paid related to investment activities:**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period
Disposal of subsidiaries	343,606,499.69	
Margin deposit	80,077,951.93	51,630,000.00
Others	37,170,136.06	17,865,298.44
Total	460,854,587.68	69,495,298.44

Description of other cash paid related to investment activities:

None.

**(5) Other cash received related to financing activities**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period
Redeemed excess prepayments of convertible bonds	2,404,983,548.43	
After-sale leaseback payments	907,034,782.78	128,771,424.00
Returned financial margins	511,254,726.45	100,000,000.00
Recoverable pledged time deposits	66,365,000.00	
Financial lease margins	6,243,101.19	6,417,299.00
Total	3,895,881,158.85	235,188,723.00

Description of other cash received related to financing activities:

None.

**(6) Other cash paid related to financing activities**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period
Redeemed prepayments of convertible bonds	2,441,098,837.25	41,421,400.65
Financial lease rents	507,793,398.90	259,176,728.33
Financial margins	26,774,400.00	67,510,000.00
Incentive repurchases of equities	3,763,531.12	3,789,803.39
Others	31,306,284.40	
Total	3,010,736,451.67	371,897,932.37

Description of other cash paid related to financing activities:

None.

**77. Supplementary information of cash flow statement****(1) Supplementary information of cash flow statement**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Supplementary information	Current amount	Amount of last period
<b>1. Adjust net profits to cash flow from operating activities:</b>		
Net profits	5,557,163,763.15	2,566,624,070.80
Plus: Assets impairment reserves	562,501,519.73	727,726,549.71

Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	1,338,092,862.65	1,055,058,788.46
Amortization of right-of-use assets		
Amortization of intangible assets	15,702,439.25	11,730,141.58
Amortization of long-term deferred expenses	133,731,865.16	134,749,549.67
Losses on disposal of fixed assets, intangible assets and other long-term assets (incomes marked with “-”)	58,643,251.81	4,307,816.96
Losses on retirement of fixed assets (incomes marked with “-”)	11,588,069.31	4,616,200.68
Losses on changes in fair value (incomes marked with “-”)		
Financial expenses (incomes marked with “-”)	181,238,515.71	371,187,990.87
Investment losses (incomes marked with “-”)	-239,983,779.35	-793,764,195.83
Decrease of deferred income tax assets (increase marked with “-”)	-183,274,620.09	-40,062,676.61
Increase of deferred income tax assets (decrease marked with “-”)	275,815,191.29	47,988,911.97
Decrease of inventories (increase marked with “-”)	-2,435,930,854.54	-1,931,076,428.49
Decrease of operating receivables (increase marked with “-”)	-852,527,442.00	-2,950,043,596.52
Increase of operating receivables (decrease marked with “-”)	4,830,225,114.00	3,234,683,536.10
Others	-1,094,744,869.55	-1,270,455,131.82
Net cash flows from operating activities	8,158,241,026.53	1,173,271,527.53
<b>2. Major investments and financing activities not related to cash deposit and withdrawal:</b>		
Transferring of debt into capital		
Convertible corporation bonds due within one year		
Fixed assets acquired under financial leases	1,065,444,855.79	990,289,612.32
<b>3. Net changes in cash and cash equivalents:</b>		
Cash balance at the end of the period	15,560,275,471.85	5,665,040,168.08
Minus: Cash balance at the beginning of the period	5,665,040,168.08	7,355,599,429.44
Plus: Cash equivalents balance at the end of the period		
Minus: Cash equivalents balance at the beginning of the period		
Net increase in cash and cash equivalents	9,895,235,303.77	-1,690,559,261.36

Major operating and investment activities not related to cash deposit and withdrawal

Unit: Yuan; Currency: RMB

Items	2019	2018
Inventory purchase price paid by bank acceptance	4,500,213,093.57	2,290,828,700.18
Purchase price of long-term assets paid by bank	2,374,438,392.37	392,026,699.93

acceptance		
Total	6,874,651,485.94	2,682,855,400.11

**(2) Current net cash paid for the acquisition of subsidiaries**

□ Applicable √ Non-applicable

**(3) Current net cash received from the disposal of subsidiaries**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

	Amount
Cash or cash equivalents received in the current period from disposal of subsidiaries in current period	131,838,619.74
Including: Huanglong Longfu Clean Energy Ltd.	50,514,076.37
Yanchuan Longfu Clean Energy Ltd.	19,535,543.37
Zhengzhou Lemou Solar Energy Ltd.	11,976,000.00
Xi'an LONGi Anfang Solar Energy Ltd.	10,992,000.00
Wuzhong Leheng Solar Energy Technology Ltd.	8,680,000.00
Xi'an Letian Solar Energy Ltd.	7,112,000.00
Xi'an Lejing Solar Energy Ltd.	5,248,000.00
Dongguan Lulong Clean Energy Ltd.	5,100,000.00
Zhanjiang Zhongji Electric Power Ltd.	5,000,000.00
Xi Xian New Area Leyue Solar Energy Ltd.	3,512,000.00
Qishan Baotong Solar Energy Ltd.	2,216,000.00
Lantian Mingrui New Energy Ltd.	1,920,000.00
Xuzhou Longye New Energy Ltd.	10,000.00
Tianjin Longye New Energy Ltd.	10,000.00
Yinchuan Longye New Energy Ltd.	8,000.00
Kunshan Lemu New Energy Ltd.	5,000.00
Minus: Cash and cash equivalents held by subsidiaries on the day of losing control	14,176,925.89
Including: Zhengzhou Lemou Solar Energy Ltd.	8,125,989.85
Xi'an LONGi Anfang Solar Energy Ltd.	2,266,442.53
Yanchuan Longfu Clean Energy Ltd.	1,253,205.45
Huanglong Longfu Clean Energy Ltd.	947,186.33
Lejing Solar	908,720.08
Wuzhong Leheng Solar Energy Technology Ltd.	290,942.60
Lantian Mingrui New Energy Ltd.	257,406.24
Qishan Baotong Solar Energy Ltd.	52,082.63
Xi Xian New Area Leyue Solar Energy Ltd.	51,934.92
Xuzhou Longye New Energy Ltd.	9,519.72
Tianjin Longye New Energy Ltd.	7,082.78
Yinchuan Longye New Energy Ltd.	3,231.31
Kunshan Lemu New Energy Ltd.	2,001.90
Xi'an Letian Solar Energy Ltd.	1,179.55

Plus: Cash or cash equivalents received in current period from disposal of subsidiaries in the previous period	141,242,900.45
Including: Zhaozhou Longhui New Energy Ltd.	50,550,096.13
Zhongning LONGi Solar New Energy Ltd.	21,227,399.10
Runan Haoyang New Energy Ltd.	20,770,000.00
Zibo Leguang Photovoltaic Energy Technology Ltd.	15,139,330.55
Pucheng LONGi Ecological Agriculture Photovoltaic New Energy Ltd.	9,373,760.00
Junxian Lezhao Photovoltaic Energy Ltd.	6,425,300.16
Qihe Solar Photovoltaic Energy Ltd.	4,666,256.08
Yancheng Xingqi New Energy Technology Ltd.	4,338,762.41
Nanjing Leguang Solar Energy Ltd.	3,567,092.77
Weifang Senneng New Energy Technology Ltd.	3,145,979.84
Jiaozhou Dingrui New Energy Technology Ltd.	2,038,923.41
Net cash received from disposal of subsidiaries	258,904,594.30

Other instructions:

None.

#### (4) Composition of cash and cash equivalents

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
I. Cash	15,560,275,471.85	5,665,040,168.08
Including: Cash on hand	11,810.11	16,568.05
Deposits in bank available for payment at any time	15,560,263,661.74	5,665,023,600.03
Other monetary funds available for payment at any time		
Payments deposited in central bank available for payment at any time		
Deposits in other banks		
Proposal loans to banks		
II. Cash equivalents		
Including: Bond investments due within three months		
III. Balance of cash and cash equivalents at the end of the period	15,560,275,471.85	5,665,040,168.08
Including: Cash and cash equivalents restricted to the parent company or subsidiaries of the Group		

Other explanations:

Applicable  Non-applicable

#### 78. Notes to items in the statement of changes in owners' equity

Explain the names of "other" items with balance adjustment and the adjustment amount at the end of last year:

Applicable  Non-applicable

None.

### 79. Assets with restricted ownership or right of use

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Book value at the end of the period	Restriction reason
Monetary funds	3,775,477,407.56	Margin deposit
Notes receivable	4,257,085,299.12	Note pledge
Land use right	79,535,329.81	Long-term loan mortgage
Land use right	14,439,742.32	Financial lease
Houses and buildings	57,035,581.58	Financial lease
Houses and buildings	794,107,702.35	Long-term loan mortgage
Solar power project	1,119,309,100.91	Financial lease
Machinery equipment	645,315,485.73	Long-term loan mortgage
Machinery equipment	518,319,087.41	Financial lease
Construction in progress	109,683,205.50	Long-term loan mortgage
Construction in progress	176,991,150.44	Financial lease
Receivable financing	454,371,792.82	Note pledge
Total	12,001,670,885.55	/

Other explanations: None.

### 80. Foreign currency monetary items

#### (1) Foreign currency monetary items

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Foreign currency balance at the end of the period	Conversion exchange rate	Converted balance in RMB at the end of the period
Monetary funds	-	-	5,089,444,414.83
Including: U.S. Dollar	671,505,912.84	6.9762	4,684,559,549.15
Euro	26,793,198.02	7.8155	209,402,239.13
Japanese Yen	1,653,257,726.00	0.0641	105,973,820.24
Rupee	14,049,901.14	0.0979	1,375,485.32
Australian Dollar	1,358,907.14	4.8843	6,637,310.14
Uganda Shilling	75,634,066.00	0.0019	143,704.73
Thai Baht	108,807,188.01	0.2328	25,330,313.37
New Zealand Dollar	808.83	4.6973	3,799.32
Ringgit	32,977,055.15	1.6986	56,014,825.88



Hong Kong Dollar	3,759.27	0.8958	3,367.55
Accounts receivable	-	-	748,565,857.93
Including: U.S. Dollar	94,853,055.55	6.9762	661,713,886.13
Euro	9,379,238.47	7.8155	73,303,438.26
Japanese Yen	204,821,755.00	0.0641	13,129,074.50
Thai Baht	1,801,800.02	0.2328	419,459.04
Other receivables	-	-	31,475,940.79
Including: U.S. Dollar	4,153,118.40	6.9762	28,972,984.58
Euro	14,886.75	7.8155	116,347.39
Japanese Yen	19,760,000.00	0.0641	1,266,616.00
Hong Kong Dollar	500.00	0.8958	447.90
Rupee	215,000.00	0.0979	21,048.50
Ringgit	558,920.53	1.6986	949,382.41
Australian Dollar	5,000.00	4.8843	24,421.50
Thai Baht	535,620.75	0.2328	124,692.51
Accounts payable	-	-	1,174,015,542.93
Including: U.S. Dollar	159,236,136.18	6.9762	1,110,863,133.22
Euro	3,692,111.65	7.8155	28,855,698.60
Japanese Yen	130,000.00	0.0641	8,333.00
Ringgit	20,186,258.16	1.6986	34,288,378.11
Long-term loans	-	-	1,185,954,000.00
Including: U.S. Dollar	170,000,000.00	6.9762	1,185,954,000.00
Long-term payable	-	-	1,561,908.59
Including:	319,781.46	4.8843	1,561,908.59
Australian Dollar			
Other payables	-	-	430,459,169.49
Including: U.S. Dollar	41,272,930.51	6.9762	287,928,217.82
Euro	13,723,853.14	7.8155	107,258,774.22
Japanese Yen	71,636,233.81	0.0641	4,591,882.59
British Pound	47,500.00	9.1501	434,629.75
Rupee	1,642,329.81	0.0979	160,784.09
Ringgit	17,207,149.45	1.6986	29,228,064.06
Australian Dollar	6,160.28	4.8843	30,088.66
Thai Baht	3,551,238.40	0.2328	826,728.30

Other explanations:

The above foreign currency monetary items refer to all currencies except RMB (the scope of which is different from the foreign currency items in X. Risks associated with financial instruments).

**(2) Explanation on overseas operating entities, including: Important overseas operating entities shall disclose their main overseas operating locations, bookkeeping base currency and selection basis, as well as reasons for changes in bookkeeping base currency if any.**

√ Applicable □ Non-applicable

Subsidiaries of the Company shall determine their bookkeeping base currencies based on the main economic environment in which they operate. Bookkeeping base currencies are Ringgit, Japanese Yen, U.S. Dollar,

Indian Rupee, Uganda Shilling, Euro, Baht and Australian Dollar respectively for overseas subsidiaries LONGI (KUCHING) SDN. BHD., LONGI TECHNOLOGY (KUCHING) SDN BHD., LONGI Solar Technology K.K., LONGI Solar Technology (U.S.) INC., LERRI SOLAR TECHNOLOGY (INDIA) PRIVATE LIMITED, LONGi New Energy (Uganda) Limited, LONGI Solar Technologie GmbH, LONGI NEW ENERGY (THAILAND) CO., LTD and LONGi Solar Australia Pty Ltd. The financial statements are listed in RMB.

## 81. Hedging

Applicable  Non-applicable

## 82. Governmental subsidies

### (1) Basic information on governmental subsidies

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Category	Amount	Presentation items	Amount included in the current profits and losses
Rewards for investments	29,873,700.00	Other incomes	29,873,700.00
Rewards for enterprises with headquarters	27,628,102.66	Other incomes	27,628,102.66
Subsidies for scientific and technological innovation	13,264,100.00	Other incomes	13,264,100.00
Reward for fixed asset investment on Yinchuan LONGi 5GW project	11,466,949.03	Other incomes	11,466,949.03
Equipment subsidies	10,813,554.76	Other incomes	10,813,554.76
Subsidies for technological improvements	6,452,563.45	Other incomes	6,452,563.45
Construction of 3GW module project	5,412,542.40	Other incomes	5,412,542.40
Rewards for stable growth	5,150,000.00	Other incomes	5,150,000.00
Equipment investment subsidies by Financial Department of Hailing Industrial Park	5,066,253.68	Other incomes	5,066,253.68
Reward for intelligent production capacity of 1GW above mono ingots and mono wafers	5,030,842.14	Other incomes	5,030,842.14
Support funds for the industry	4,527,900.00	Other incomes	4,527,900.00
Special funds for industrialization and informatization, as well as industrial transformation and upgrading	4,127,420.62	Other incomes	4,127,420.62
Subsidies for high-efficiency mono – modules encapsulated with double glass	4,000,000.00	Other incomes	4,000,000.00
Tax returns	3,320,704.20	Other incomes	3,320,704.20
Subsidies for energy conservation and	3,270,000.00	Other incomes	3,270,000.00

emission reduction			
Credit insurance subsidy funds	2,000,000.00	Other incomes	2,000,000.00
Recognition and awards for advanced units with industrial development	2,000,000.00	Other incomes	2,000,000.00
Equipment investment incentives	1,740,179.68	Other incomes	1,740,179.68
Industrial upgrading funds	1,675,400.00	Other incomes	1,675,400.00
Special contribution awards	1,600,000.00	Other incomes	1,600,000.00
Key R&D plans	1,500,000.00	Other incomes	1,500,000.00
Subsidies for enterprises with scientific and technological innovation	1,500,000.00	Other incomes	1,500,000.00
Refinancing awards	1,300,000.00	Other incomes	1,300,000.00
Awards and subsidies for characteristic industries	550,000.00	Other incomes	550,000.00
Post stabilization subsidies	845,743.50	Non- operating revenues	845,743.50
Rewards for compliance enterprises	150,000.00	Non- operating revenues	150,000.00
Living subsidies for internship of college graduates	126,600.00	Non- operating revenues	126,600.00
Reward funds for excellent construction items	1,500.00	Non- operating revenues	1,500.00
Others	50,662,151.49	Other incomes/non-operating revenues	50,662,151.49

