

HARBIN BOSHI AUTOMATION CO.,LTD.

2022 SUMMARY OF
SEMI-ANNUAL REPORT

August 2022

HARBIN BOSHI AUTOMATION CO., LTD. Semi-Annual Report 2022

(Abstract)

I . Important Notes

This Abstract is extracted from Semi-Annual Report 2022. In order to have a full understanding of the operating results, financial condition and future development planning of the Company, investors are suggested to read the full report carefully on the media designated by the China Securities Regulatory Commission (the “CSRC”). The Company’s 2022 Semi-Annual Report is prepared and published in Chinese version, and the English version is for reference only. Should there be any inconsistency between the Chinese version and English version, the Chinese version shall prevail.

All directors attended the Board Meeting in person for reviewing of this Semi-Annual Report.

Indicate by check mark if independent auditor issues non-standard unqualified opinion.

Applicable Not applicable

Indicate by check mark if there is a pre-arranged plan of profit distribution or transferring capital reserve into common stock for the report period which has been reviewed by the Board of Directors.

Applicable Not applicable

The Company does not plan to issue cash or equity dividends, nor to convert equity reserve into share capital of the Company in the mid 2022.

Indicate by check mark if preplan for preferred stocks profit distribution to shareholders for the report period which has been reviewed and approved by the Board of Directors.

Applicable Not applicable

II. Basic Situation of the Company

1. Company Profile

Stock Abbreviation	Boshi	Stock Code	002698
Stock Exchange for Stock Listing	Shenzhen Stock Exchange		
Stock abbreviations before the change (if any)	None		
Contact Person and Contact Information	Secretary of the Board	Securities Affairs Representative	
Name	Chen Bo	Zhang Junhui	
Contact Address	9 Donghu Street, Concentration Zone of Yingbin Road, Harbin Development Zone, Heilongjiang province, China	9 Donghu Street, Concentration Zone of Yingbin Road, Harbin Development Zone, Heilongjiang province, China	
Tel	+86-451-84367021	+86-451-84367021	
Email	ir@boshi.cn	zhangjh@boshi.cn	

In order to speed up the planning and implementation of the construction function of the Company's regional headquarters and provide convenience for value investment, the Company has set up a "Securities and Investment Affairs Office" at No. 1102, Building 2, Huijin Building, No. 55, Shangxiang Road, Huaqiao Economic Development Zone, Kunshan City, Jiangsu Province. Welcome securities investors to inquire about the further information.

2. Key Financial Data and Financial Indicators

Does the Company need to make retroactive adjustment or restatement of the accounting data of the previous year.

Yes No

	2022 H1	2021 H1	Increase/Decrease over the same period of previous year
Operating revenue (RMB)	1,028,107,177.93	1,115,555,107.33	-7.84%
Net profit attributable to shareholders of the parent company (RMB)	264,380,786.00	286,687,578.90	-7.78%
Net profit after deducting non-recurring profit or loss attributable to shareholders of the parent company (RMB)	247,205,017.04	269,730,624.10	-8.35%
Net cash flow from operating activities	172,174,009.00	183,443,783.69	-6.14%

(RMB)			
Basic earnings per share (RMB /share)	0.2586	0.2804	-7.77%
Diluted earnings per share (RMB /share)	0.2586	0.2804	-7.77%
Weighted average return on equity	8.69%	10.56%	-1.87%
	End of the current reporting period	End of previous year	Increase/Decrease over previous year end
Total assets (RMB)	5,227,400,818.77	4,901,945,419.82	6.64%
Total equity attributable to shareholders of the parent company (RMB)	2,931,129,303.88	2,879,793,106.39	1.78%

3. Number of Shareholders and Shareholding

Unit: Share

Total number of shareholders of common stocks at the end of the reporting period	22,259	Total number of shareholders of preferred stock with resumed voting right at the end of the reporting period	0			
Top 10 shareholders						
Name	Nature	Ownership	Quantity of stocks	Quantity of restricted stocks held	Pledged or frozen stocks	
					Status	Quantity
Unicom Kaixing Equity Investment Management (Zhuhai Hengqin) Limited - Lianchuang Weilai (Wuhan) Intelligent Manufacturing Industrial Investment Partnership (Limited Partnership)	Others	17.11%	175,007,500	0		
Deng Xijun	Domestic natural person	9.41%	96,181,562	72,136,172		
Zhang Yuchun	Domestic natural person	8.09%	82,696,357	62,022,268		
Wang Chungang	Domestic natural person	5.61%	57,394,047	43,045,535		
Harbin Institute of Technology Asset Investment Management Co. Ltd	Domestic state-owned corporate	5.00%	51,127,500	0		
Cai Zhihong	Domestic natural person	4.96%	50,677,029	0		
Cai Hegao	Domestic natural person	4.89%	50,000,000	37,500,000		
Bank of China Co., Ltd.-China Merchant Ruiwen Hybrid Securities Investment Fund	Others	2.96%	30,295,391	0		
Tan Jianxun	Domestic natural person	1.51%	15,432,533	0		
Cheng Fang	Domestic natural person	1.49%	15,249,238	0		
Explanation on the above-mentioned	Deng Xijun, Zhang Yuchun, Wang Chungang, and Cai Hegao keep concerted action through					

