

Jinko Denmark Solar ApS
Langelinie Alle 35, 2100 København Ø
Annual report for 2021

CVR no. 41 39 99 02

Adopted at the annual general meeting on 27 June 2022

chairman: Xiande Li

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Jinko Denmark Solar ApS for the financial year 1. januar - 31. december 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the company's financial position at 31. december 2021 and of the results of the company's operations and cash flows for the financial year 1. januar - 31. december 2021.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 27 June 2022

Executive board

Xiande Li
Director

Independent auditor's report

To the shareholder of Jinko Denmark Solar ApS

Opinion

We have audited the financial statements of Jinko Denmark Solar ApS for the financial year 1. januar - 31. december 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31. december 2021 and of the results of the company's operations and cash flows for the financial year 1. januar - 31. december 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

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

Independent auditor's report

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 27 June 2022

Ecovis Danmark
statsautoriseret revisionsinteressentskab
CVR no. 28 93 95 23

Kurt Bülow
State Authorized Public Accountant
MNE no. mne3112

Company details

The company

Jinko Denmark Solar ApS
Langelinie Alle 35
2100 København Ø

CVR no.: 41 39 99 02

Reporting period: 1. januar - 31. december 2021

Domicile: Copenhagen

Executive board

Xiande Li, director

Auditors

Ecovis Danmark
statsautoriseret revisionsinteressentskab
Vendersgade 28 st. th
1363 København K

Financial highlights

Seen over a 2-year period, the development of the Company may be described by means of the following financial highlights:

	2021	2020
	EURO	EURO
Key figures		
Profit/loss		
Revenue	417.925.842	23.179.736
Gross profit	6.638.569	-174.578
Net financials	-5.384	-81.851
Profit/loss for the year	5.136.061	-200.015
Balance sheet		
Balance sheet total	218.200.117	23.015.953
Equity	4.942.763	-193.298
Cash flows from:		
- operating activities	-139.939.809	8.116.362
- financing activities	165.966.615	16.185
The year's changes in cash and cash equivalents	26.026.806	8.132.547
Financial ratios		
Gross margin	1,6%	-0,8%
EBIT margin	1,6%	-0,8%
Return on assets	5,5%	-1,5%
Solvency ratio	2,3%	-0,8%
Return on equity	216,3%	206,9%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies..

Management's review

Business review

The company's most important activity is the sale of photovoltaic modules, import and export of photovoltaic technology

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

Unusual matters

The company's financial position at 31. december 2021 and the results of its operations and cash flows for the financial year ended 31. december 2021 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31 December 2021 shows a profit of EURO 5.136.061, and the balance sheet at 31. december 2021 shows equity of EURO 4.942.763.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Expected development of the company, including specific prerequisites and uncertainties

For 2022, the target module shipment is 2.2GW with value 613Mio EUR and corresponding effect on expected profit.

The company's knowledge resources if of particular importance to its future earnings

JinkoSolar is one of the largest and most innovative solar module manufacturers in the world. In 2021, JinkoSolar leads the N-type upgrade of the photovoltaic industry with practical actions and transforms the leading N-type technology into a mass-produced solar module, which not only boosts the market demand with high-efficiency products, but also accelerates the arrival of the N-type era, and helps the industry achieve a technical breakthrough. The efficiency of N-type monocrystalline silicon single cell reaches 25.7%, breaking the world record again, that's Jinko 19th time broke the world record. And the positive market demanding for N-type product is important signal for company's future earnings.

Management's review

Impact on the external environment and measures taken to prevent, reduce or mitigate damage

In the latest version of Environmental, Social and Governance (ESG) Report 2021 released by JinkoSolar, JinkoSolar puts its own existence and development in the framework of global sustainable development, adheres to the business direction beneficial to environmental and social development, and devotes itself to the R&D and manufacturing of photovoltaic equipment to help the society address energy and environmental problems. JinkoSolar has always been advocating and practicing the philosophy of environmentally sustainable development, strictly abiding by laws and regulations on environmental protection and energy conservation, and actively responding to various environmental protection and energy conservation initiatives of the government and the industry.

Research and development activities in or for the company

Research and development activities are carried out at group level and reference is made to the description under the section above on The company's knowledge resources if and particular importance to its future earnings

Description of significant changes in the company's business and financial conditions

2020 was a startup period and in 2021 necessary inventory to meet the demands of revenue has been built up and financed within the group. As the most significant part of the company's transactions is in EURO, it is assessed that there are no special business or financial risks in addition to common business risks.

Language

It has been decided to present the Annual Accounts in English.

Income statement

1 January - 31 December

	Note	2021 EURO	2020 EURO
Revenue		417.925.842	23.179.736
Raw materials and consumables		-383.221.055	-22.954.859
Other external expenses		-28.066.218	-399.455
Gross profit		6.638.569	-174.578
Financial income	1	1.472.815	0
Financial costs	2	-1.478.199	-81.851
Profit/loss before tax		6.633.185	-256.429
Tax on profit/loss for the year	3	-1.497.124	56.414
Profit/loss for the year		5.136.061	-200.015