**(2) Return of governmental subsidies**

Applicable  Non-applicable

**83. Others**

Applicable  Non-applicable

**VIII. Changes in scope of consolidation****1. Business combination not under the same control**

Applicable  Non-applicable

**2. Business combination under the same control**

Applicable  Non-applicable

**3. Counter purchase**

Applicable  Non-applicable

#### 4. Disposal of subsidiaries

##### Whether there is a loss of control over the investments of subsidiaries in a single disposal

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Subsidiary name	Equity disposal price	Equity disposal proportion (%)	Equity disposal method	Time of losing control	Basis for determining the time of losing control	Difference between the disposal price and the disposal investment in sharing net assets of the subsidiary in the corresponding consolidated financial statements	Proportion of residual equities on the day of losing control (%)	Book value of residual equities on the day of losing control	Fair value of residual equities on the day of losing control	Gains or losses arising from remeasurement of residual equities at fair value	Determination methods and main assumptions for fair value of residual equities on the day of losing control	Amount of other comprehensive incomes related to equity investment of the original subsidiaries transferred into investment profits and losses
Huanglong Longfu Clean Energy Ltd.	54,114,076.37	100.00	Cash	February, 2019	Completion of equity delivery	10,401,343.37	N/A	N/A	N/A	N/A	N/A	
Yanchuan Longfu Clean Energy Ltd.	20,935,543.37	100.00	Cash	February, 2019	Completion of equity delivery	2,566,492.95	N/A	N/A	N/A	N/A	N/A	
Zhengzhou Lemou Solar Energy Ltd.	14,970,000.00	55.00	Cash	March, 2019	Completion of equity delivery	4,664,221.43	45.00	8,432,000.65	12,248,181.82	3,816,181.17	Negotiation based on the acquirer's audit results	
Xi'an LONGi Anfang Solar Energy Ltd.	13,740,000.00	55.00	Cash	February, 2019	Completion of equity delivery	5,140,265.57	45.00	7,036,146.35	11,241,818.18	4,205,671.83	Negotiation based on the acquirer's audit results	
Wuzhong Leheng Solar Energy Technology Ltd.	10,850,000.00	55.00	Cash	March 2019	Completion of equity delivery	1,234,688.80	45.00	7,867,072.80	8,877,272.73	1,010,199.93	Negotiation based on the acquirer's audit results	
Xi'an Letian	8,890,000.00	55.00	Cash	March,	Completion of	-1,514,901.15	45.00	8,513,100.94	7,273,636.36	-1,239,464.58	Negotiation	

Solar Energy Ltd.				2019	equity delivery							based on the acquirer's audit results	
Xi'an Lejing Solar Energy Ltd.	6,560,000.00	55.00	Cash	March, 2019	Completion of equity delivery	-1,306,911.43	45.00	6,436,563.89	5,367,272.73	-1,069,291.16		Negotiation based on the acquirer's audit results	
Dongguan Lvlong Clean Energy Ltd.	5,100,000.00	100.00	Cash	September, 2019	Completion of equity delivery	4,963,499.70	N/A	N/A	N/A	N/A		N/A	
Zhanjiang Zhongji Electric Power Ltd.	5,000,000.00	100.00	Cash	November, 2019	Completion of equity delivery	4,989,479.37	N/A	N/A	N/A	N/A		N/A	
Xi Xian New Area Leyue Solar Energy Ltd.	4,390,000.00	55.00	Cash	March, 2019	Completion of equity delivery	-24,328.51	45.00	3,611,723.32	3,591,818.18	-19,905.14		Negotiation based on the acquirer's audit results	
Qishan Baotong Solar Energy Ltd.	2,770,000.00	55.00	Cash	March, 2019	Completion of equity delivery	-1,912,113.81	45.00	3,830,820.39	2,266,363.64	-1,564,456.75		Negotiation based on the acquirer's audit results	
Lantian Mingrui New Energy Ltd.	2,400,000.00	55.00	Cash	March, 2019	Completion of equity delivery	-307,684.81	45.00	2,215,378.49	1,963,636.36	-251,742.13		Negotiation based on the acquirer's audit results	
Beipiao Longtan New Energy Ltd.	30,000.00	100.00	Cash	February, 2019	Completion of equity delivery	-243,884.34	N/A	N/A	N/A	N/A		N/A	
Yinchuan Longye New Energy Ltd.	0	100.00	N/A	June, 2019	Completion of equity delivery	N/A	N/A	N/A	N/A	N/A		N/A	
Xuzhou Longye New Energy Ltd.	0	100.00	N/A	January, 2019	Completion of equity delivery	N/A	N/A	N/A	N/A	N/A		N/A	
Kunshan Lemu New Energy Ltd.	0	100.00	N/A	June, 2019	Completion of equity delivery	N/A	N/A	N/A	N/A	N/A		N/A	
Tianjin Longye New Energy	0	100.00	N/A	March, 2019	Completion of equity delivery	N/A	N/A	N/A	N/A	N/A		N/A	

Ltd.												
Leizhou Zhongji Electric Power Ltd.	0	100.00	N/A	November, 2019	Loss of control due to equity conversion of its parent company	N/A	N/A	N/A	N/A	N/A	N/A	
Tongchuan Xiaguang New Energy Power Generation Ltd. (i)	N/A	N/A	N/A	May, 2019	Delivery of actual control right	-1,574,298.61	N/A	N/A	N/A	N/A	N/A	
Licheng Yingheng Clean Energy Ltd. (ii)	N/A	N/A	N/A	April, 2019	Delivery of actual control right	834,080.47	N/A	N/A	N/A	N/A	N/A	

(i) In May 2019, Tongchuan Xiaguang passed the resolution of the General Meeting of Shareholders and agreed to modify the proportion of voting rights enjoyed by the shareholders in the Articles of Association, in which, Xian Lvsheng Clean Energy Ltd., a wholly-owned subsidiary of the Company, exercised 49% of the voting rights with 51% of shares, and China Three Gorges Renewables Co., Ltd. exercised 51% of the voting rights with 49% of the shares. The Company no longer had control over Tongchuan Xiaguang, so it was no longer included in the scope of consolidated statements.

(ii) In March 2019, Licheng Yingheng Clean Energy Ltd. passed the resolution of the General Meeting of Shareholders and agreed to modify the Articles of Association, stipulating that the shareholders shall enjoy the voting right, decision-making right, dividend income right, asset ownership, liquidation right, disposal right, etc. according to the proportion of paid-in capital contribution. The Company had no control over Licheng Yingheng Clean Energy Ltd. due to no contribution of capital, so it was no longer included in the scope of consolidated statements.

Other explanations:

Applicable  Non-applicable

Whether there is a loss of control in current period by multiple transactions and step-by-step disposal of investments in subsidiaries

Applicable  Non-applicable

##### 5. Changes in scope of consolidation caused by other reasons

Explain the changes in scope of consolidation caused by other reasons (e.g. new subsidiary, liquidation subsidiary, etc.) and the relevant conditions:

Applicable  Non-applicable

By the end of the year, the Company has newly invested the following 17 companies, which were included in the scope of consolidation.

Unit: Yuan

Serial No.	Subsidiary name	Main operating location	Registration place	Paid-in capital
1	Xi'an LONGi Green - Building Technology Ltd.	Xi'an City	Xi'an City	
2	Yinchuan LONGi Solar Technology Ltd.	Yinchuan City, Ningxia	Yinchuan City, Ningxia	
3	Tengchong LONGi Silicon Materials Ltd.	Longyang District, Baoshan City, Yunnan Province	Longyang District, Baoshan City, Yunnan Province	
4	LONGi Solar Australia Pty Ltd	Australia	Australia	AUD 2,000,000.00
5	Xi'an LONGi Green Energy Intelligent Technology Partnership (Limited Partnership)	Xi'an City, Shaanxi Province	Xi'an City, Shaanxi Province	100,000.00
6	Guanyun Yunlong Clean Energy Ltd.	Guanyun County, Lianyungang City, Jiangsu Province	Guanyun County, Lianyungang City, Jiangsu Province	5,000.00
7	Otog Front Banner Longhui Solar Power Generation Ltd.	Otog Front Banner, Ordos City, Inner Mongolia Autonomous Region	Otog Front Banner, Ordos City, Inner Mongolia Autonomous Region	
8	Hanggin Banner Xingguang Solar Power Generation Ltd.	Hanggin Banner, Ordos City, Inner Mongolia Autonomous Region	Hanggin Banner, Ordos City, Inner Mongolia Autonomous Region	310,000.00
9	Heilongjiang Longjia New Energy Ltd.	Qiqihar City, Heilongjiang Province	Qiqihar City, Heilongjiang Province	310,000.00
10	Xian Ruicheng Longtai New Energy Ltd.	Xi'an City, Shaanxi Province	F2, Office Building, No.388, Middle Aerospace Rd., Xian National Civil Aerospace Industrial Base, Shaanxi Province	112,946,000.00
11	Ruicheng Lvlong Clean Energy Ltd.,	Ruicheng County, Shanxi Province	No.64, Sheli West Street, Guwei Town, Ruicheng County	112,940,000.00
12	Hunyuan Chenglong Clean Energy Ltd.	Hunyuan County, Datong City, Shanxi Province	Room 502, Unit 4, Building 11, Qingheyuan Community, Yongan Town, Hunyuan County	

13	Datong Xinrong Oulong Clean Energy Ltd.	Xinrong District, Datong City, Shanxi Province	Mingchuan Hotel, East of Yingbin Bridge, South Yingbin Road, Xinrong District, Datong City, Shanxi Province	
14	Xian Shenglong New Energy Ltd.	Xi'an City, Shaanxi Province	F2, Office Building, No.388, Middle Aerospace Rd., Xi'an National Civil Aerospace Industrial Base, Shaanxi Province	
15	Xi'an Lvlong Clean Energy Ltd.	Xi'an City, Shaanxi Province	F2, Office Building, No.388, Middle Aerospace Rd., Xian National Civil Aerospace Industrial Base, Shaanxi Province	
16	Xianyang LONGi Solar Technology Ltd.	Xianyang City, Shaanxi Province	Room 101, Building 1, No.169, Wenxing Road, Qindu District, Xianyang City, Shaanxi Province	8,400,000.00
17	Jiangsu LONGi Solar Technology Ltd.	Taizhou City	Taizhou City	56,100,000.00

Forty subsidiaries were decreased for other reasons in this year. Details are as follows:

Serial No.	Subsidiary name	Time of losing control	Basis for determining the time of losing control
1	Xian Leheng New Energy Ltd.	January, 2019	Cancellation
2	Guangzhou Letou Solar Power Engineering Ltd.	January, 2019	Cancellation
3	Jinzhong LONGi Solar Power Technology Ltd.	February, 2019	Cancellation
4	Jiangshan LONGi New Energy Technology Ltd.	February, 2019	Cancellation
5	Shanxi Xinglong Jiye Clean Energy Ltd.	February, 2019	Cancellation
6	Baisha Longguang Power New Energy Ltd.	February, 2019	Cancellation
7	Zhongning Longmu New Energy Ltd.	March, 2019	Cancellation
8	Wugong Lejia Solar Energy Ltd.	March, 2019	Cancellation
9	Mile Solar Technology Ltd.	April, 2019	Cancellation
10	Xinjiang LONGi Solar Technology Ltd.	April, 2019	Cancellation
11	Sanyuan LONGi Green Energy Solar Integration Ltd.	April, 2019	Cancellation
12	Henan Xindong New Energy Technology Ltd.	April, 2019	Cancellation
13	Shangshui Lexing Solar New Energy Ltd.	May, 2019	Cancellation
14	Langfang Longye New Energy Ltd.	May, 2019	Cancellation



15	Zhuji Leneng New Energy Technology Ltd.	June, 2019	Cancellation
16	Pingyi Longhui New Energy Ltd.	June, 2019	Cancellation
17	Lijin Letou Solar Energy Ltd.	July, 2019	Cancellation
18	Xian Leyang New Energy Ltd.	July, 2019	Cancellation
19	Anda Longguang New Energy Ltd.	July, 2019	Cancellation
20	Xinjiang LONGi Clean Energy Ltd.	August 2019	Cancellation
21	Yuanmou Zhenglong Clean Energy Ltd.	August 2019	Cancellation
22	Chunhua Xinlong Agricultural Technology Ltd.	August 2019	Cancellation
23	Chunhua Lvlong Clean Energy Ltd.	August 2019	Cancellation
24	Longling Zhenglong Clean Energy Ltd.	August 2019	Cancellation
25	Longling Lvlong Clean Energy Ltd.	August 2019	Cancellation
26	Baoding Leqing Solar Energy Ltd.	August 2019	Cancellation
27	Shuangliao Baihe New Energy Ltd.	September, 2019	Cancellation
28	Nanhua Zhenglong Clean Energy Ltd.	September, 2019	Cancellation
29	Nanhua Shenglong Clean Energy Ltd.	September, 2019	Cancellation
30	Lankao LONGi Solar Energy Ltd.	October 2019	Cancellation
31	HuaiBei Nanlong Clean Energy Ltd.	October 2019	Cancellation
32	Yanan Longxing Clean Energy Ltd.	November, 2019	Cancellation
33	Xian Lefeng Solar Energy Ltd.	November, 2019	Cancellation
34	Mile LONGi Clean Energy Ltd.	December, 2019	Cancellation
35	Wuqi Longan Clean Energy Ltd.	December, 2019	Cancellation
36	Pucheng Baofeng Agricultural Technology Ltd.	December, 2019	Cancellation
37	Chuzhou Longyuan New Energy Technology Ltd.	December, 2019	Cancellation
38	Jiaxing Longle New Energy Ltd.	December, 2019	Cancellation
39	Jinhua Longle New Energy Ltd.	December, 2019	Cancellation
40	Shenzhen Longle New Energy Ltd.	December, 2019	Cancellation

**IX. Equities in Other Entities****1. Equities in subsidiaries****(1) Composition of enterprise groups**

√ Applicable □ Non-applicable

Subsidiary name	Main operating location	Registration place	Business type	Shareholding ratio (%)		Acquisition
				Direct	Indirect	
LONGi (H.K.) Trading Limited	Xi'an City, Shaanxi Province	Hong Kong	Import and export business	100		Newly established
LONGI (KUCHING) SDN. BHD.	Kuching (Malaysia)	Kuching (Malaysia)	Production and sales		100	Newly established
LONGi New Energy (Uganda) Limited	Uganda	Uganda	Investment and development		99	Newly established
LONGI SOLAR TECHNOLOGY K. K.	Tokyo (Japan)	Tokyo (Japan)	Sales	100		Newly established
LONGi Solar Technology (U.S.) Inc.	Delaware (United States)	Delaware (United States)	Sales	100		Newly established
LONGI Solar Technologie GmbH	Frankfurt, Hesse Darmstadt (Germany)	Frankfurt, Hesse Darmstadt (Germany)	Sales	100		Newly established
Ningxia LONGi Silicon Materials Ltd.	Zhongning County, Ningxia	Zhongning County	Production and sales	100		Newly established
Yinchuan LONGi Silicon Materials Ltd.	Yinchuan City, Ningxia	Yinchuan City	Production and sales	100		Newly established
Wuxi LONGi Silicon Materials Ltd.	Wuxi City, Jiangsu Province	Wuxi City	Production and sales	98.67	1.33	Newly established
Baoshan LONGi Silicon Materials Ltd.	Longling County, Baoshan City, Yunnan Province	Huangcaoba, Longxin Town, Longling County	Production and sales	100		Newly established
Lijiang LONGi Silicon Materials Ltd.	Huaping County, Lijiang City, Yunnan Province	Clean Energy Industry Park, Shilongba Town, Huaping County	Production and sales	60		Newly established
Chuxiong LONGi Silicon Materials Ltd.	Chuxiong Yi Autonomous Prefecture, Yunnan Province	Chuxiong Yi Autonomous Prefecture, Yunnan Province	Production and sales	100		Newly established
LONGi Solar Technology Ltd.	Xi'an City, Shaanxi Province	Xi'an City	Production and sales	100		Newly established
Zhejiang LONGi Solar Technology Ltd.	Quzhou City, Zhejiang Province	Quzhou City	Production and sales		100	Business combination not under the same control
Hefei LONGi Solar	Hefei City, Anhui	Hefei City	Production and		100	Newly