shareholders' affiliated relationship or concerted action	the <i>Concert Action Agreement</i> and jointly control the company at the end of the reporting period; Cai Zhihong is the son of Cai Hegao, he independently exercised shareholder rights based on his personal wishes, he has not signed concerted action agreement or reached a similar agreement or arrangement with Cai Hegao, nor has other concerted action plan, they are not persons acting in concert; Cheng Fang and Tan Jianxun are the sponsors of shareholders. Cheng Fang is the sister of Wang Chungang's wife. In addition, the company is not made aware whether there is any affiliated relationship between the above-mentioned shareholders or whether they are persons acting in concert as defined in <i>Administrative Measures for the Acquisition of Listed Companies</i> .
Explanation on the shareholders that are engaged in margin trading business	Not applicable

Note: During the reporting period, based on full confidence in the Company's sustainable and healthy development and full recognition of the Company's intrinsic value, Mr. Deng Xijun, the chairman and general manager of the Company, increased his holdings of the Company's shares by 975,200 shares through centralized bidding.

4. Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the reporting period

Applicable Not applicable

The controlling shareholder did not change in the reporting period.

Change of the actual controller in the reporting period

Applicable Not applicable

The actual controller did not change in the reporting period.

5. Number of preference shareholders and shareholdings of top 10 of them

Applicable Not applicable

The Company had no preference shareholders in the reporting period.

6. Corporate bonds that existed on the date when this Report was authorized for issue

Applicable Not applicable

III.Important Issues

Regarding the Company proposes to issue public convertible corporate bonds:

The Company held the fourteenth meeting of the fourth Board of Directors and the eleventh meeting of the fourth Board of Supervisors on April 13th, 2022, as well as the 2021 Annual General Meeting on May 6th, 2022. The meeting above reviewed and approved *Proposal on the Company's Public Offering of Convertible Corporate Bonds*. The total amount of funds raised by the proposed public issuance of convertible corporate bonds shall not exceed RMB 450 million.

On August 22nd, 2022, the 94th working meeting of the 18th Issuance Examination Committee of the China Securities Regulatory Commission in 2022 reviewed the Company's application for public issuance of convertible corporate bonds. According to the review results of the meeting, the Company's application for the public issuance of convertible corporate bonds has been approved by the China Securities Regulatory Commission.

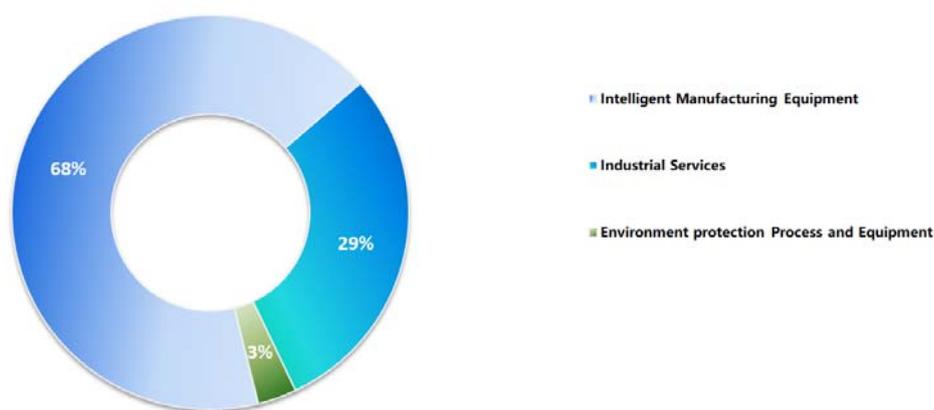
IV. Operating Performance Discussion and Analysis

1. Company Main Businesses during the Reporting Period

(1) Main businesses and industry development status

Company Business and Industry Development Status

According to the proportion of revenue during the reporting period, the Company's main businesses in its industry are shown in the following figure:



The Company has been cultivating in the field of intelligent equipment for a long time, and the high-end intelligent equipment with independent intellectual property rights has been continuously upgrading for Chinese Manufacturing. Replacing imported equipment or being the first set of innovative applications, promote the technological progress of related industries. The Company's intelligent manufacturing equipments are applied in petrochemical, chemical, grain, building materials, new energy, food, medicine, port, fodder in the post-processing intelligent manufacturing field, as well as loading and transferring scenarios for finished products in many industries, to provide customers with efficient intelligent manufacturing equipment and intelligent factory overall solutions. The Company's technology and product of intelligent equipment are in the leading position in the domestic application field, there is no competitor of the same scale; The Company products and technology application are in the worldwide leading position in some fields.