Distribution of profit

	2021 EURO	2020 EURO
Recommended appropriation of profit/loss		
Retained earnings	5.136.061	-200.015
	5.136.061	-200.015

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> EURO	<u>2020</u> EURO
Assets			
Finished goods		132.188.653	14.232.492
Stocks	4	<u>132.188.653</u>	<u>14.232.492</u>
Trade receivables		44.850.237	594.503
Receivables from Group Companies		3.131.886	0
Other receivables		3.800.488	0
Deferred tax asset		69.500	56.411
Receivables		<u>51.852.111</u>	<u>650.914</u>
Cash at bank and in hand		<u>34.159.353</u>	<u>8.132.547</u>
Total current assets		<u>218.200.117</u>	<u>23.015.953</u>
Total assets		<u>218.200.117</u>	<u>23.015.953</u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> EURO	<u>2020</u> EURO
Equity and liabilities			
Share capital		6.717	6.717
Retained earnings		4.936.046	-200.015
Equity		<u>4.942.763</u>	<u>-193.298</u>
Prepayments received from customers		41.749.174	0
Trade payables		0	23.186.523
Payables to Group Companies		164.858.479	9.468
Corporation tax		1.535.671	0
Other payables		5.114.030	13.260
Total current liabilities		<u>213.257.354</u>	<u>23.209.251</u>
Total liabilities		<u>213.257.354</u>	<u>23.209.251</u>
Total equity and liabilities		<u>218.200.117</u>	<u>23.015.953</u>

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 January 2021	6.717	-200.015	-193.298
Net profit/loss for the year	0	5.136.061	5.136.061
Equity at 31 December 2021	6.717	4.936.046	4.942.763

	Share capital	Retained earnings	Total
Equity at 1 January 2020	6.717	0	6.717
Net profit/loss for the year	0	-200.015	-200.015
Equity at 31 December 2020	6.717	-200.015	-193.298

Cash flow statement 1 January - 31 December

	Note	2021 EURO	2020 EURO
Net profit/loss for the year		5.136.061	-200.015
Adjustments	6	1.502.508	25.437
Change in working capital	7	-146.572.994	8.372.788
Cash flows from operating activities before financial income and expenses		-139.934.425	8.198.210
Interest income and similar income		1.472.815	0
Interest expenses and similar charges		-1.478.199	-81.848
Cash flows from operating activities		-139.939.809	8.116.362
Payables to/from Group Companies		165.966.615	9.468
Primo Equity		0	6.717
Cash flows from financing activities		165.966.615	16.185
Change in cash and cash equivalents		26.026.806	8.132.547
Cash and cash equivalents		8.132.547	0
Cash and cash equivalents		34.159.353	8.132.547
Analysis of cash and cash equivalents:			
Cash at bank and in hand		34.159.353	8.132.547
Cash and cash equivalents		34.159.353	8.132.547

Notes

	<u>2021</u> EURO	<u>2020</u> EURO
1 Financial income		
Exchange adjustments	1.472.815	0
	<u>1.472.815</u>	<u>0</u>
2 Financial costs		
Other financial costs	1.478.199	81.851
	<u>1.478.199</u>	<u>81.851</u>
3 Tax on profit/loss for the year		
Current tax for the year	1.510.213	0
Deferred tax for the year	-13.089	-56.414
	<u>1.497.124</u>	<u>-56.414</u>
4 Stocks		
Finished goods	132.188.653	14.232.492
	<u>132.188.653</u>	<u>14.232.492</u>

Replacement value for the inventory 146.169.760 Euro

5 Related parties and ownership structure

Controlling interest

Xiande Li, No. 39 Chengshan Road, Pudong District, Shanghai City 200086, Kina is the director.

JinkSolar (Switzerland) AG, Chamerstrasse 85, 6300 Sug, Schweiz is the main shareholder.

Notes

5 Related parties and ownership structure (continued)

Transactions

Information on transactions with related parties has been omitted, cf. the Annual Accounts Act. section 98c, subsection 7 as transactions with related parties are done on arm's length principles

Ownership structure

JinkoSolar (Switzerland) AG, Chamerstrasse 85, 6300 Sug, Schweiz is the main shareholder.

Consolidated financial statements

The company is reflected in the group report as the parent company JinkoSolar Holding Company Limited, incorporated in Cayman Island.

Consolidated financial statements can be requested at the company's address: Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, Po Dox 2681, Grand Cayman, KY1-1111.

Consolidated financial statements are also published on the New York Stock Exchange.

Notes

	<u>2021</u>	<u>2020</u>
	EURO	EURO
6 Cash flow statement - adjustments		
Financial income	-1.472.815	0
Financial costs	1.478.199	81.851
Tax on profit/loss for the year	1.497.124	-56.414
	<u>1.502.508</u>	<u>25.437</u>
7 Cash flow statement - change in working capital		
Change in inventories	-117.956.161	-14.232.492
Change in receivables	-49.017.301	-594.503
Change in trade payables, etc.	20.400.468	23.199.783
	<u>-146.572.994</u>	<u>8.372.788</u>

Accounting policies

The annual report of Jinko Denmark Solar ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in EURO

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Accounting policies

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Fixed asset investments

Other securities and investments, fixed assets

Investments are measured at fair value.

Other securities, which include mortgages which management expects will be kept to maturity, are measured at amortised cost. By amortised cost is meant the outstanding receivable recognised at a price calculated as the market value (fair value) on acquisition with a surcharge/allowance of the difference between this value and the redemption price.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price including delivery costs.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Accounting policies

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Cash flow statement

The cash flow statement shows the company's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the company's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Accounting policies

Cash flows from operating activities

Cash flows from operating activities are stated as the company's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes. Dividend income from investments is recognised under 'Interest income and dividend received'.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the company's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial highlights

Definitions of financial ratios.

Gross margin ratio	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
EBIT margin	$\frac{\text{Profit/loss before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Profit/loss from ordinary operations after tax} \times 100}{\text{Average equity}}$