Technology Ltd.	Province		sales			established
Taizhou LONGi Solar Technology Ltd.	Taizhou City, Jiangsu Province	Taizhou City	Production and sales		100	Newly established
Yinchuan LONGi Solar Technology Ltd.	Yinchuan City, Ningxia	Yinchuan City	Production and sales		100	Newly established
LERRI SOLAR TECHNOLOGY (INDIA) PRIVATE LIMITED	Andhra Pradesh (India)	Andhra Pradesh (India)	Production and sales	40	60	Newly established
Xi'an LONGi Green Building Technology Ltd.	Xi'an City, Shaanxi Province	Xi'an City	Production and sales		100	Newly established
Datong LONGi Solar Technology Ltd.	Datong County, Shanxi Province	Datong County	Production and sales		100	Newly established
Xi'an LONGi Solar Technology Ltd.	Chang'an District, Xi'an City, Shaanxi Province	Xi'an City, Shaanxi Province	Production and sales		100	Newly established
Xi'an LONGi Clean Energy Ltd.	Xi'an City, Shaanxi Province	Xi'an City	Investment and development	100		Newly established
Datong Yunzhou Longtai Green Energy Solar Generation Ltd.	Datong City	Yunzhou District, Datong City	Investment and development		100	Newly established
Qinghai Baihe Clean Energy Ltd.	Xining City, Qinghai Province	Xining City	Investment and development		100	Newly established
Yinchuan LONGi Solar Technology Ltd.	Yinchuan City, Ningxia	Yinchuan City	Production and sales	100		Newly established
Nanyang Wolong LONGi Clean Energy Ltd.	Nanyang City, Henan Province	Nanyang City	Investment and development		100	Newly established
Zaozhuang LONGi Clean Energy Ltd.	Zaozhuang City, Shandong Province	Zaozhuang City	Investment and development		100	Newly established
Zaozhuang Shanting LONGi Eco-agricultural Solar New Energy Ltd.	Zaozhuang City, Shandong Province	Zaozhuang City	Investment and development		100	Newly established
Ningxia LONGi Clean Energy Ltd.	Yinchuan City, Ningxia	Yinchuan City	Investment and development		100	Newly established
Tengchong LONGi Silicon Materials Ltd.	Longyang District, Baoshan City, Yunnan Province	Tengyue Town, Tengchong City, Baoshan City, Yunnan Province	Production and sales	100		Newly established
LONGi Solar Australia Pty Ltd	Australia	Suite 8.01 124 North Sydney NSW Australia 2220	Production and sales		100	Newly established
Emin LONGi Animal Husbandry+PV New Energy Ltd.	Emin County, Xinjiang	Emin County	Investment and development		100	Newly established
Jiangsu LONGi Solar Technology Ltd.	Hailing District, Taizhou City	Hailing District, Taizhou City	Production and sales		100	Newly established
Guangdong Yanyuan	Dongguan City,	Dongguan City	Investment and		70	Newly

Longqing New Energy Ltd.	Guangdong Province		development			established
Anhui USTC Jiancheng - LONGi new Energy Ltd.	Anhui Province	Anhui Province	Investment and development		60	Newly established
Xian Longqiao Clean Energy Ltd.	Xi'an City, Shaanxi Province	Xi'an City	Investment and development		100	Newly established
Xianyang LONGi Solar Technology Ltd.	Xianyang City, Shaanxi Province	Xianyang City, Shaanxi Province	Production and sales		100	Newly established
Liaoning Zhaori New Energy Ltd.	Chaoyang City, Liaoning Province	Chaoyang City	Investment and development		100	Newly established
Hami Liurui New Energy Development Ltd.	Hami City, Xinjiang	Hami City	Investment and development		100	Business combination not under the same control
Hami Liuyang Solar Technology Development Ltd.	Hami City, Xinjiang	Hami City	Investment and development		100	Business combination not under the same control
Baoji Longxing Clean Energy Power Generation Ltd.	Baoji City, Shaanxi Province	Baoji City	Investment and development		100	Newly established
Danzhou LONGi Solar Agricultural Development Ltd.	Danzhou City, Hainan Province	Danzhou City	Investment and development		100	Newly established
Guanyun Yunlong Clean Energy Ltd.	Guanyun County, Lianyungang City, Jiangsu Province	South of the Middle Section of Chang'an Avenue, Guanyun County, Lianyungang City	Investment and development		100	Newly established
Otog Front Banner Longhui Solar Power Generation Ltd.	Otog Front Banner, Ordos City, Inner Mongolia Autonomous Region	Otog Front Banner, Ordos City, Inner Mongolia Autonomous Region	Investment and development		100	Newly established
Yanchuan Minhao Solar Power Plant Investment Management Ltd.	Yanchuan County	Yanchuan County	Investment and development		100	Business combination not under the same control
Xian Baolong Clean Energy Ltd.	Xi'an City	Xi'an City	Investment and development		100	Newly established
Hebei Shenrao Agricultural Development Ltd.	Raoyang County	Raoyang County	Investment and development		100	Business combination not under the same control
Xian LONGi Zhihui Energy Detection Ltd.	Xi'an City, Shaanxi Province	Xi'an City, Shaanxi Province	Investment and development		100	Newly established
Hanggin Banner Xingguang Solar Power	Hanggin Banner, Ordos City, Inner	Hanggin Banner, Ordos City, Inner	Investment and development		100	Newly established

Generation Ltd.	Mongolia Autonomous Region	Mongolia Autonomous Region				
Heilongjiang Longjia New Energy Ltd.	Qiqihar City, Heilongjiang Province	Tiefeng District, Qiqihar City, Heilongjiang Province	Investment and development		100	Newly established
Huludao Longxing New Energy Ltd.	Lianshan District, Huludao City, Liaoning Province	Lianshan District, Huludao City, Liaoning Province	Investment and development		100	Newly established
Hainan LONGi Solar New Energy Ltd.	Hainan Province	Yatai Town, Baisha Li Autonomous County	Investment and development		100	Newly established
Quzhou Julong Clean Energy Ltd.	Quzhou City	Quzhou City	Investment and development		100	Newly established
Hami Liushuquan Xuanli Solar Power Ltd.	Hami City, Xinjiang	Hami City	Investment and development		100	Business combination not under the same control
Datong Yunzhou LONGi Green And Clean Energy Ltd.	Datong County	Datong County	Investment and development		100	Newly established
Nyainrong Shenglong Clean Energy Ltd.	Nyainrong County	Nyainrong County	Investment and development		100	Newly established
Yanan Yanlong Clean Energy Ltd.	Baota District, Yan'an City	Yan'an City, Shaanxi Province	Investment and development		100	Newly established
Guangling Longxing Green And Clean Energy Ltd.	Guangling County	Guangling County	Investment and development		100	Newly established
Guangling Jinpeng New Energy Ltd.	Guangling County	Guangling County	Investment and development		100	Newly established
Datong Yunzhong Green And New Energy Ltd.	Datong County	Datong County	Investment and development		100	Newly established
Yanan Shenglong Clean Energy Ltd.	Baota District, Yan'an City	Yan'an City, Shaanxi Province	Investment and development		100	Newly established
Ninghai Junlong New Energy Ltd.	Ninghai County, Ningbo City, Zhejiang Province	Ningbo City, Zhejiang Province	Investment and development		100	Newly established
Lingwu Longqiao Solar New Energy Ltd.	Lingwu City, Ningxia	Lingwu City, Ningxia	Investment and development		100	Newly established
Ninghai Hailong Clean Energy Ltd.	Ninghai County, Ningbo City, Zhejiang Province	Ningbo City, Zhejiang Province	Investment and development		100	Newly established
Xi'an LONGi New Energy Ltd.	Xi'an City, Shaanxi Province	Xi'an City	Investment and development	100		Newly established
Guangdong LONGi New Energy Ltd.	Guangzhou City, Guangdong Province	Guangzhou City, Guangdong Province	Investment and development		100	Newly established
Beijing LONGi New Energy Ltd.	Beijing City	Beijing City	Investment and development		100	Newly established

Shandong Leguang Solar Energy Ltd.	Jinan City, Shandong Province	Jinan City	Investment and development		100	Newly established
Hebei LONGi New Energy Development Ltd.	Shijiazhuang City, Hebei Province	Shijiazhuang City	Investment and development		100	Newly established
LONGi Green Energy Solar Engineering Co. Ltd.	Xi'an City, Shaanxi Province	Xi'an City	Investment and development		100	Newly established
Xian Ruicheng Longtai New Energy Ltd.	Xi'an City, Shaanxi Province	Xi'an City, Shaanxi Province	Investment and development		51	Newly established
Huizhou Fukangyuan Technology Ltd.	Huizhou City, Guangdong Province	Huizhou City	Investment and development		100	Business combination not under the same control
Daming Lezhao Solar Energy Technology Ltd.	Daming County, Hebei Province	Daming County	Investment and development		100	Newly established
Shouguang Jinhe Solar Technology Ltd.	Weifang City, Shandong Province	Weifang City	Investment and development		100	Business combination not under the same control
Heze Ningdian New Energy Ltd.	Heze City, Shandong Province	Heze City	Investment and development		100	Business combination not under the same control
Cangzhou Bohai Jile Solar Energy Ltd.	Cangzhou City, Hebei Province	Cangzhou City	Investment and development		100	Newly established
Jining LONGi Solar Energy Ltd.	Jining City, Shandong Province	Jining City	Investment and development		100	Newly established
Wei-County Lezhao Solar Energy Ltd.	Wei County, Hebei Province	Wei County	Investment and development		100	Newly established
Linzhang Lezhao Solar Energy Ltd.	Linzhang County, Hebei Province	Linzhang County	Investment and development		100	Newly established
Qingzhou Yuhui Solar Ltd.	Qingzhou City, Shandong Province	Qingzhou City	Investment and development		100	Business combination not under the same control
Taizhou LONGi Solar Energy Ltd.	Taizhou City, Jiangsu Province	Taizhou City	Investment and development		100	Newly established
Longkou LONGi Solar Energy Ltd.	Longkou City, Yantai City, Shandong Province	Longkou City	Investment and development		100	Newly established
Ningxia LONGi Green And New Energy Ltd.	Yinchuan Economic & Technology Development Area	Yinchuan City	Investment and development		100	Newly established
Qufu Lexiang Solar Energy Ltd.	Qufu City, Shandong Province	Qufu City	Investment and development		100	Newly established
Henan LONGi Green Energy Technology Ltd.	Zhengzhou City, Henan Province	Zhengzhou City	Investment and development		100	Newly established

Yangjiang LONGi Clean Energy Ltd.	Yangjiang City, Guangdong Province	Yangjiang City	Investment and development		100	Newly established
Shantou Solar Power Ltd.	Shantou City, Guangdong Province	Shantou City	Investment and development		100	Business combination not under the same control
Binzhou Lezhao Solar Energy Ltd.	Binzhou City, Shandong Province	Binzhou City	Investment and development		100	Newly established
Shangqiu Lehai New Energy Technology Ltd.	Shangqiu City, Henan Province	Shangqiu City	Investment and development		100	Newly established
Xiangcheng Lechang PV Energy Ltd.	Xiangcheng County, Henan Province	Xiangcheng County	Investment and development		100	Newly established
Ningde LONGi Solar Energy Ltd.	Ningde City, Fujian Province	Ningde City	Investment and development		100	Newly established
Zhuhai LONGi Clean Energy Ltd.	Zhuhai City, Guangdong Province	Zhuhai City	Investment and development		100	Newly established
Zhumadian Qijian New Energy Ltd.	Zhumadian City, Henan Province	Zhumadian City	Investment and development		100	Business combination not under the same control
Cao-County Lezhao Solar Technology Ltd.	Caoxian County, Heze City, Shandong Province	Caoxian County	Investment and development		100	Newly established
Tianjin Lexiang Solar Energy Ltd.	Baodi District, Tianjin City	Tianjin City	Investment and development		100	Newly established
Linqu Letou Solar Energy Ltd.	Linqu County, Weifang City, Shandong Province	Linqu County	Investment and development		100	Newly established
Linyi Lezhao Solar Energy Ltd.	Feixian, Linyi City, Shandong Province	Feixian	Investment and development		100	Newly established
Shijiazhuang Lezhao New Energy Ltd.	Luquan Area, Shijiazhuang City, Hebei Province	Shijiazhuang City	Investment and development		100	Newly established
Zoucheng LONGi Solar Energy Ltd.	Zoucheng City, Shandong Province	Zoucheng City	Investment and development		100	Newly established
Linqing Lezhao Solar Technology Ltd.	Linqing City, Liaocheng City, Shandong Province	Linqing City	Investment and development		100	Newly established
Guangrao Leguang Solar Energy Ltd.	Guangrao Xian, Dongying City, Shandong Province	Guangrao Xian	Investment and development		100	Newly established
Weifang LONGi Solar Energy Ltd.	Weifang City, Shandong Province	Weifang City	Investment and development		100	Newly established
Jining Economic and Technological	Jining Economic and Technological	Jining Economic and Technological	Investment and development		100	Newly established

Development Zone Leguang Solar Energy Ltd.	Development Zone, Shandong Province	Development Zone				
Xi Xian New Area Ledong Solar Energy Ltd.	Xi Xian New Area, Xianyang, Shaanxi Province	Xi Xian New Area, Xianyang	Investment and development		100	Newly established
Xian Lehong Solar Energy Ltd.	Changan District, Xi'an City, Shaanxi Province	Changan District, Xi'an City	Investment and development		100	Newly established
Ruicheng Lulong Clean Energy Ltd.,	Ruicheng County, Shanxi Province	No.64, Sheli West Street, Guwei Town, Ruicheng County	Investment and development		51	Newly established
Hunyuan Chenglong Clean Energy Ltd.	Hunyuan County, Datong City, Shanxi Province	Room 502, Unit 4, Building 11, Qingheyuan Community, Yongan Town, Hunyuan County	Investment and development		100	Newly established
Datong Xinrong Oulong Clean Energy Ltd.	Xinrong District, Datong City, Shanxi Province	Dongmingchuan Hotel, Yingbin Bridge, South Yingbin Road, Xinrong District, Datong City, Shanxi Province	Investment and development		100	Newly established
Jinxiang Huiqun New Energy Technology Ltd.	Jinxiang County, Jining City, Shandong Province	Jinxiang County, Jining City	Investment and development		100	Business combination not under the same control
Zoucheng Lehui New Energy Ltd.	Zoucheng, Jining City, Shandong Province	Zoucheng, Jining City	Investment and development		100	Business combination not under the same control
Jining Yanzhou Leguang Solar Energy Ltd.	Yanzhou District, Jining City, Shandong Province	Yanzhou District, Jining City	Investment and development		100	Newly established
Sishui LONGi Solar Energy Ltd.	Sishui County, Jining City, Shandong Province	Sishui County, Jining City	Investment and development		100	Newly established
Ningde Leguang Solar Energy Ltd.	Dongqiao Economic Development Zone, Ningde City	Dongqiao Economic Development Zone, Ningde City	Investment and development		100	Newly established
Sanya LONGi Solar Energy Ltd.	Sanya City, Hainan Province	Sanya City, Hainan Province	Investment and development		100	Newly established
Suzhou Leguang Energy Ltd.	Suzhou City, Jiangsu Province	Wujiang Economic Development Zone, Suzhou City	Investment and development		100	Newly established
Liyang LONGi Solar	Liyang, Changzhou	Liyang	Investment and		100	Newly