Intelligent Manufacturing Equipment:

“Manufacturing is the main body of the national economy, the foundation of building the country, the instrument of rejuvenating the country and the foundation of strengthening the country.” *Made in China 2025* points out that China's manufacturing industry has an obvious gap in independent innovation ability, resource utilization efficiency, industrial structure level, informatization degree, quality and efficiency, and the task of transformation, upgrading and leapfrog development is urgent and arduous. The State attaches great importance to the development of high-end equipment manufacturing industry from the strategic height, and the development of intelligent manufacturing is a strategic task of long-term persistence, which will accelerate the integrated development of the new generation of information technology and manufacturing

technology and take intelligent manufacturing as the main direction of the in-depth integration of informatization and industrialization. China plans that by 2035, digitalization and networking will be popularized in all manufacturing enterprises above designated size, and key enterprises in key industries will basically become intelligent. The overall strength of the robot industry has reached the international leading level, and robots have become an important part of economic development, people's lives and social governance.

The Company's intelligent manufacturing equipment mainly covers post-processing intelligent manufacturing equipment for solid materials, post-processing intelligent manufacturing equipment for rubbers, robot and complete system equipment, intelligent logistics and warehousing system, etc., which can provide customers from single equipment, complete equipment to intelligent manufacturing overall solutions and can provide customers with continuous intelligent equipment upgrading services, help more manufacturing enterprises to digital and intelligent transformation and upgrading and towards high-quality development.

In the face of the historic opportunities of Made in China 2025, 2035 and the urgent demand for intelligent equipment and intelligent factories in the post-pandemic era, the Company will concentrate on advantages, integrate resources, accumulate competitiveness, with rich product lines and intelligent manufacturing overall solutions, to respond and guide market demand, strive to achieve better and rapid development and bring continuous returns to shareholders.

Industrial Service Rooted in the Intelligent Manufacturing Equipment:

On March 16th, 2021, the National Development and Reform Commission, the Ministry of Science and Technology, the Ministry of Industry and Information Technology and the like totaling thirteen departments jointly issued *the Opinions on Accelerating the High-quality Development of the Manufacturing Service Industry*, pointing out, "Improve the efficiency of the manufacturing industry, make use of new generation information technologies, such as 5G, big data, cloud computing, artificial intelligence and Blockchain, vigorously to develop intelligent manufacturing, achieve accurate and efficient matching between supply and demand and promote the fundamental reform of the manufacturing development model and the reform of enterprise forms." Manufacturing service industry "is an important support for improving the competitiveness and comprehensive strength of manufacturing products, promoting the transformation and upgrading of manufacturing industry and high-quality development. At present, China's manufacturing service industry supply quality is not high, the degree of specialization and socialization is not enough, the role of leading the manufacturing value chain is not obvious, and there is still a gap between the requirements of building a modern economic system and realizing high-quality economic development." "By 2025, the role of the manufacturing service industry will be significantly enhanced in improving the quality and efficiency, innovation capacity, and efficiency of resource allocation, and play a more prominent role in supporting and leading the high-quality development of the manufacturing industry" to "realize the coupling and integration of the manufacturing industry and the manufacturing service industry".

The production and operation management service of the Company's intelligent equipment includes integrated industrial services for equipment operation, repair, maintenance, finished products outbound & inbound, transfer, truck loading and so on. The professional work presents a trend of outsourcing. The Company takes precautions, relying on the leading technology advantage, and continues to vigorously

promote the strategy of product and service integration. The professional, economic, high-quality and efficient service has been recognized and praised by users, and will help customers reduce costs and increase efficiency and improve production efficiency. The Company's industrial service revenue has increased year after year. During the reporting period, the overall revenue of industrial services accounted for nearly 30% of the Company's total revenue.

Based on the Company's outstanding achievements in the integrated development of intelligent manufacturing equipment and industrial services, the Company was identified as "Pilot Unit of Advanced Manufacturing and Modern Service Industry" in August 2021 by the National Development and Reform Commission. The Company's industrial services of intelligent equipment, on the one hand, will maintain a steady growth with the growth of product sales and equipment implement stock. On the other hand, this will give an active response to the customer's deep service demand, after the Company undertakes new production and operation industrial service projects, the service scale is expected to continue to step up. This will enhance the Company's ability to resist risks and become an important source of revenue and profit for the Company.

Environmental Protection Process and Equipment:

The 14th Five-Year Plan takes "achieving new progress in ecological civilization construction" as one of the main goals. Continuing to improve environmental quality and promoting the all-round green transformation of economic and social development provides important development opportunities for the field of environmental protection. Current climate change that seriously threatens human survival and development is mainly caused by carbon dioxide emissions from human activities since the industrial revolution. At the 75th United Nations General Assembly in 2020, China announced that it will strive to achieve "Carbon Peak" by 2030 and strive to achieve "Carbon Neutrality" by 2060, in the *Government Work Report of the Fourth Session of the 13th National People's Congress*, it is clearly proposed to "Do a solid job in Carbon Peak and Carbon Neutrality", and relevant industries are facing major opportunities.