Energy Ltd.	City, Jiangsu Province		development			established
Xianghe Leguang Solar Energy Ltd.	Xianghe County, Langfang City, Hebei Province	Xianghe County, Langfang City	Investment and development		100	Newly established
Haicheng Disheng Hailian New Energy Technology Ltd.	Haicheng, Anshan City, Liaoning Province	Haicheng, Anshan City	Investment and development		100	Business combination not under the same control
Xian Shenglong New Energy Ltd.	Xi'an City, Shaanxi Province	F2, Office Building, No. 388, Middle Aerospace Rd., Xian National Civil Aerospace Industrial Base, Shaanxi Province	Investment and development		100	Newly established
Zhongshan LONGi Solar Energy Ltd.	Banfu Town, Zhongshan City, Guangdong Province	Banfu Town, Zhongshan City, Guangdong Province	Investment and development		100	Newly established
Yancheng Shangfeng New Energy Technology Ltd.	Yancheng City	Yancheng City	Investment and development		100	Business combination not under the same control
Jiangmen LONGi Solar Energy Ltd.	Jiangmen City	Jiangmen City	Investment and development		100	Newly established
Luoding LONGi New Energy Ltd.	Guangzhou City	Guangzhou City	Investment and development		100	Newly established
Shenzhen Grid Connection Solar Ltd.	Guangzhou City	Guangzhou City	Investment and development		90	Business combination not under the same control
Xuzhou LONGi Solar Technology Ltd.	Xuzhou City, Jiangsu Province	Xuzhou City, Jiangsu Province	Investment and development		100	Business combination not under the same control
Wucheng Senneng Power Technology Ltd.	Shandong Province	Shandong Province	Investment and development		100	Business combination not under the same control
Weifang Dongsong Power Technology Ltd.	Weifang City, Shandong Province	Weifang City, Shandong Province	Investment and development		100	Business combination not under the same control
Changling Suoruite New Energy Technology Ltd.	Jilin Province	Jilin Province	Investment and development		100	Business combination not under the same control

Jiangsu LONGi New Energy Ltd.	Qixia District, Nanjing City	Qixia District, Nanjing City	Investment and development		100	Newly established
Jiaozhou Rongrui New Energy Technology Ltd.	Qingdao City, Shandong Province	Qingdao City	Investment and development		100	Business combination not under the same control
Xi'an Zhongxing Chaoyang New Energy Ltd.	Xi'an City	Xincheng District, Xi'an City	Investment and development		100	Business combination not under the same control
Cheng'an Lezhao Solar Energy Ltd.	Cheng'an County, Hebei Province	Cheng'an County, Hebei Province	Investment and development		100	Newly established
Changling Dongsong New Energy Technology Ltd.	Jilin Province	Jilin Province	Investment and development		100	Newly established
Linyi Dongsong Energy Technology Ltd.	Linyi County, Dezhou City, Shandong Province	Linyi County, Dezhou City, Shandong Province	Investment and development		100	Business combination not under the same control
Dezhou Dongsun Power Technology Ltd.	Dezhou City, Shandong Province	Dezhou City, Shandong Province	Investment and development		100	Business combination not under the same control
Linqu Senneng New Energy Technology Ltd.	Weifang City, Shandong Province	Weifang City, Shandong Province	Investment and development		100	Business combination not under the same control
Shanghe Zhongsen Solar Energy Technology Ltd.	Shanghe County, Jinan City, Shandong Province	Jinan City, Shandong Province	Investment and development		100	Business combination not under the same control
Xuzhou Xinwei New Energy Technology Ltd.	Xuzhou City, Jiangsu Province	Xuzhou City, Jiangsu Province	Investment and development		100	Business combination not under the same control
Ningxia Xiaoli New Energy Ltd.	Dawukou District, Shizuishan City	Dawukou District, Shizuishan City	Investment and development		100	Business combination not under the same control
Ningxia Xiaodong Clean and New Energy Ltd.	Jiabao Industrial Park, Qingtongxia City	Jiabao Industrial Park, Qingtongxia City	Investment and development		100	Business combination not under the same control
Xinyang Jinli New Energy Equipment Ltd.	Yangshan New District, Xinyang City	Yangshan New District, Xinyang City	Investment and development		100	Business combination not under the same control

Liujiang Energy Engineering (Kunshan) Ltd.			Zhoushi Town, Kunshan City	Zhoushi Town, Kunshan City	Investment and development		100	Business combination not under the same control
Jiujiang Energy Ltd.	LONGi	New	Jiujiang City, Jiangxi Province	Jiujiang City, Jiangxi Province	Investment and development		100	Newly established
Heyuan Energy Ltd.	Longle	New	Yuancheng District, Heyuan City	Yuancheng District, Heyuan City	Investment and development		100	Newly established
Guangzhou Technology Ltd.	Longle	Solar	Zengcheng District, Guangzhou City	Zengcheng District, Guangzhou City	Investment and development		100	Newly established
Xuzhou Energy Technology Ltd.	Nuoyuan	New	Xuzhou City, Jiangsu Province	Xuzhou City, Jiangsu Province	Investment and development		100	Newly established
Shaoyang Energy Development Ltd.	Guotai	New	Shaoyang City, Hunan Province	Shaoyang City, Hunan Province	Acquisition		100	Business combination not under the same control
Dingyuan Power Ltd.	Jingneng	Solar	Dingyuan County, Chuzhou City, Anhui Province	Dingyuan County, Chuzhou City, Anhui Province	Investment and development		100	Newly established
Shanghai Technology Ltd.	Lvjian	Energy	Shanghai City	Shanghai City	Investment and development		100	Newly established
LONGi (THAILAND) LTD.			Thailand	Thailand	Investment and development		100	Newly established
Yinchuan Energy Ltd.	Leda	New	Yinchuan City, Ningxia	Yinchuan City, Ningxia	Investment and development		100	Newly established
Jinjiang Energy Ltd.	LONGi	New	Jinjiang, Quanzhou City, Fujian Province	Jinjiang, Quanzhou City, Fujian Province	Investment and development		100	Newly established
Xi'an Clean Energy Ltd.	Lvlong		Xi'an City, Shaanxi Province	Xi'an City, Shaanxi Province	Investment and development		100	Newly established
Wulian Energy Ltd.	LONGi	Solar	Rizhao City, Shandong Province	Rizhao City, Shandong Province	Investment and development		100	Newly established
Jiangmen New Energy Ltd.	Jiye		Jiangmen City	Jiangmen City	Investment and development		100	Newly established
Cao-County Energy Ltd.	Dalin	New	Heze City, Shandong Province	Heze City, Shandong Province	Investment and development		100	Business combination not under the same control
Xi'an Green Energy Venture Capital Management Ltd.	LONGi		Xi'an City	Xi'an City	Investment and development	100		Newly established
Xi'an Electricity New Material Ltd.	LONGi	Lithium	Xi'an City	Xi'an City	Investment and development		51	Newly established
Chuzhou Technology Ltd.	LONGi	Solar	Chuzhou City	Chuzhou City	Production and sales		100	Newly established
Ningxia	LONGi	Solar	Yinchuan Economic &	Yinchuan Economic &	Production and		100	Newly

Technology Ltd.	Technology Development Area	Technology Development Area	sales			established
Shaanxi LONGi Solar Technology Ltd.	Xi'an City	Xi'an City	Production and sales		100	Newly established
LONGI TECHNOLOGY (KUCHING) SDN BHD	Kuching (Malaysia)	Kuching (Malaysia)	Production and sales		100	Newly established
Xian Lvsheng Clean Energy Ltd.	Xi'an City	Xi'an City	Investment and development		100	Newly established
Tongchuan Baicao Modern Agricultural Science and Technology Ltd.	Tongchuan City, Shaanxi Province	Tongchuan City, Shaanxi Province	Investment and development		100	Newly established
Xian Longhua New Energy Ltd.	Xi'an City	Xi'an City	Investment and development		100	Newly established
Xi'an Xuying New Energy Ltd.	Xi'an City	Xi'an City	Investment and development		100	Newly established
Tongchuan LONGi Solar Technology Ltd.	Tongchuan City, Shaanxi Province	Tongchuan City, Shaanxi Province	Production and sales		100	Newly established
Shijiazhuang Longye New Energy Technology Ltd.	Shijiazhuang City, Hebei Province	Shijiazhuang City, Hebei Province	Investment and development		100	Newly established
Guanyun Ganglong Clean Energy Ltd.	Lianyungang City	Lianyungang City	Investment and development		100	Newly established
Guangzhou Longyuan New Energy Ltd.	Guangzhou City	Guangzhou City	Investment and development		100	Newly established
Zhuhai Longle New Energy Ltd.	Zhuhai City	Zhuhai City	Investment and development		100	Newly established
Huaping LONGi Silicon Materials Ltd.	Huaping County, Lijiang City	Huaping County, Lijiang City	Production and sales	100		Newly established
Xi'an LONGi Green Energy Intelligent Technology Partnership (Limited Partnership)	Xi'an City, Shaanxi Province	Xi'an City	Technology development and service		20	Newly established
Zhangpu LONGi New Energy Ltd.	Zhangzhou City, Fujian Province	Taibo Industrial Park, Yuanshang Village, Jiuzhen Town, Zhangpu County, Zhangzhou City, Fujian Province	Investment and development		100	Newly established

Explanation on the difference between shareholding ratio in a subsidiary and the voting right ratio:

None

Basis for holding half or less of the voting rights but still controlling the investees, or holding more than half of the voting rights but not controlling the investees:

Although LONGi Solar held 20% of the equity in Xi'an LONGi Green Energy Intelligent Technology Partnership (Limited Partnership), it was the executive partner of the company and had the right of control.

Basis for controlling important structured entities included in the scope of consolidation:

None

Basis for determining whether a company is agent or principal:

None

Other explanations:

None

**(2) Major non-wholly-owned subsidiaries**

Applicable  Non-applicable

**(3) Main financial information of major non-wholly-owned subsidiaries**

Applicable  Non-applicable

**(4) Main restrictions on using Group assets or paying off Group liabilities**

Applicable  Non-applicable

**(5) Financial support or other supports provided to structured entities included in the scope of consolidated finance statement**

Applicable  Non-applicable

Other explanations:

Applicable  Non-applicable

**2. Changes in the owners' equity share in a subsidiary, with control of the transaction of the subsidiary**

Applicable  Non-applicable

**3. Equity in joint ventures or associated enterprises**

Applicable  Non-applicable

**(1) Important joint ventures or associated enterprises**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Name of joint ventures or associated enterprises	Main operating location	Registration place	Business type	Shareholding ratio (%)		Investment accounting treatment method of joint ventures or associated enterprises
				Direct	Indirect	
Zhongning LONGi Solar New Energy Ltd.	Zhongning County, Ningxia	Zhongning County	Investment and development		30	Equity method
Tongxin LONGi New Energy Ltd.	Tongxin County, Ningxia	Tongxin County	Investment and development		49	Equity method
Sichuan Yongxiang New Energy Ltd.	Leshan City, Sichuan Province	Leshan City	Investment and development	15		Equity method
Tongchuan Xianguang New Energy Power Generation Ltd.	Tongchuan City, Shaanxi Province	Tongchuan City	Investment and development		51	Equity method

Annual Report 2019

Pingmei LONGi New Energy Technology Co., Ltd.	Xuchang City, Henan Province	Xuchang City	Production and sales		19.8	Equity method
Daqing Huiqing New Energy Ltd.	Daqing City, Heilongjiang Province	Daqing City	Investment and development		30	Equity method
Zhaozhou Longhui New Energy Ltd.	Daqing City, Heilongjiang Province	Daqing City	Investment and development		30	Equity method

Explanation on the difference between shareholding ratio and voting right ratio in a joint venture or associated enterprise:

N/A

Basis for holding less than 20% of the voting rights but with significant impact, or holding 20% or more of the voting rights but without significant impact:

Although the Group held less than 20% of shares in Pingmei LONGi New Energy Technology Ltd. and Sichuan Yongxiang New Energy Ltd., however, there was respectively one director in the two companies appointed by the Group, and the Group could exert significant impact on the two companies, therefore, they were accounted as associated enterprises.

Although the Group held more than 50% of shares in Tongchuan Xiaguang, according to the articles of association, the appointed directors of the Company accounted for less than half of the directors on the Board of Directors, and the Group had no decision-making power in appointment of senior managers and did not participate in the production and operation decisions of the investees, therefore, the Group had no right of control over Tongchuan Xiaguang and it was not included in the scope of combination.

**(2) Main financial information of major joint ventures**

Applicable  Non-applicable

**(3) Main financial information of major associated enterprises**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

	Ending balance/accrual in current period							Beginning balance/accrual in last period						
	Zhongning New Energy	Tongxin LONGi	Sichuan Yongxiang	Pingmei LONGi	Tongchuan Xiaguang	Daqing New Energy	Zhaozhou New Energy	Zhongning New Energy	Tongxin LONGi	LONGi Tianhua	Pingmei LONGi	Zhejiang MTCN	Daqing New Energy	Zhaozhou New Energy
Current assets	33,007.96	26,093.22	98,947.57	74,156.01	28,705.72	23,762.40	13,882.73	21,302.60	24,420.74	5,194.22	66,725.55	25,467.16	46,811.00	7,548.49

Annual Report 2019

Non-current assets	134,342.19	49,452.87	283,088.93	107,467.52	151,653.78	51,339.52	49,720.83	140,261.40	54,078.90	15,297.33	98,171.45	16,738.05	60,915.92	54,852.56
Total assets	167,350.15	75,546.09	382,036.50	181,623.53	180,359.50	75,101.92	63,603.56	161,564.00	78,499.64	20,491.55	164,897.00	42,205.21	107,726.92	62,401.05
Current liabilities	25,553.74	3,794.58	92,731.76	65,466.23	41,453.40	1,993.19	5,813.68	15,572.68	4,533.18	956.76	76,323.57	9,545.29	89,553.59	50,033.50
Non-current liabilities	102,860.00	39,525.13	153,869.01	6,238.10	93,688.89	51,400.00	42,600.00	111,430.00	42,658.87	11,804.74	18,129.69	3,237.10		
Total liabilities	128,413.74	43,319.71	246,600.77	71,704.33	135,142.29	53,393.19	48,413.68	127,002.68	47,192.05	12,761.50	94,453.26	12,782.39	89,553.59	50,033.50
Minority shareholders' equity														
Equities attributable to shareholders of the parent company	38,936.41	32,226.38	135,435.73	109,919.20	45,217.21	21,708.73	15,189.88	34,561.32	31,307.59	7,730.05	70,443.74	29,422.82	18,173.33	12,367.55
Share of net assets calculated according to the shareholding ratio	11,680.92	15,790.92	20,315.36	21,764.00	23,060.78	6,512.62	4,556.96	10,368.40	15,340.72	3,787.72	13,947.86	3,539.57	5,452.00	3,710.27
Adjusting matters	-573.83	-648.76		-513.38	-9,199.37	0.60	-99.54	-573.84	-1,304.25	-1,190.82	-96.20	49.49	0.60	
-- Goodwill														
-- Unrealized profits from internal transactions				41.42	-9,170.39						-96.20			
-- Others	-573.83	-648.76		-554.80	-28.98	0.60	-99.54	-573.84	-1,304.25	-1,190.82		49.49	0.60	
Book value of equity investments in associated enterprises	11,107.09	15,142.16	20,315.36	21,250.62	13,861.41	6,513.22	4,457.42	9,794.56	14,036.47	2,596.90	13,851.66	3,589.06	5,452.60	3,710.27
Fair value of equity investments in associated enterprises with open quotations														
Revenues	17,382.41	7,778.40	124,654.22	249,479.20	3,826.31	10,190.69	8,107.17	16,242.94	8,317.00	2,306.09	244,600.58	25,376.13	9,967.69	571.26
Net profits	4,375.08	2,256.52	15,448.80	15,475.46	2,469.06	3,535.40	2,490.51	4,208.35	2,931.21	750.93	9,399.37	6,992.40	4,789.16	331.82
Net profits of discontinuing operation														
Other comprehensive incomes														
Total comprehensive incomes	4,375.08	2,256.52	15,448.80	15,475.46	2,469.06	3,535.40	2,490.51	4,208.35	2,931.21	750.93	9,399.37	6,992.40	4,789.16	331.82
Dividends received from associated enterprises during the current year														

Other explanations

The Group calculates its share of assets according to its shareholding ratio based on the amount attributable to the parent company in the consolidated financial statements of associated enterprises. For the amount in the consolidated financial statements of associated enterprises, the effect of fair value of the identifiable net assets and liabilities of associated enterprises upon the acquisition of investment is considered.