Industrial waste acid and acidic gas treatment and recycling project, implemented by Harbin Boao Environmental Technology Co., Ltd, the holding subsidiary of the Company, can collect and treat industrial waste sulfuric acid and sulfur-containing acid gases in chemical production to produce high-purity sulfuric acid for recycling production, and to recycle and reuse the heat energy released in the process to achieve energy saving, emission reduction, recycling, environmental protection and economic results, that it will contribute customers to achieve "Carbon Peak", "Carbon Neutrality" emission reduction targets.

(2) Company Main Businesses during the Reporting Period

① Main businesses, products, services composition and market application level of the Company

Overall Solution for Intelligent Manufacturing Equipment and Intelligent Factory

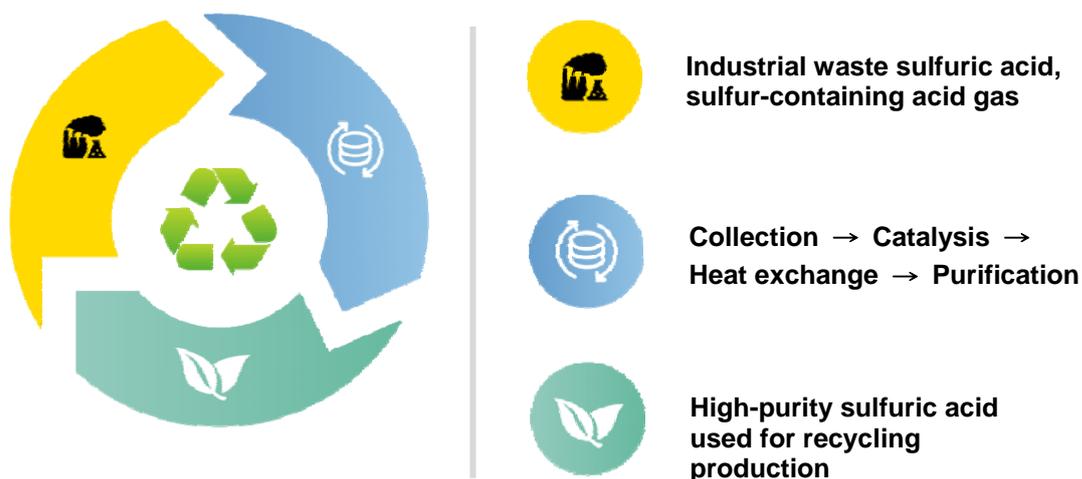
Post-processing Intelligent Manufacturing Equipment for Solid Material	Post-processing Intelligent Manufacturing Equipment for Rubber
<p>It is applied in the post-processing fields for the powder, granular materials or irregular materials of petrochemical, chemical, cereals, building materials, new energy, food, medicine, ports, feed, etc. (such as crushing, screening, bagging, boxing of reduced silicon rods, etc.), providing efficient automatic weighing, packaging and palletizing intelligent manufacturing and production equipment and overall solutions of smart factories</p>	<p>It is intelligent equipment and intelligent plant overall solution, applied in production process of synthetic rubber and natural rubber and in the fields of product refining process, dewatering and drying process (rubber washing, cleaning and impurity removal, dewatering, crushing and drying, etc.) and finished product packaging process (weighing, baling, detecting, conveying, packaging and palletizing, etc.)</p>
<p>In the field of post-processing high-end equipment for powder and granular materials in China it has obvious advantages and a stable competitive position. In the field of post-processing high-end equipment for the irregular polysilicon materials, the outstanding competitive advantage has promoted the upgrade of intelligent manufacturing in the industry.</p>	<p>Complete product line, covering natural rubber and synthetic rubber It is the only enterprise which can provide complete large-scale systems worldwide</p>
Robot and Complete System	Intelligent Logistics, Warehousing Systems
<p>(High temperature) Operation robot for submerged arc furnace and complete system solutions are applied for high-risk working environment as well as other special robots and complete system solutions which can replace high-risk, harsh working conditions, and heavy manual labor.</p>	<p>Connecting solid material post-processing intelligent manufacturing equipment with rubber post-processing intelligent manufacturing equipment to realize intelligent identification, outbound and inbound warehousing management, logistics transshipment, fully Automatic Vehicle Loading, etc., to help customers to build smart factory overall solutions, and Widely used in different application scenarios of national economy and multiple industries.</p>
<p>(High temperature) Operation robot for Submerged Arc Furnace and its surrounding systems are in leading position worldwide in the field of calcium carbide, Take the lead in starting and implementing the overall solution of calcium carbide thermal furnace intelligent factory in China</p>	<p>Automatic Loading machine has first-mover advantage, the market responds positively and the large-scale application has big potential.</p>

Industrial Services

The industrial services, rooted in the above-mentioned related fields of intelligent manufacturing equipment, are mainly integrated service, equipment maintenance and spare parts sales which facing the operation in the application fields of intelligent manufacturing equipment, after-sales industrial service, and supplementary industrial service.