**(4) Financial information summary of unimportant joint ventures or associated enterprises**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

	Ending balance/accrual in current period	Beginning balance/accrual in last period
Joint ventures:		
Total book value of investments		
Total amount of the following items calculated according to the shareholding ratio		
-- Net profits		
-- Other comprehensive incomes		
-- Total comprehensive incomes		
Associated enterprises:		
Total book value of investments	147,711,957.40	202,854,485.76
Total amount of the following items calculated according to the shareholding ratio		
-- Net profits	9,201,566.93	-4,910,933.09
-- Other comprehensive incomes	-615.18	
-- Total comprehensive incomes	9,200,951.75	-4,910,933.09

Other explanations

For net profits and other comprehensive incomes, the effect of fair value of the identifiable assets and liabilities upon the acquisition of the investment have been taken into account.

**(5) Explanation on significant limitations on the ability of a joint venture or associated enterprise to transfer funds to the Company** Applicable  Non-applicable**(6) Excess losses incurred by joint ventures or associated enterprises** Applicable  Non-applicable**(7) Unconfirmed commitments related to joint venture investment** Applicable  Non-applicable**(8) Contingent liabilities related to investment of joint ventures or associated enterprises** Applicable  Non-applicable**4. Major joint operation** Applicable  Non-applicable

**5. Equity of structured entities not included in the scope of consolidated financial statements**

Relevant explanation on structured entities not included in the scope of consolidated financial statements

Applicable  Non-applicable

**6. Others**

Applicable  Non-applicable

**X. Risks associated with financial instruments**

Applicable  Non-applicable

The business activities of the Group will be exposed to various financial risks: market risks (mainly foreign exchange risks and interest rate risks), credit risks and liquidity risks. The Group's overall risk management plan aims at the unpredictability of the financial market and strives to minimize the potential adverse impact on the Group's financial performance.

**1 Market risks****(1) Foreign exchange risks**

The main business of the Group is located in China, and settled in RMB. The foreign currency assets and liabilities recognized by the Group and its future foreign currency transactions (the money of account of foreign currency assets and liabilities and foreign currency transactions is mainly U.S. dollars) are subject to foreign exchange risks. The financial department of the Headquarters of the Group is responsible for monitoring the scale of foreign currency transactions and foreign currency assets and liabilities of the Group, so as to minimize foreign exchange risks. To this end, the Group may avoid foreign exchange risks by means of forward foreign exchange contracts or currency swap contracts.

As of December 31, 2019 and December 31, 2018, the foreign currency financial assets and liabilities held by subsidiaries of the Group with RMB as bookkeeping base currency were converted into amount in RMB as follows:

Unit: Yuan

12/31/2019			
	USD items	Other foreign currency items	Total
Foreign currency financial assets —			
Monetary funds	4,684,559,549.15	404,884,865.68	5,089,444,414.83
Accounts receivable	661,713,886.13	86,851,971.80	748,565,857.93
Other receivables	28,972,984.58	2,502,956.21	31,475,940.79
Total	5,375,246,419.86	494,239,793.69	5,869,486,213.55
Foreign currency financial liabilities —			
Accounts payable	1,110,863,133.22	63,152,409.71	1,174,015,542.93
Other payables	287,928,217.82	142,530,951.67	430,459,169.49
Long-term loans	1,185,954,000.00		1,185,954,000.00
Long-term payable		1,561,908.59	1,561,908.59
Total	2,584,745,351.04	207,245,269.97	2,791,990,621.01

Unit: Yuan

12/31/2018			
	USD items	Other foreign currency items	Total
Foreign currency financial assets —			
Monetary funds	1,697,757,555.48	110,407,701.24	1,808,165,256.72
Accounts receivable	1,068,083,553.19	4,393,725.21	1,072,477,278.40
Other receivables	69,017.57		69,017.57
Total	2,765,910,126.24	114,801,426.45	2,880,711,552.69
Foreign currency financial liabilities —			
Short-term loans	116,584,148.92		116,584,148.92
Accounts payable	234,852,335.49	6,657,952.49	241,510,287.98
Other payables	210,408,871.77	24,380,060.18	234,788,931.95
Long-term loans	1,372,640,000.00		1,372,640,000.00
Total	1,934,485,356.18	31,038,012.67	1,965,523,368.85

As of December 31, 2019, for all kinds of USD financial assets and liabilities of companies with RMB as bookkeeping base currency, if the RMB appreciated or depreciated by 4% against USD while other factors remain unchanged, the net profits of the Group would decrease or increase by approximately 80,720,784.33 yuan (December 31, 2018: approximately 27,792,584.40 yuan).

As of December 31, 2019 and December 31, 2018, the foreign currency financial assets and liabilities held by subsidiaries of the Group with RMB as bookkeeping base currency were not significant.

## (2) Interest rate risks

The interest rate risks of the Group are mainly caused by long-term bank loans, bonds payable and other long-term interest-bearing debts. The financial liabilities with floating interest rate impose the Group to cash flow interest risks, while the financial liabilities with fixed interest rate impose the Group to fair value interest risks. The Group decides the relative proportion of fixed rate contracts and floating rate contracts according to the current market environment. As of December 31, 2019, the Group's long-term interest-bearing debts were mainly floating rate contracts in RMB, amounting to 2,587,854,222.97 yuan (December 31, 2018: 2,658,904,838.15 yuan).

Financial department of the Headquarters of the Group continuously monitors the interest rate level of the Group. Increase in interest rate will increase the cost of newly added interest-bearing debts and the interest expenditure on the Group's outstanding interest-bearing debts with floating interest rates, and will have a significant adverse impact on the Group's financial performance. The management will make timely adjustments based on the latest market conditions, which may be arrangements of interest rate swap for the purpose of interest rate risk reduction. There were no arrangements of interest rate swap by the Group in 2019 and 2018.

As of December 31, 2019, if the loan rate with floating rate rose or fell by 50 basis points while other factors remain unchanged, the net profits of the Group would decrease or increase by approximately 19,072,231.57 yuan (December 31, 2018: approximately 17,434,915.58 yuan).

## 2 Credit risks

The Group manages the credit risks by portfolio classification. Credit risks mainly arise from bank deposits, notes receivable, accounts receivable and other receivables.

The bank deposits of the Group are mainly placed in state-owned banks and other large and medium-sized listed banks, which is believed by the Group to have no significant credit risks and will not cause significant losses due to defaults of other parties.

In addition, with respect to notes receivable, accounts receivable and other receivables, the Group controls the credit risk exposure with relevant policies. The Group evaluates the customers' credit qualifications and sets corresponding credit periods based on the customer's financial situation, the possibility of obtaining guarantees from third parties, credit records and other factors such as current market conditions. The Group regularly monitors the credit records of customers. For customers with poor credit records, the Group may make written payment proposals, shorten the credit period or cancel the credit period, etc., so as to ensure that the overall credit risk of the Group is under control.

As of December 31, 2019, there was no material guaranty held by the Group due to debtor's mortgage or other credit enhancement.

### 3 Liquidity risks

Each subsidiary of the Group is responsible for its own cash flow forecast. On the basis of summarizing the cash flow forecast of each subsidiary, the finance department of the Headquarters continuously monitors the short-term and long-term fund demands at the Group level to maintain an abundant cash reserve; at the same time, continuously monitors whether the terms of the loan agreement are met and obtains commitments to provide adequate standby funds from major financial institutions, so as to meet short-term and long-term fund demands.

As of the balance sheet date, the Group's financial liabilities are listed as follows according to the maturity date and based on undiscounted contractual cash flow:

Unit: Yuan

December 31, 2019					
	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
Short-term loans	868,262,792.82				868,262,792.82
Notes payable	8,111,877,027.54				8,111,877,027.54
Accounts payable	5,602,048,097.26				5,602,048,097.26
Other payables	3,898,115,075.49				3,898,115,075.49
Long-term loans	1,096,831,459.75	1,403,866,117.59	1,266,670,478.13		3,767,368,055.47
Bonds payable	58,357,552.50	1,055,922,552.50			1,114,280,105.00
Long-term payable	534,620,621.96	313,226,805.25	645,060,164.68	1,008,113,115.90	2,501,020,707.79
Total	20,170,112,627.32	2,773,015,475.34	1,911,730,642.81	1,008,113,115.90	25,862,971,861.37

Unit: Yuan

December 31, 2018					
	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
Short-term loans	701,743,770.69				701,743,770.69
Notes payable	4,721,151,999.58				4,721,151,999.58
Accounts	3,785,696,627.30				3,785,696,627.30

payable					
Other payables	2,470,128,708.87				2,470,128,708.87
Other current liabilities	526,500,000.00				526,500,000.00
Long-term loans	827,255,705.09	1,024,519,777.99	1,853,975,638.38		3,705,751,121.46
Bonds payable	56,300,000.00	56,300,000.00	1,056,300,000.00		1,168,900,000.00
Long-term payable	257,407,402.23	321,380,187.98	980,323,501.46	318,943,005.76	1,878,054,097.43
Other non-current liabilities	208,643,835.62				208,643,835.62
Total	13,554,828,049.38	1,402,199,965.97	3,890,599,139.84	318,943,005.76	19,166,570,160.95

Unit: Yuan

As of the balance sheet date, the maximum amount of the financial guarantee provided by the Group is listed as follows in accordance with the earliest time when the relevant party can request payment:

December 31, 2019					
	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
Guarantee	20,335,000.00	21,560,000.00	68,110,000.00	159,250,000.00	269,255,000.00

Unit: Yuan

December 31, 2018					
	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
Guarantee	19,845,000.00	20,335,000.00	66,640,000.00	182,280,000.00	289,100,000.00

## XI. Disclosure of fair value

### 1. Ending fair value of assets and liabilities measured at fair value

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
<b>I. Continuous fair value measurement</b>				
(I) Transactional financial assets				
1. Financial assets measured at fair value and their changes included in current profits and losses				

(1) Debt instrument investments				
(2) Equity instrument investments				
(3) Derivative financial assets				
2. Financial assets measured at fair value and their changes included in current profits and losses				
(1) Debt instrument investments				
(2) Equity instrument investments				
(II) Other debt investments				
(III) Other equity instrument investments			21,959,667.68	21,959,667.68
(IV) Investment real estate				
1. Land use rights for lease				
2. Buildings for lease				
3. Land use rights held and to be transferred after appreciation				
(V) Biological assets				
1. Expendable biological assets				
2. Productive biological assets				
(VI) Receivables financing			829,052,223.55	829,052,223.55
<b>Total assets continuously measured at fair value</b>			851,011,891.23	851,011,891.23
(VII) Transactional financial liabilities				
1. Financial liabilities measured at fair value and their changes included in current profits and losses				
Including: Transactional bonds issued				
Derivative financial liabilities				
Others				
2. Financial liabilities measured at fair value and their changes included in current profits and losses				
<b>Total liabilities continuously measured at fair value</b>				
<b>II. Non-continuous fair value measurement</b>				
(I) Held-for-sale assets				
<b>Total assets non-continuously</b>				

<b>measured at fair value</b>				
<b>Total liabilities non-continuously measured at fair value</b>				

**2. For continuous and non-continuous level 1 fair value measurement items, determination basis of market value**

Applicable  Non-applicable

**3. For continuous and non-continuous level 2 fair value measurement items, valuation techniques adopted and qualitative and quantitative information of important parameters**

Applicable  Non-applicable

**4. For continuous and non-continuous level 3 fair value measurement items, valuation techniques adopted and qualitative and quantitative information of important parameters**

Applicable  Non-applicable

The fair value of financial instruments traded in an active market is determined by the Group based on its quotation in active market; while the fair value of financial instruments not traded in an active market is determined by the Group based on valuation techniques. The valuation models adopted are mainly discounted cash flow model and comparable company model in market method. The input values of valuation techniques mainly include risk-free interest rate, benchmark interest rate, exchange rate, CDS premium, liquidity premium, EBITDA multiplier, liquidity discount, etc.

**5. For continuous level 3 fair value measurement items, adjustment information between beginning and ending book value and sensitivity analysis on unobservable parameters**

Applicable  Non-applicable

**6. For continuous fair value measurement items, in case of conversion among different levels during the current period, the reasons for conversion and the policy for determining the timing for conversion**

Applicable  Non-applicable

The Group takes the date of the event causing conversion among different levels as the timing for conversion. There was no conversion between level 1 and level 2 this year.

**7. Changes in valuation techniques during the current period and the reasons**

Applicable  Non-applicable

**8. Fair value of financial assets and financial liabilities not measured at fair value**

Applicable  Non-applicable

**9. Others**

Applicable  Non-applicable

The level of the fair value measurement result is determined by the lowest level of the input value which is of great significance to the fair value measurement as a whole:

Level 1: Unadjusted quotations for the same assets or liabilities in an active market.

Level 2: Directly or indirectly observable input values of related assets or liabilities except for the input values of level 1.

Level 3: Non-observable input values of related assets or liabilities.

## **XII. Related parties and related transactions**

### **1. Parent company of the Company**

Applicable  Non-applicable

Explanation on the parent company of the Company

The Company has no parent company. The actual controllers are Mr. Li Zhenguo (holding 14.44% of shares) and Mrs. Li Xiyan (holding 5.15% of shares), holding 19.58% of shares in total.

The ultimate controllers of the Company are Mr. Li Zhenguo and Mrs. Li Xiyan.

Other explanations:

None.

### **2. Subsidiaries of the Company**

Applicable  Non-applicable

For more details about subsidiaries of the Company, see IX. 1. Equities in subsidiaries.

### **3. Joint ventures and associated enterprises of the Company**

Applicable  Non-applicable

For more details about important joint ventures or associated enterprises of the Company, see IX. 3 Equity in joint ventures or associated enterprises.