Holding technical genetic advantages, leading service capabilities and scale in the field

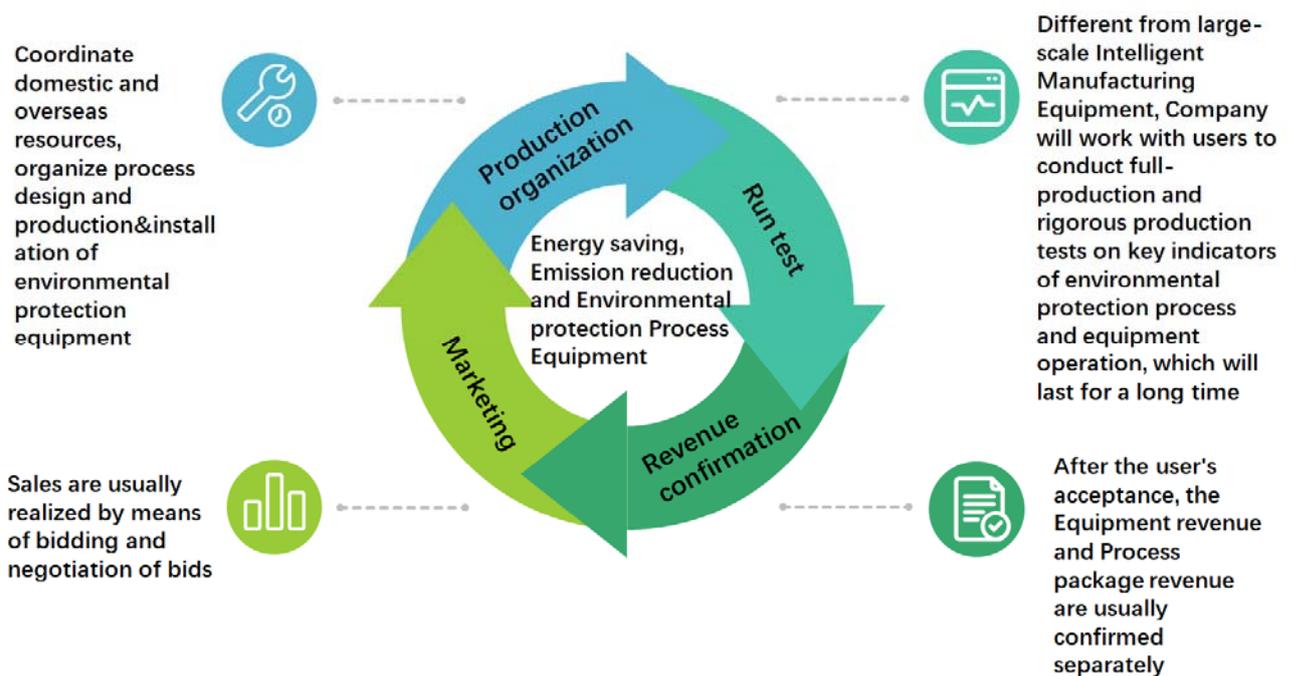
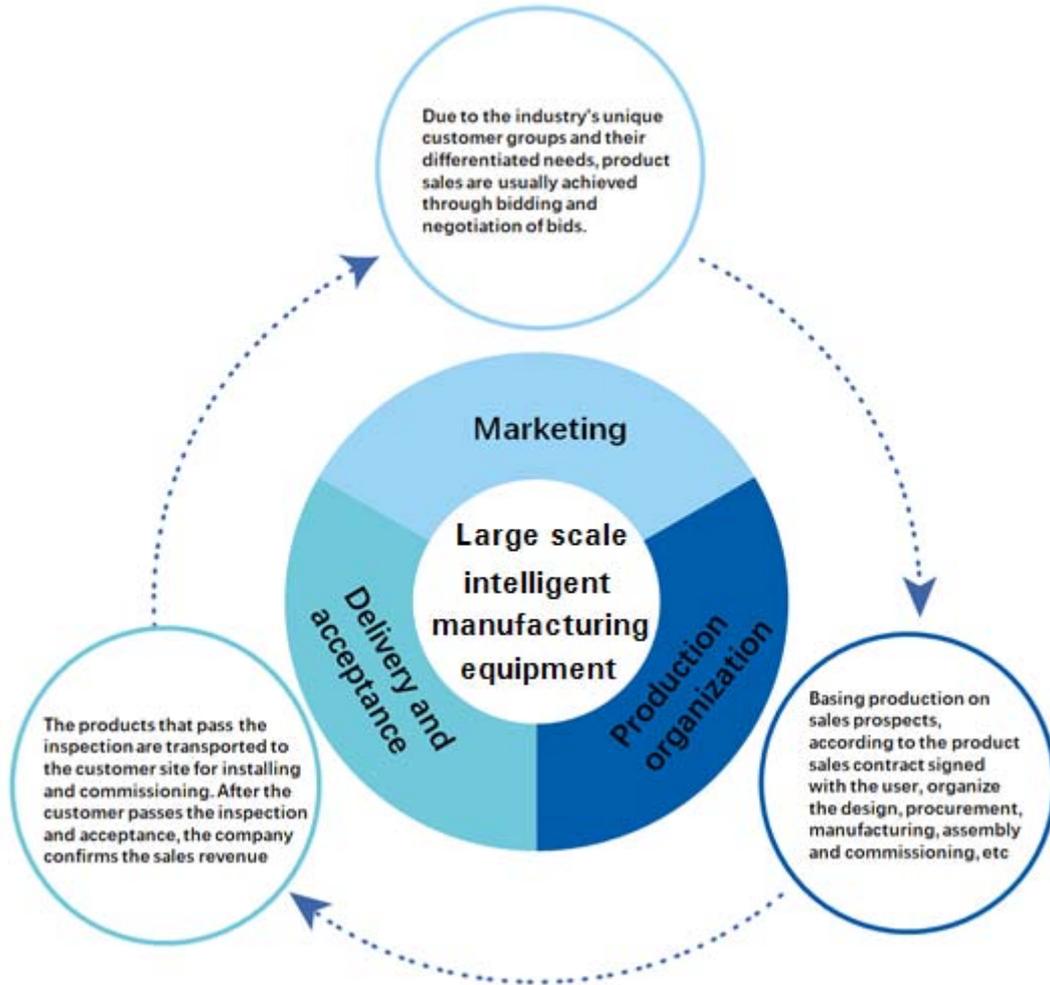
Energy saving, emission reduction and environmental protection process equipment field



Harbin Boao Environmental Technology Co.,Ltd is currently mainly engaged in the design, production, and sales of energy-saving, emission-reduction and environmental protection process equipment which is represented by industrial waste acid regeneration process and equipment. Industrial waste acid regeneration technology and equipment collect and process industrial waste sulfuric acid and sulfur-containing acid gas which are produced in the customer's chemical production to generate high-purity sulfuric acid for recycling production, and release heat energy for recycling and reusing, realizing the effects of energy saving and emission-reduction, recycling uses, economy and environment protection and help to achieve carbon peak and carbon neutral emission reduction targets.

Based on advanced technology mainly applied to the domestic high-end market, help customer to realize the effects of energy saving and emission-reduction, recycling uses, economy and environment protection.

②Business mode



Industrial Services——Operation and After-sales type Industrial Services

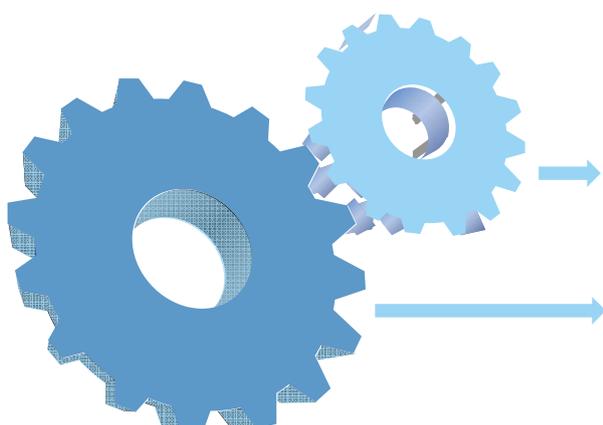


By participating in bidding or negotiating bids, the Company signs integrated service, equipment maintenance service agreements with users (which may include FFS film rolls sales matching with production services), equipment maintenance, operation maintenance and the like to determine the contents and modes of services;

For the performance obligations of the service contract performed within a certain period of time, the Company shall recognize the revenue according to the performance progress within the period of time;

The sales mode of spare parts is flexible (the Company initiates stocking or the customer initiates procurement), and the operating revenue is confirmed based on the actual delivery of the product and the time when the revenue confirmation conditions are met

Industrial Services——Supplementary Industrial Services and Miscellaneous



FFS Film roll production enterprise matching with industrial services (Nanjing Green New Material Co., Ltd., Company's holding subsidiary) separately sells FFS film rolls, plastic auxiliaries and the like apart from the Company's production and operation services; Other kinds with small revenue are not classified as material.

Revenue recognition: Usually as per the contract signed with customer, implement the contract and meet the revenue conditions, then confirm the operating revenue.

③Key performance driving factors

Since 2017, the Company performance has grown well and rapidly, mainly due to the Company is facing the strong demand for intelligent manufacturing equipment for the upgrading of China's manufacturing industry. The Company implements technology research and development and product innovation actively, as well as realizes product category expansions. The sales growth of post-processing intelligent manufacturing equipment for solid material is strong; Contracts from robots and complete system equipment quickly occupies an important share; The growth of industrial services keeps steadily; Energy saving and environmental protection business brings beneficial supplement to the Company's overall revenue.