Other joint ventures or associated enterprises with which the Company has related transactions in current period or formed a balance due to related transactions in the previous period is as follows

Applicable  Non-applicable

Name of joint venture or associated enterprise	Relationship with the Company
Sichuan Yongxiang New Energy Ltd.	Associated enterprises
Tongxin LONGi New Energy Ltd.	Associated enterprises
Pingmei LONGi New Energy Technology Co., Ltd.	Associated enterprises
Zhongning LONGi Solar New Energy Ltd.	Associated enterprises
Daqing Huiqing New Energy Ltd.	Associated enterprises
Zhaozhou Longhui New Energy Ltd.	Associated enterprises
Zhejiang MTCN Technology Ltd.	Associated enterprises
Zhongning LONGi Tianhua New Energy Ltd.	Associated enterprises
DAS Solar Co., Ltd	Associated enterprises
Shanghai Baowang Energy Technology Co., Ltd.	Associated enterprises
SCE	Associated enterprises
Tongchuan Xianguang New Energy Power	Associated enterprises



Generation Ltd.	
Xi'an LONGi Anfang Solar Energy Ltd.	Associated enterprises
Qishan Baotong Solar Energy Ltd.	Associated enterprises
Xi Xian New Area Leyue Solar Energy Ltd.	Associated enterprises
Xi'an Letian Solar Energy Ltd.	Associated enterprises
Lantian Mingrui New Energy Ltd.	Associated enterprises
Wuzhong Leheng Solar Energy Technology Ltd.	Associated enterprises
Xi'an Lejing Solar Energy Ltd.	Associated enterprises
Zhengzhou Lemou Solar Energy Ltd.	Associated enterprises

Other explanations

Applicable  Non-applicable

#### 4. Other related parties

Applicable  Non-applicable

Name of other related party	Relationship between the other related party with the Company
Li Zhenguo	Others
Li Xiyan	Others
Li Chun'an	Others
Zhong Baoshen	Others
Liu Xuewen	Others
Xu Dapeng	Others
Bai Zhongxue	Others
Zou Zonghai	Others
Zhang Rumin	Others
Tian Gaoliang	Others
Li Shoushuang	Others
Guo Ju'e	Others
Qi Chengjun	Others
Li Xiangju	Others
He Jing	Others
Liu Xiaodong	Others
Ningxia MTCN Semiconductor Materials Co., Ltd.	Others
Xi'an MTCN Semiconductor Materials Co., Ltd.	Others
Audiowell Electronics (Guangdong) Co., Ltd.	Others
Zhaoqing Audiowell Electronics Ltd.	Others
Dalian Linton NC Machine Co., Ltd.	Others
Shanghai Fuchuan Automation Equipment Co., Ltd.	Others
Ningxia LGG Instrument Co., Ltd. (LONGi)	Others
Shenyang LONGi Magnet Co., Ltd.	Others
Yingkou Jinchun Machinery Co., Ltd.	Others
Suzhou Yingzhen Intelligent Technology Co., Ltd.	Others
Suzhou DR Link Automation Technology Co., Ltd.	Others

Licheng Yingheng Clean Energy Co., Ltd.	Others
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Other explanations

None.

## 5. Related transactions

### (1) Related Transactions for goods purchase and sales, provision and acceptance of labor service

Table for goods purchase and labor service acceptance

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Related parties	Contents of related transactions	Accrual of the current period	Accrual of the last period
Pingmei LONGi New Energy Technology Co., Ltd.	Entrusted cell processing	934,778,344.41	783,640,560.15
Dalian Linton NC Machine Co., Ltd.	Production equipment	817,095,808.98	912,869,951.47
Sichuan Yongxiang New Energy Ltd.	Polysilicon	466,814,123.91	
Yingkou Jinchun Machinery Co., Ltd.	Production equipment	311,280,079.79	
Shanghai Fuchuan Automation Equipment Co., Ltd.	Production equipment	101,421,456.18	49,645,560.88
Shenyang LONGi Magnet Co., Ltd.	Production equipment	18,807,876.73	12,376,051.17
Ningxia MTCN Semiconductor Materials Co., Ltd.	Polysilicon	10,539,616.13	908,199.96
Dalian Linton NC Machine Co., Ltd.	Spare parts	2,037,954.81	528,377.44
Ningxia MTCN Semiconductor Materials Co., Ltd.	Spare parts		1,793,421.76
Shenyang LONGi Magnet Co., Ltd.	Spare parts	904,698.34	500,136.22
Dalian Linton NC Machine Co., Ltd.	Equipment upgrading	392,241.38	
Yingkou Jinchun Machinery Co., Ltd.	Spare parts	297,497.36	
Shanghai Fuchuan Automation Equipment Co., Ltd.	Spare parts	271,208.68	688,280.96
Ningxia LGG Instrument Co., Ltd. (LONGi)	Spare parts	23,628.32	
Suzhou DR Link Automation Technology Co., Ltd.	Spare parts	513.27	
Total		2,664,665,048.29	1,762,950,540.01

Table for goods sales and labor service provision

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Related parties	Contents of related transactions	Accrual of the current period	Accrual of the last period
Tongchuan Xianguang New Energy	Power project	1,190,479,308.83	

Power Generation Ltd.	construction and service		
Licheng Yingheng Clean Energy Co., Ltd.	Power project construction and service	875,551,365.53	
Pingmei LONGi New Energy Technology Co., Ltd.	Wafer	280,208,715.23	112,797,383.89
Pingmei LONGi New Energy Technology Co., Ltd.	Module	36,829,559.72	
Ningxia MTCN Semiconductor Materials Co., Ltd.	Electricity	9,745,907.36	11,261,556.45
DAS Solar Co., Ltd	Wafer	7,266,500.01	
Sichuan Yongxiang New Energy Ltd.	Square silicon core	4,244,424.77	
Zhaoqing Audiowell Electronics Ltd.	Power project construction and service	3,553,701.80	
Xi'an MTCN Semiconductor Materials Co., Ltd.	Electricity	1,124,610.64	1,696,373.74
Ningxia MTCN Semiconductor Materials Co., Ltd.	Others	736,339.88	960,899.81
Xi'an MTCN Semiconductor Materials Co., Ltd.	Water	87,133.39	175,707.98
Yingkou Jinchun Machinery Co., Ltd.	Mone cells	55,816.14	
Yingkou Jinchun Machinery Co., Ltd.	Spare parts	42,197.99	
Dalian Linton NC Machine Co., Ltd.	Others	14,683.92	
Xi'an MTCN Semiconductor Materials Co., Ltd.	Provision of labor service	10,754.72	74,186.57
Pingmei LONGi New Energy Technology Co., Ltd.	Technical service		3,350,979.06
Ningxia LGG Instrument Co., Ltd. (LONGi)	Others		296,369.66
Dalian Linton NC Machine Co., Ltd.	Mono ingot		30,581.78
Total		2,409,951,019.93	130,644,038.94

Explanation on related transactions for goods purchase and sales, provision and acceptance of labor service

Applicable  Non-applicable

## (2) Related trustee management/contracting and entrusted management/outsourcing

Table for trustee management/contracting of the Company

Applicable  Non-applicable

Explanation on related trustee management/outsourcing

Applicable  Non-applicable

Table for entrusted management/outsourcing of the Company

Applicable  Non-applicable

Explanation on related entrusted management/outsourcing

Applicable  Non-applicable

### (3) Related leasing

The Company acts as the lessor:

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Name of lessee	Types of leased assets	Lease revenue recognized in current period	Lease revenue recognized in the last period
Ningxia MTCN Semiconductor Materials Co., Ltd.	Housing	1,781,265.14	1,799,526.99
Ningxia MTCN Semiconductor Materials Co., Ltd.	Equipment	56,952.00	56,952.00
Total		1,838,217.14	1,856,478.99

The Company acts as the lessee:

Applicable  Non-applicable

Explanation on related-party lease

Applicable  Non-applicable

### (4) Related-party guarantee

The Company acts as the guarantee party

Applicable  Non-applicable

Unit: Ten thousand yuan Currency: RMB

Guaranteed party	Amount guaranteed	Starting date of guarantee	Expiry date of guarantee	Guarantee completed or not
Tongxin LONGi	12,201.00	8/28/2015	8/27/2030	No
Tongxin LONGi	11,221.00	9/15/2015	9/14/2030	No
LONGi Tianhua	7,448.00	9/15/2015	9/14/2030	No
Tongxin LONGi	3,724.00	9/15/2015	9/14/2030	No

The Company acts as the guaranteed party

Applicable  Non-applicable

Explanation on related-party guarantee

Applicable  Non-applicable

On August 25, 2015, the Company provided a joint liability guarantee to the lender for 122.01 million yuan of principal and interests, default interests, compound interests, compensation payments, liquidated damages, damage compensations and expenses arising from the realization of creditor's right in the long-term loans with the total amount of 249 million yuan and a duration of 15 years (from August 28, 2015 to August 27, 2030) signed by the associated enterprise Tongxin LONGi with China Development Bank, Ningxia Hui Autonomous Region Branch. The guarantee period is two years from the expiration date for performance of each debt under the main contract.

On August 25, 2015, the Company provided a joint liability guarantee to the lender for 112.21 million yuan of principal and interests, default interests, compound interests, compensation payments, liquidated damages, damage compensations and expenses arising from the realization of creditor's right in the long-term loans with the total amount of 229 million yuan and a duration of 15 years (from September 15, 2015 to September 14, 2030) signed by the associated enterprise Tongxin LONGi with China Development Bank, Ningxia Hui Autonomous Region Branch. The guarantee period is two years from the expiration date for performance of each debt under the main contract. (中文 PDF 277 页)

On August 28, 2015, the Company provided a joint liability guarantee to the lender for 74.48 million yuan of principal and interests, default interests, compound interests, compensation payments, liquidated damages, damage compensations and expenses arising from the realization of creditor's right in the long-term loans with the total amount of 152 million yuan and a duration of 15 years (from September 15, 2015 to September 14, 2030) signed by the associated enterprise LONGi Tianhua with China Development Bank, Ningxia Hui Autonomous Region Branch. The guarantee period is two years from the expiration date for performance of each debt under the main contract.

On August 25, 2015, the Company provided a joint liability guarantee to the lender for 37.24 million yuan of principal and interests, default interests, compound interests, compensation payments, liquidated damages, damage compensations and expenses arising from the realization of creditor's right in the long-term loans with the total amount of 76 million yuan and a duration of 15 years (from September 15, 2015 to September 14, 2030) signed by the associated enterprise Tongxin LONGi with China Development Bank, Ningxia Hui Autonomous Region Branch. The guarantee period is two years from the expiration date for performance of each debt under the main contract.

#### **(5) Borrowing and lending of related parties**

Applicable  Non-applicable

#### **(6) Asset transfer and debt restructuring of related parties**

Applicable  Non-applicable

#### **(7) Remuneration of critical management personnel**

Applicable  Non-applicable

Unit: Ten thousand yuan Currency: RMB

Items	Accrual of the current period	Accrual of the last period
Remuneration of critical management personnel	1,327.58	959.70

Including 0.00 yuan of equity incentives (in 2018: 210,000 yuan)

#### **(8) Other related transactions**

√ Applicable  Non-applicable

On December 14, 2016, Li Zhenguo provided a guarantee for all expenses including the entire principal, interests, overdue interests, compound interests, default interests, liquidated damages, damage compensations, commitment fees and losses caused by exchange rate fluctuations under the No. NY010010020020160900004 Fixed Assets Loan Contract (hereinafter referred to as the "main contract") with the credit granting amount of 150 million yuan only signed by the Company's wholly-owned subsidiary Yinchuan LONGi and Bank of Ningxia, Xicheng Branch. The guarantee period is two years from the expiration date for performance of each debt under the main contract.

On December 21, 2017, Li Zhenguo and Li Xiyan provided a guarantee for the liabilities with the maximum amount of 330 million yuan formed by the note pool business (from December 21, 2017 to November 19, 2020) handled by the Company's subsidiary Zhejiang LONGi Solar in China Zheshang Bank, Quzhou Branch. The scope of guarantee covers the main debt principal, interests (including legal interests, contract interests and default interests), compound interests, service charges, liquidated damages, damage compensations, expenses arising from the realization of creditor's right and other expenses payable under the main contract. The guarantee period is two years from the date of advance payment by China Zheshang Bank, Quzhou Branch.

On April 17, 2017, Li Zhenguo and Li Xiyan provided a guarantee for the credit granting agreement signed by the Company and HSBC, Xi'an Branch. The effective service life of the line of credit is from March 9, 2018 to December 31, 2019. The maximum amount guaranteed does not exceed 16.5 million U.S. dollars of credit granting for the financing standby letter of credit. The scope of guarantee covers the main debt principal, interests (including legal interests, contract interests and default interests), compound interests, service charges, liquidated damages, damage compensations, expenses arising from the realization of creditor's right and other expenses payable under the main contract. The guarantee period is two years from the expiration date of performance of debts by the credit receiver agreed on the specific credit granting business contract or agreement.

On August 9, 2018, Li Zhenguo and Li Xiyan pledged their 77 million yuan of share capital to The Export-Import Bank of China, Shaanxi Province Branch to provide a guarantee for the liabilities with the maximum amount of 750 million yuan of the specific business contracts signed by the Company and its subsidiaries with The Export-Import Bank of China, Shaanxi Province Branch from June 15, 2018 to June 15, 2020. The scope of guarantee covers the main debt principal, interests (including legal interests, contract interests and default interests), compound interests, service charges, liquidated damages, damage compensations, expenses arising from the realization of creditor's right and other expenses payable under the main contract. The guarantee period is two years from the expiration date of performance of liabilities by the credit receiver agreed on the specific credit granting business contract or agreement.

On September 25, 2018, Li Chun'an provided a pledge guarantee with the maximum amount of 750 million yuan for the trade finance business (including the domestic and foreign currency loans, issuance of letters of credit and import documentary bills) handled by the Company and its subsidiaries from June 15, 2018 to June 15, 2020 in The Export-Import Bank of China, Shaanxi Province Branch.

On January 14, 2019, Li Zhenguo and Li Xiyan provided a guarantee for the credit granting agreement signed by the Company and Everbright Bank, Xi'an Branch. The effective service life of the line of credit is from January 14, 2019 to January 14, 2020, with the amount guaranteed of 272.5 million yuan only. The scope of guarantee covers all liabilities under the main contract, including but not limited to the principal, interests (including compound interests and default interests), liquidated damages and compensations. The guarantee

period is two years after the period from the signing date of main contract of individual credit granting business to the expiration date of performance of liabilities by the debtor under the main contract.

On March 19, 2019, Li Zhenguo and Li Xiyan provided a guarantee for the credit granting agreement signed by the Company and China Construction Bank, Xi'an Branch, Gaoxin Sub-branch. The effective service life of the line of credit is from March 1, 2019 to March 1, 2020, with the amount guaranteed of 700 million yuan only. The scope of guarantee covers all liabilities under the main contract, including but not limited to the principal, interests (including compound interest and default interest), liquidated damages and compensations. The guarantee period is three years after the period from signing the main contract of individual credit granting business to the expiration date of performance of liabilities by the debtor under the main contract.

On March 8, 2019, Li Zhenguo provided a guarantee for all expenses including the entire principal, interests, overdue interests, compound interests, default interests, liquidated damages, damage compensations, commitment fees and losses caused by exchange rate fluctuations under the No. NY010010020020190300002 Fixed Assets Loan Contract (hereinafter referred to as the "main contract") with the amount of credit granting of 200 million yuan only signed by the Company's wholly-owned subsidiary Yinchuan LONGi and Bank of Ningxia, Xicheng Branch. The guarantee period is two years from the expiration date of performance of each debt under the main contract.

On April 24, 2019, Li Zhenguo and Li Xiyan provided a guarantee with the maximum amount of 400 million yuan for the Line of Credit Contract and the revision or supplement signed by the Company and China Guangfa Bank Co., Ltd., Xi'an Branch.

On May 10, 2019, Li Zhenguo and Li Xiyan provided a guarantee for the comprehensive credit granting agreement signed by the Company and China Zheshang Bank, Xi'an Branch. The effective service life of the line of credit is from May 10, 2019 to February 12, 2020, with the maximum amount guaranteed of 330 million yuan. The scope of guarantee covers the main debt principal, interests (including legal interests, contract interests and default interests), compound interests, service charges, liquidated damages, damage compensations, expenses arising from the realization of creditor's right and other expenses payable under the main contract. The guarantee period is two years from the expiration date of performance of liabilities by the credit receiver agreed on the specific credit granting business contract or agreement.

On May 30, 2019, Li Zhenguo and Li Xiyan separately provided a guarantee with the maximum amount of 300 million yuan for the credit granting contracts signed by the Company and Industrial Bank Co., Ltd., Xi'an Branch from March 27, 2019 to March 26, 2020.

On July 23, 2019, Li Chun'an provided a share pledge guarantee of 300 million yuan (33 million shares) for the load contract for the seller's credit on export signed by LONGi and The Export-Import Bank of China, Shaanxi Branch.

## 6. Receivables and payables of related parties

### (1) Receivables

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Item name	Related parties	Ending balance		Beginning balance	
		Book balance	Bad-debt reserves	Book balance	Bad-debt reserves
Notes	Ningxia MTCN	982,333.69		1,771,513.28	

receivable and receivable financing	Semiconductor Materials Co., Ltd.				
Notes receivable and receivable financing	Xi'an MTCN Semiconductor Materials Co., Ltd.	591,173.00		702,754.00	
Notes receivable and receivable financing	Pingmei LONGi New Energy Technology Co., Ltd.			110,000,000.00	
Total		455,945,299.51		112,474,267.28	
Accounts receivable	Tongchuan Xiaguang New Energy Power Generation Ltd.	113,208,581.43	1,132,085.81		
Accounts receivable	Zhaozhou Longhui New Energy Ltd.	28,193,939.37	1,409,696.97	263,205,540.28	8,313,196.96
Accounts receivable	Qishan Baotong Solar Energy Ltd.	9,995,334.00	9,995,334.00		
Accounts receivable	Pingmei LONGi New Energy Technology Co., Ltd.	3,977,356.71	39,773.57		
Accounts receivable	Wuzhong Leheng Solar Energy Technology Ltd.	286,301.50	85,890.45		
Accounts receivable	Zhaoqing Audiowell Electronics Ltd.	120,427.43	2,408.55		
Total		155,781,940.44	12,665,189.35	263,205,540.28	8,313,196.96
Other receivables	Licheng Yingheng Clean Energy Co., Ltd.	3,260,000.00	163,000.00		
Other receivables	Zhaozhou Longhui New Energy Ltd.	234,863.14	23,486.31	634,863.14	31,743.16
Other receivables	Xi'an MTCN Semiconductor Materials Co., Ltd.	157,617.85	7,880.90	2,691.11	134.56
Other receivables	Ningxia MTCN Semiconductor Materials Co., Ltd.	34,375.72	1,718.79	98,214.64	4,910.73



Other receivables	Tongchuan Xianguang New Energy Power Generation Ltd.	1,110.00	111.00		
Total		3,687,966.71	196,197.00	735,768.89	36,788.45
Prepayments	Dalian Linton NC Machine Co., Ltd.	203,831,273.76		13,803,473.55	
Prepayments	Sichuan Yongxiang New Energy Ltd.	58,494,666.89			
Prepayments	Yingkou Jinchen Machinery Co., Ltd.	39,418,698.72			
Prepayments	Shanghai Fuchuan Automation Equipment Co., Ltd.	28,772,038.62			
Prepayments	Shenyang LONGi Magnet Co., Ltd.	778,800.00			
Total		331,295,477.99		13,803,473.55	

**(2) Payables**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Item name	Related parties	Ending book balance	Beginning book balance
Notes payable	Pingmei LONGi New Energy Technology Co., Ltd.	338,526,603.61	99,254,625.06
Notes payable	Dalian Linton NC Machine Co., Ltd.	127,534,856.19	12,384,539.08
Notes payable	Sichuan Yongxiang New Energy Ltd.	92,453,122.44	
Notes payable	Shenyang LONGi Magnet Co., Ltd.	2,468,216.00	62,290.00
Notes payable	Shanghai Fuchuan Automation Equipment Co., Ltd.	1,621,607.27	137,811.97
Notes payable	Ningxia MTCN Semiconductor Materials Co., Ltd.	143,612.73	378,919.20
Notes payable	Yingkou Jinchen Machinery Co., Ltd.	117,600.00	
Total		562,865,618.24	112,218,185.31
Accounts payable	Pingmei LONGi New Energy Technology Co., Ltd.	88,242,078.78	44,526,561.21
Accounts payable	Sichuan Yongxiang New Energy Ltd.	25,170,265.50	

Accounts payable	Yingkou Jinchun Machinery Co., Ltd.	12,279,194.03	
Accounts payable	Ningxia MTCN Semiconductor Materials Co., Ltd.	4,860,919.25	987,401.58
Accounts payable	Dalian Linton NC Machine Co., Ltd.	1,896,451.88	1,136,656.39
Accounts payable	Shenyang LONGi Magnet Co., Ltd.	240,535.35	187,515.33
Accounts payable	Suzhou Yingzhen Intelligent Technology Co., Ltd.	90,000.00	
Accounts payable	Shanghai Fuchuan Automation Equipment Co., Ltd.	33,698.03	169,635.65
Accounts payable	Ningxia LGG Instrument Co., Ltd. (LONGi)	26,700.00	
Accounts payable	Suzhou DR Link Automation Technology Co., Ltd.	16,068.72	
Total		132,855,911.54	47,007,770.16
Other payables	Dalian Linton NC Machine Co., Ltd.	534,802,102.74	538,243,112.98
Other payables	Yingkou Jinchun Machinery Co., Ltd.	103,464,735.14	
Other payables	Shanghai Fuchuan Automation Equipment Co., Ltd.	74,552,765.14	33,845,813.65
Other payables	Zhongning LONGi Solar New Energy Ltd.	32,605,972.95	
Other payables	Shenyang LONGi Magnet Co., Ltd.	9,324,376.42	8,173,519.68
Other payables	Ningxia MTCN Semiconductor Materials Co., Ltd.	1,100,000.00	1,100,000.00
Other payables	Xi'an MTCN Semiconductor Materials Co., Ltd.	97,594.32	
Total		755,947,546.71	581,362,446.31
Advance receipt	Licheng Yingheng Clean Energy Co., Ltd.	102,946,550.79	
Advance receipt	Zhaoqing Audiowell Electronics Ltd.		1,068,354.00
Advance receipt	Ningxia MTCN Semiconductor Materials Co., Ltd.		487,612.08
Total		102,946,550.79	1,555,966.08

### 7. Related party's commitment

Applicable  Non-applicable

### 8. Others

Applicable  Non-applicable

## XIII. Share-based payment

### 1. Overall situation of share-based payment

Applicable  Non-applicable

Unit: Share; Currency: RMB

Total amount of all equity instruments granted by the Company in current period	
Total amount of all equity instruments vested by the Company in current period	3,517,150.00
Total amount of all invalid equity instruments of the Company in current period	1,074,157.00
The scope of the vesting price of outstanding share options issued by the Company at the end of the period and the residual period of contract	
The scope of the vesting price of other outstanding equity instruments issued by the Company at the end of the period and the residual period of contract	

Other explanations

See VII. 54. Treasury stock

**2. Equity-settled share-based payment** Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Method for determining the fair value of equity instruments as granted	Share price as granted deducting the granted price
Basis for determining the number of vested equity instruments	Best estimate of the management
Reasons for significant difference between the current estimate and the last estimate	N/A
Accumulated amount of the equity-settled share-based payment included in capital reserves	108,217,201.21
Total recognized expenses of the equity-settled share-based payment in current period	7,757,330.48

Other explanations

None.

**3. Cash-settled share-based payment** Applicable  Non-applicable**4. Modification and termination of share-based payment** Applicable  Non-applicable**5. Others** Applicable  Non-applicable**XIV. Commitments or contingencies****1. Important commitments** Applicable  Non-applicable

Important external commitments, property and amount on the balance sheet date

(1) Capital expenditure commitment

The capital expenditure commitments signed by the Group which were not necessary to be listed in the balance sheet on the balance sheet date are as follows:

Unit: Yuan

Items	December 31, 2019
Houses, buildings and machinery equipment	7,572,744,761.59
Intangible assets	13,212,420.90
Total	7,585,957,182.49

**(2) Operating lease commitment**

The summarized minimum rents payable by the Group in the future according to the signed irrevocable operating lease contract are as follows:

Unit: Yuan

Items	December 31, 2019	December 31, 2018
Within 1 year	73,390,735.77	45,791,429.22
1-2 years	67,425,606.31	66,769,316.16
2-3 years	52,677,141.57	57,489,576.23
More than 3 years	615,608,027.54	631,947,694.83
Total	809,101,511.19	801,998,016.44

**2. Contingencies****(1) Important contingencies on the balance sheet date**

Applicable  Non-applicable

As of December 31, 2019, the Company has no important contingencies to disclose.

**(2) The Company shall explain even there are no important contingencies to disclose:**

Applicable  Non-applicable

**3. Others**

Applicable  Non-applicable

**XV. Matters after the balance sheet date****1. Important non-adjusting matters**

Applicable  Non-applicable

**2. Profits distribution**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Profits or dividends to be distributed	754,365,470.20
Profits or dividends declared to be issued after review and approval	

Note: The Company's 2019 plan for profit distribution reviewed and approved by the Annual Meeting of the Fourth Session of the Board of Directors in 2019 is as follows:

As of December 31, 2019, the total share capital of the Company was 3,772,016,757 shares. Taking the total share capital on the date of record at the time of the equity distribution after being deducted of 189,406 proposed repurchased restricted shares that are not involved in the aforementioned equity distribution as the base, the Company plans to distribute a cash dividend of 2 yuan (including tax) every 10 shares to all shareholders. Based on this, a total cash dividend distributed is 754,365,470.20 yuan (including tax), and the cash dividend ratio of the Company for the year is 14.29%.

If the total share capital of the Company changes from the date when the above plan is disclosed to the date when the equity is distributed and recorded, the company intends to maintain the distribution ratio per share unchanged and adjust the total amount distributed accordingly. The above plan needs to be submitted to the General Meeting of Shareholders for approval.

### **3. Sales return**

Applicable  Non-applicable

### **4. Explanation on other matters after the balance sheet date**

Applicable  Non-applicable

(1) Since the national outbreak of the pneumonia caused by 2019-nCoV in January, 2020, the prevention and control measures against the outbreak have been carried out across the country. After practically implementing all requirements of prevention and control, the Company actively returns to work and resumes production.

The pneumonia outbreak has caused certain impacts to the Group's business operation in various places and influenced the production and logistics efficiency in some degree, depending on the duration of the epidemic. The Company will closely focus on the development of the outbreak, evaluate and actively handle the impact of epidemic on the finance and operation performance of the Company.

(2) In March and April 2019, HANWHA Q CELLS & ADVANCED MATERIALS CORP. and its related parties (hereinafter referred to as "HANWHA") successively filed patent infringement litigation with the United States International Trade Commission (ITC), the United States District Court for the District of Delaware, the Federal Court of Australia, and the Germany District Court for the District of Dusseldorf, claiming that some products sold by LONGi and its subsidiaries in the aforementioned areas infringed the patent rights of HANWHA. The litigation claims include: prohibit the Company and its subsidiaries from selling the infringing products in the aforementioned areas, and compensate for the losses and other expenses. The above litigation cases have been accepted by ITC and relevant courts.

In April 2020, the judge of the United States International Trade Commission (ITC) released 337 preliminary investigation determination result of "HANWHA litigation for infringement of LONGi products against its patent right in the United States" (Patent No.: US9893215): the Company's products do not infringe HANWHA's patent right. Due to ITC's suspension of the proceedings, the United States District Court for the District of Delaware will wait for ITC's judgment to decide whether to continue the trial of the relevant case; and in addition, the Company's cases in the Federal Court of Australia and the Germany District Court for the District of Dusseldorf are still in the pleading and evidence investigation stage.

## **XVI. Other important matters**

### **1. Correction of accounting errors in the early period**

#### **(1) Retrospective restatement**

Applicable  Non-applicable

**(2) Prospective application**

Applicable  Non-applicable

**2. Debt restructuring**

Applicable  Non-applicable

**3. Asset replacement**

**(1) Exchange of non-monetary assets**

Applicable  Non-applicable

**(2) Other asset replacements**

Applicable  Non-applicable

**4. Pension plan**

Applicable  Non-applicable

**5. Discontinued operations**

Applicable  Non-applicable

**6. Segment information**

**(1) Determination basis and accounting policy of the reporting segments**

Applicable  Non-applicable

The reporting segments of the Group are the business units that provide different products or services or operate in different regions. As various kinds of businesses or regions require different technologies and market strategies, the Group independently manages the production and operation activities of each reporting segment and evaluates the operation results to decide the resource allocation and performance evaluation.

The Group has five reporting segments:

- Wafer Business Unit, mainly engaged in the production and sales of mono wafers;
- Module Business Unit, mainly engaged in the production and sales of solar mono modules;
- Centralized Power Project Business Unit, mainly engaged in the construction business of centralized power project;
- Distributed Power Project Business Unit, mainly engaged in the construction business of distributed power project;
- Other segments, for providing services for the investment and internal operation management of the Group.

**(2) Financial information of reporting segments**

Applicable  Non-applicable

Unit: Ten thousand yuan Currency: RMB

Items	Wafer Business Unit	Module Business Unit	Centralized Power Project	Distributed Power Project	Others	Offset between segments	Total
Revenues	1,888,448.10	1,783,675.27	304,714.50	68,017.04	9,391.62	764,500.99	3,289,745.54
Revenues from external transactions	1,356,413.05	1,561,737.65	304,639.96	66,888.32	66.56		3,289,745.54
Revenues from transactions between segments	532,035.05	221,937.62	74.54	1,128.72	9,325.06	764,500.99	
Main business costs	1,226,430.76	1,541,574.63	241,010.79	39,158.15	7,267.85	716,505.73	2,338,936.45
Asset impairment losses	18,726.10	30,396.05	899.47	-0.10	565.70	458.22	50,129.00
Credit impairment losses	36.97	1,075.32	1,594.64	3,239.19	429.86	254.83	6,121.15
Total profits	589,437.01	37,902.35	38,566.91	11,737.27	-14,101.88	38,848.43	624,693.23
Income tax expenses	76,490.25	4,068.10	4,998.92	-1,381.92	-3,960.13	11,238.37	68,976.85
Net profits	512,946.76	33,834.25	33,567.99	13,119.19	-10,141.75	27,610.06	555,716.38
Total assets	2,716,963.32	2,681,543.20	543,612.28	371,430.33	1,178,259.12	1,561,410.94	5,930,397.31
Total liabilities	1,068,628.00	1,695,906.41	394,404.80	210,692.11	250,673.00	519,388.68	3,100,915.64
Other non-cash expenses other than the depreciation and amortization expenses		15,843.00	3,958.00				19,801.00
Long-term equity investments to associated enterprises and joint	17,893.02	89,779.23	35,939.13	5,864.68		42,057.59	107,418.47
Increase of non-current assets (i)	222,982.48	456,638.66	-14,438.76	-40,711.55	-4,468.15	148,913.67	471,089.01

**(3) In case the Company has no reporting segments or fails to disclose the total assets and total liabilities of each reporting segment, the reason shall be explained.**

Applicable  Non-applicable

**(4) Other explanations**

Applicable  Non-applicable

Unit: Ten thousand yuan

Revenues from external transactions	December 31, 2019
China	2,027,299.09
The United States	316,880.89
Other countries/regions	945,565.56
Total	3,289,745.54
Total non-current assets	December 31, 2019

China	1,843,510.73
Malaysia	236,010.73
Hong Kong	57,657.36
India	4,238.75
Other countries/regions	137.85
Total	2,141,555.42

## 7. Other important transactions and matters that affect the investor's decision

Applicable  Non-applicable

## 8. Others

Applicable  Non-applicable

### Capital management

The Group's capital management policy is to ensure the continuing operations of the Group, so as to offer returns for shareholders and enable other stakeholders to obtain benefits, while maintaining the best capital structure to lower the capital costs.