During the reporting period, from the perspective of product delivery and revenue recognition, the revenue of environmental protection process and equipment falls obviously year-on-year, because there is no equipment revenue recognition, only the revenue of process design package and spare parts are recognized; Affected by staged silent period and strict epidemic control measures, the Company's supply chain, production organization and product delivery are impacted in different degrees. Product delivery of intelligent manufacturing equipment business is lower than expected, whose revenue is slightly decreased, the gross profit of this kind is basically equal to which of the same period of last year; Although the industrial service business keeps on maintaining steady growth, the overall short-term performance is adjusted slightly; During the reporting period, the demand for irregular material intelligent manufacturing equipment products represented by the intelligent workshop of calcium carbide thermal furnace and new energy raw materials is strong. From perspective of overall marketing work, the year-on-year growth rate and total volume are the best in history, which deserves more expectations in the future.

Technological innovation and the continuous R&D, application and promotion of new products have realized "the second curve" to promote the Company to extend growth period. The Company's intelligent manufacturing equipment has experienced a continuous technological innovation and the expansion process of continuous application of new technology and new products. At present, the company has made a progress in switching from a single machine, automatic production line to the digital factory and intelligent factory in the main product application field, which optimizing the business competition environment faced by the Company, and improving comprehensive competitiveness continuously.

2.Core Competitiveness Analysis

As a technology-based enterprise, the Company adheres to a differentiated competitive strategy of leading technology, and relies on a deep understanding of China's industrial automation field and practical experience in industrial applications to maintain a long-term competitive position in the field in which it is engaged. The Company's intelligent manufacturing equipment and industrial service businesses are effectively synergized and optimally linked, supplemented beneficially by environmental protection process equipment. The business scale is growing rapidly, the profitability and the comprehensive competitiveness continue to improve.

(1)Industry status

The Company has a solid competitive advantage in the field of intelligent manufacturing equipment, and its main product and technology has been playing a leading role for a long time in the domestic product

application field, and has received a number of industry awards.



(2) Leading competitiveness of products and technologies

Innovation is the first driving force to lead the development of an enterprise and technology-leading is an important core competitiveness of the Company. The Company continuously improves its technology application level and technology reserve capacity, seizes new opportunities, and expands into new fields. Through R&D investment, technology accumulation and technological innovation, outstanding technological leadership advantage continues to enhance and be a competitive advantage position in the industry.

From the perspective of intelligent manufacturing equipment product line, the Company's intelligent equipment reaches high speed, high accuracy and stable operation, which is high-end equipments can a replace imported equipments, suitable for the customer production environment with high efficiency and safety production requirements, mainly for high-end equipment market demand. In the domestic product application field, products and technology are at the leading level.

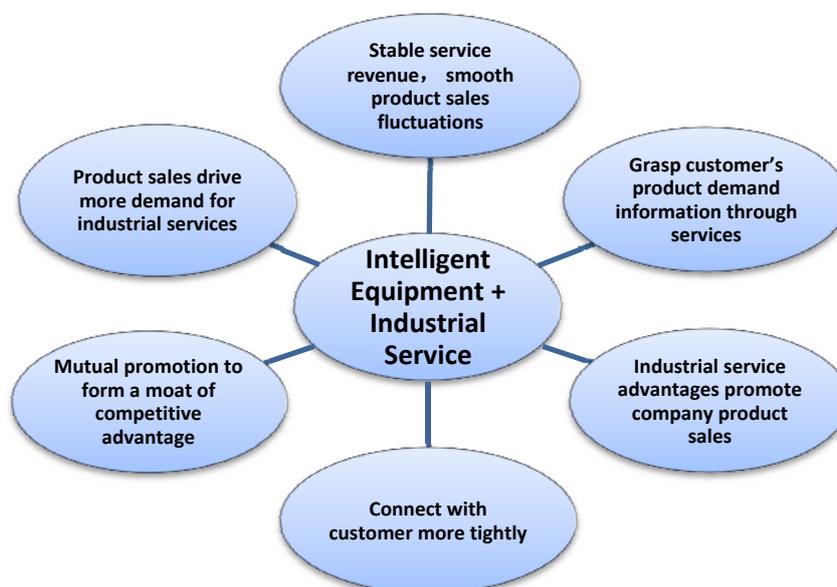
From the perspective of the overall solution of intelligent manufacturing, the Company integrates multi-category innovative products with the production scenario of manufacturing users, which can realize the overall solution of solid materials post-processing intelligent manufacturing, help users realize the digital and intelligent transformation of the factory, and realize intelligent manufacturing.