To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the shareholders, return the capital to the shareholders, issue new shares or sell assets to reduce the liabilities.

The total capitals of the Group are the shareholders' equity listed in the consolidated balance sheet. The Group is not subject to the external mandatory capital requirements and uses the asset-liability ratio to monitor the capitals.

On December 31, 2018 and December 31, 2019, the asset-liability ratios of the Group were listed as follows:

Items	December 31, 2019	December 31, 2018
Asset-liability ratio	52.29%	57.58%

## XVII. Notes of major items in financial statement of parent company

### 1. Accounts receivable

#### (1) Disclosure by age

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Age	Ending book balance
Within 1 year	
Including: Sub-items within 1 year	
Including: Within 6 months	1,172,193,867.33
7-12 months	45,496,084.51
Subtotal within 1 year	1,217,689,951.84
1 to 2 years	35,216,266.51
2 to 3 years	24,805,762.86
3 to 4 years	
4 to 5 years	
More than 5 years	



Total	1,277,711,981.21
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**(2) Classified disclosure according to bad debt accrual method**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Category	Ending balance					Beginning balance				
	Book balance		Bad-debt reserves		Book value	Book balance		Bad-debt reserves		Book value
	Amount	Proportion (%)	Amount	Proportion of accrual (%)		Amount	Proportion (%)	Amount	Proportion of accrual (%)	
Accrual for bad debt reserves by single item										
Wherein:										
Accrual for bad debt reserves by portfolio	1,277,711,981.21	100	11,774,446.36	0.92	1,265,937,534.85	2,689,154,792.93	100	17,939,585.81	0.67	2,671,215,207.12
Wherein:										
Portfolio - receivables from corporate customers:	317,058,756.51	24.81	11,774,446.36	3.71	305,284,310.15	960,201,662.35	35.71	17,939,585.81	1.87	942,262,076.54
Portfolio - receivables from the Group's internal related parties	960,653,224.70	75.19			960,653,224.70	1,728,953,130.58	64.29			1,728,953,130.58
Total	1,277,711,981.21	/	11,774,446.36	/	1,265,937,534.85	2,689,154,792.93	/	17,939,585.81	/	2,671,215,207.12

Accrual for bad debt reserves by single item:

□ Applicable √ Non-applicable

Accrual for bad debt reserves by portfolio:

√ Applicable □ Non-applicable

Accrual items by portfolio: Portfolio - receivables from corporate customers:

Unit: Yuan; Currency: RMB

Name	Ending balance		
	Accounts receivable	Bad-debt reserves	Proportion of accrual (%)
Within 1 year			
Including: Within 6 months	256,883,040.53	2,568,830.44	1.00
7-12 months	153,686.61	3,073.73	2.00
1-2 years	35,216,266.51	1,760,813.33	5.00
2-3 years	24,805,762.86	7,441,728.86	30.00
3-4 years			100.00
4-5 years			100.00
More than 5 years			100.00
Total	317,058,756.51	11,774,446.36	

Recognition standard and explanation on accrual for bad debts by portfolio:

Applicable  Non-applicable

Accrual items by portfolio: Portfolio - receivables from the Group's internal related parties:

Unit: Yuan; Currency: RMB

Name	Ending balance		
	Accounts receivable	Bad-debt reserves	Proportion of accrual (%)
Within 1 year			
Including: Within 6 months	915,310,826.80		
7-12 months	45,342,397.90		
1-2 years			
2-3 years			
More than 3 years			
Total	960,653,224.70		

Recognition standard and explanation on accrual for bad debts by portfolio:

Applicable  Non-applicable

If bad debt reserves are accrued according to the general model of expected credit loss, please refer to the disclosure of other receivables:

Applicable  Non-applicable

### (3) Bad debt reserves

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Category	Beginning balance	Changed amount in current period				Ending balance
		Accrual	Recovery or reversal	Resale or write-off	Other changes	
Bad debt reserves for accounts receivable	17,939,585.81		6,165,139.45			11,774,446.36
Total	17,939,585.81		6,165,139.45			11,774,446.36

Including important recovery or reversal amount of the bad debt reserves in current period:

Applicable  Non-applicable

**(4) Accounts receivable actually written off in current period**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Amount of write-off
Accounts receivable actually written off	0.00

Including the write-off of important accounts receivable

Applicable  Non-applicable

**(5) Top five accounts receivable of the ending balance collected by debtors**

Applicable  Non-applicable

Unit: Yuan

	Balance	Amount of bad debt reserves	Proportion to the total balance of accounts receivable
Total amount of the top five accounts receivable	1,026,226,609.83	657,155.54	80.32%

**(6) Accounts receivable derecognized due to transfer of financial assets**

Applicable  Non-applicable

**(7) Amount of assets and liabilities formed by transferring accounts receivable and continuing to be involved**

Applicable  Non-applicable

Other explanations:

Applicable  Non-applicable

**2. Other receivables**

**Project list**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance	Beginning balance
Interests receivable		
Dividends receivable		
Other receivables	1,381,531,710.34	512,763,345.44
Total	1,381,531,710.34	512,763,345.44

Other instructions:

Applicable  Non-applicable

### Interests receivable

#### (1) Classification of interests receivable

Applicable  Non-applicable

#### (2) Important overdue interests

Applicable  Non-applicable

#### (3) Accrual for bad debt reserves

Applicable  Non-applicable

Other explanations:

Applicable  Non-applicable

### Dividends receivable

#### (1) Dividends receivable

Applicable  Non-applicable

#### (2) Important dividends receivable aged over 1 year

Applicable  Non-applicable

#### (3) Accrual for bad debt reserves

Applicable  Non-applicable

Other explanations:

Applicable  Non-applicable

### Other receivables

#### (1) Disclosure by age

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Age	Ending book balance
Within 1 year	
Including: Sub-items within 1 year	
Subtotal within 1 year	1,379,725,370.86
1-2 years	1,233,092.37
2-3 years	510,722.79
3-4 years	805,901.75
4-5 years	2,000,000.00
More than 5 years	60,000.00
Total	1,384,335,087.77

#### (2) Classification according to the nature of payments

√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Nature of payments	Ending book balance	Beginning book balance
Current payment inside the Group	1,377,614,084.33	507,588,444.94
Margin deposit	4,567,973.37	3,560,233.31
Petty cash	160,128.30	2,370,955.98
Current payment	591,662.79	1,684,383.65
Others	1,401,238.98	13,293.62
Total	1,384,335,087.77	515,217,311.50

**(3) Accrual for bad debt reserves**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Bad-debt reserves	Phase I	Phase II	Phase III	Total
	Expected credit losses in the following 12 months	Expected credit losses for the entire duration (without credit impairment)	Expected credit losses for the entire duration (with credit impairment)	
Balance on January 1, 2019	453,966.06		2,000,000.00	2,453,966.06
Balance on January 1, 2019 in current period				
- transferred to Phase II				
- transferred to Phase III				
- reversed to Phase II				
- reversed to Phase I				
Accrual in current period	349,411.37			349,411.37
Reversal in current period				
Resale in current period				
Write-off in current period				
Other changes				
Balance on December 31, 2019	803,377.43		2,000,000.00	2,803,377.43

Explanation on the significant changes in the book balance of other receivables where loss reserve changes in current period:

 Applicable √ Non-applicable

Accrual amount of bad debt reserves and basis for assessing whether the credit risk of financial instruments

has increased significantly in current period:

Applicable  Non-applicable

**(4) Bad debt reserves**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Category	Beginning balance	Changed amount in current period				Ending balance
		Accrual	Recovery or reversal	Resale or write-off	Other changes	
Bad debt reserves for other receivables	2,453,966.06	349,411.37				2,803,377.43
Total	2,453,966.06	349,411.37				2,803,377.43

Including important reversal or recovery amount of the bad debt reserves in current period:

Applicable  Non-applicable

**(5) Other accounts receivable actually written off in current period**

Applicable  Non-applicable

**(6) Top five other accounts receivable of the ending balance collected by debtors**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Company name	Nature of payments	Ending balance	Age	Proportion to total ending balance of other receivables (%)	Ending balance of bad debt reserves
Baoshan LONGi	Current payment	715,450,255.60	Within 1 year	51.68	
LONGi Solar	Current payment	250,503,065.13	Within 1 year	18.10	
Lijiang LONGi	Current payment	153,892,213.51	Within 1 year	11.12	
Yinchuan LONGi Solar	Current payment	130,300,000.00	Within 1 year	9.41	
Taizhou LONGi Solar	Current payment	76,794,851.48	Within 1 year	5.55	
Total	/	1,326,940,385.72	/	95.86	

**(7) Receivables involving governmental subsidies**

Applicable  Non-applicable

**(8) Other receivables derecognized due to transfer of financial assets**

Applicable  Non-applicable

**(9) Amount of assets and liabilities formed by transferring other receivables and continuing to be involved**

Applicable  Non-applicable

Other explanations:

Applicable  Non-applicable

**3. Long-term equity investment**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Investments to subsidiaries	16,647,448,793.33		16,647,448,793.33	12,731,497,716.38		12,731,497,716.38
Investments to associated enterprises and joint ventures	247,470,534.59		247,470,534.59	218,523,885.14		218,523,885.14
Total	16,894,919,327.92		16,894,919,327.92	12,950,021,601.52		12,950,021,601.52

**(1) Investments to subsidiaries**

Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Investee	Beginning balance	Increase in the current period	Decrement in current period	Ending balance	Accrual for impairment reserves in current period	Ending balance of impairment reserves
Yinchuan LONGi	3,422,832,298.21	1,031,862.82		3,423,864,161.03		
LONGi Solar	3,075,267,414.57	3,601,104,671.58		6,676,372,086.15		
Baoshan LONGi	1,636,340,602.08	114,929.77		1,636,455,531.85		
LONGi New Energy	1,376,524,956.76		17,239.41	1,376,507,717.35		
LONGi (H.K.)	642,122,205.42			642,122,205.42		
Ningxia LONGi	529,615,552.25	779,789.56		530,395,341.81		
Clean Energy	503,528,674.18	92,745.65		503,621,419.83		
Chuxiong LONGi	500,351,905.61	116,830.40		500,468,736.01		

Wuxi LONGi	493,345,599.76	373,616.21		493,719,215.97		
Lijiang LONGi	480,508,733.99	170,834.57		480,679,568.56		
Huaping LONGi	0.00	300,029,963.83		300,029,963.83		
INDIA LERRI SOLAR	20,480,000.00			20,480,000.00		
LONGi U.S.	17,076,250.00			17,076,250.00		
LONGi Venture Capital	5,110,000.00	10,000,000.00		15,110,000.00		
JAPAN LERRI SOLAR	6,431,139.21			6,431,139.21		
Germany LONGi	3,807,600.00			3,807,600.00		
Equity incentives of other investors under the secondary level (excluding)	18,154,784.34	2,153,071.97		20,307,856.31		
Total	12,731,497,716.38	3,915,968,316.36	17,239.41	16,647,448,793.33		

**(2) Investments to associated enterprises and joint ventures**

√ Applicable □ Non-applicable

Unit: Yuan; Currency: RMB

Investor	Beginning balance	Increase or decrease in current period								Ending balance	Ending balance of impairment reserves
		Additi onal invest ment	Decrea sed invest ment	Profits & losses on investments confirmed by equity law	Adjustment of other comprehensi ve incomes	Other changes of equities	Releasing cash dividends and profits	Accrual for impairment reserves	Others		
I. Joint venture											
Subtotal											
II. Associated enterprises											
Sichuan Yongxiang	179,980,394.31			23,173,196.21						203,153,590.52	
Zhejiang MTCN	35,890,563.60			6,221,640.90						42,112,204.50	
Shanghai Baowang	2,652,927.23			-448,187.66						2,204,739.57	
Subtotal	218,523,885.14			28,946,649.45						247,470,534.59	
Total	218,523,885.14			28,946,649.45						247,470,534.59	

Other explanations:

None.

**4. Revenues and costs of revenues**



**(1) Revenues and costs of revenues**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period		Accrual of the last period	
	Revenues	Costs	Revenues	Costs
Main business	18,847,294,185.26	17,110,557,405.67	11,638,878,016.81	11,094,721,688.24
Total	18,847,294,185.26	17,110,557,405.67	11,638,878,016.81	11,094,721,688.24

Other explanations:

None.

**5. Investment incomes**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Accrual of the current period	Accrual of the last period
Incomes from long-term equity investments accounted by cost method	1,000,000,000.00	1,100,000,000.00
Incomes from long-term equity investments accounted by equity method	28,946,649.45	4,562,298.95
Investment incomes from disposal of financial assets measured at fair value with changes included in the current profits and losses	99,818,139.63	
Investment incomes from disposal of available-for-sale financial assets		62,469,258.97
Incomes from the entrusted loan to subsidiaries		596,912.89
Total	1,128,764,789.08	1,167,628,470.81

Other explanations:

None.

**6. Others** Applicable √ Non-applicable**XVIII. Supplement****1. List of current non-recurring profits and losses**√ Applicable  Non-applicable

Unit: Yuan; Currency: RMB

Items	Amount
Profits and losses from disposal of non-current assets	-68,878,970.62
Governmental subsidies included in current profits and losses	228,852,546.77

(except for governmental subsidies that are closely related to the business of the enterprise and that are subject to constant or fixed amount of national uniform standards)	
Except for the effective hedging business related to the normal business of the Company, profits and losses from changes in fair value arising from the holding of trading financial assets, derivative financial assets, trading financial liabilities, and derivative financial liabilities, and investment incomes from the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investments.	109,984,235.52
Return of provision for impairment of receivables that are individually tested for impairment	500,000.00
Other non-operating incomes and expenses other than the above	-40,467,513.83
Amount affected of income tax	-34,232,170.62
Amount affected of minority shareholders' equity	-9,826,197.60
Total	185,931,929.62

Reasons for the non-recurring profits and losses that are defined according to the definition in the Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public - Non-recurring Profits and Losses and the non-recurring profits and losses listed in the above-mentioned announcement that are defined as the recurring profits and losses by the Company shall be explained.

Applicable  Non-applicable

## 2. Return on equity and earnings per share

Applicable  Non-applicable

Profits in the reporting period	Weighted average return on equity (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profits attributable to the Company's common shareholders	23.93	1.47	1.47
Net profits attributable to the Company's common shareholders after deducting the non-recurring profits and losses	23.09	1.42	1.42

## 3. Differences in accounting data calculated in accordance with domestic and foreign accounting standards respectively

Applicable  Non-applicable

## 4. Others

Applicable  Non-applicable

## Section XII Contents of Reference Documents

Contents of reference documents	Financial statements with the signatures and stamps of legal representative of the Company, accountant officer, head (accounting officer) of accounting institution
Contents of reference documents	Original audit report with the stamp of accounting firm and the signature and stamp of certified public accountant
Contents of reference documents	Originals of all company documents and announcements publicly disclosed on the website designated by CSRC within the reporting period

Chairman: Zhong Baoshen

Date of submission approved by the Board of Directors: April 23, 2020

### Revision

Applicable  Non-applicable