On March 24th, 2022, the Company received a notice from the High-tech Research and Development Center of the Ministry of Science and Technology on the comprehensive performance evaluation conclusion of *the research and development and demonstration application project of sub-merged arc furnace robot system for calcium carbide under the national key research and development program*. The comprehensive performance evaluation conclusion of the research and development and demonstration application project of sub-merged

arc furnace robot system for calcium carbide led by the Company was passed, with a score of 92.4 (Grade A) and the performance level is excellent. Being able to undertake “National Key Research and Development Projects” is the national recognition of the Company’s technological innovation strength; The Company has passed the project acceptance with excellent results, which is the verification and interpretation of its own scientific and technological innovation ability. In the field of calcium carbide smelting operation, with the Company’s large-scale application of calcium carbide smelting operation robot to replace the manual operation under high-risk and heavy working conditions, it has realized the long-cherished wish and responsibility of transforming traditional industries with high-technology. Currently, the Company actively implement overall solution of intelligent factories in the field of calcium carbide sub-merged arc furnace, has respectively signed contracts of calcium carbide post-processing intelligent factories with Inner Mongolia Jun Zheng Chemical Co., Ltd., and Ningxia Younglight Chemical Co., Ltd during reporting period, amounted to RMB 360 million in total, in this field, the Company is in the leading level in the application all over the world.

(3) Performance-driven dual engines of “intelligent equipment” + “industrial service”

The Company fully integrates product application advantage, technological leading advantage and industrial service, actively promotes the strategy of products and service integration and service business achieves rapid development. The Company’s professional, high-quality, efficient and advanced industrial service model is the necessary guarantee for customers’ continuous production and operation, stable and efficient production, and achieves a win-win situation for the Company and Customers.



Legend: Schematic diagram, the positive interaction between intelligent equipment and industrial service

In August 2021, the Company was identified by the National Development and Reform Commission as the National “Pilot Unit for Advanced Manufacturing Integrated Development and Modern Service Industry”, becoming one of the few leading enterprises of “Two Industries Integration” in the country. This award is

a recognition and incentive for the Company to develop the “Product and Service Integration” strategy prospectively and actively implement this strategy for a long time. During the reporting period, the Company’s industrial services achieved revenue of RMB 302 million, among which the operation and after-sales Industrial Services achieved revenue of RMB 255 million, 13.43% stable increase year-on-year. “Intelligent equipment” + “industrial services” constitute a performance-driven dual engine for the Company.

(4) The overall solution of intelligent manufacturing accelerates the Company’s competitiveness

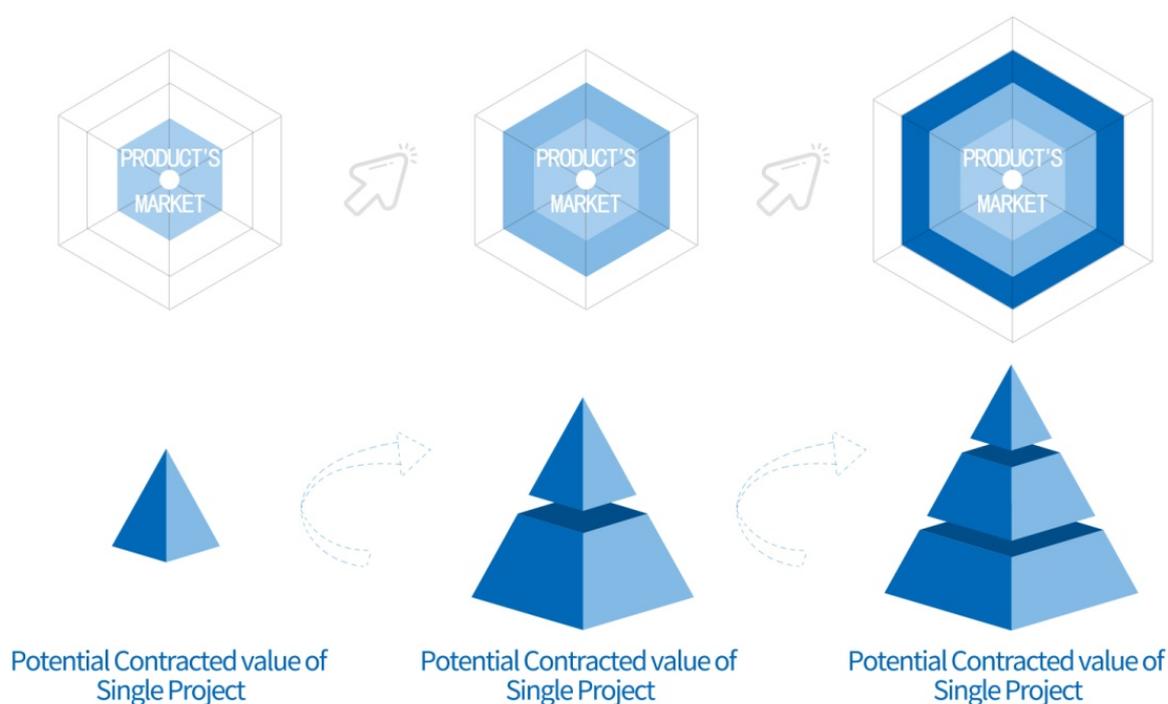
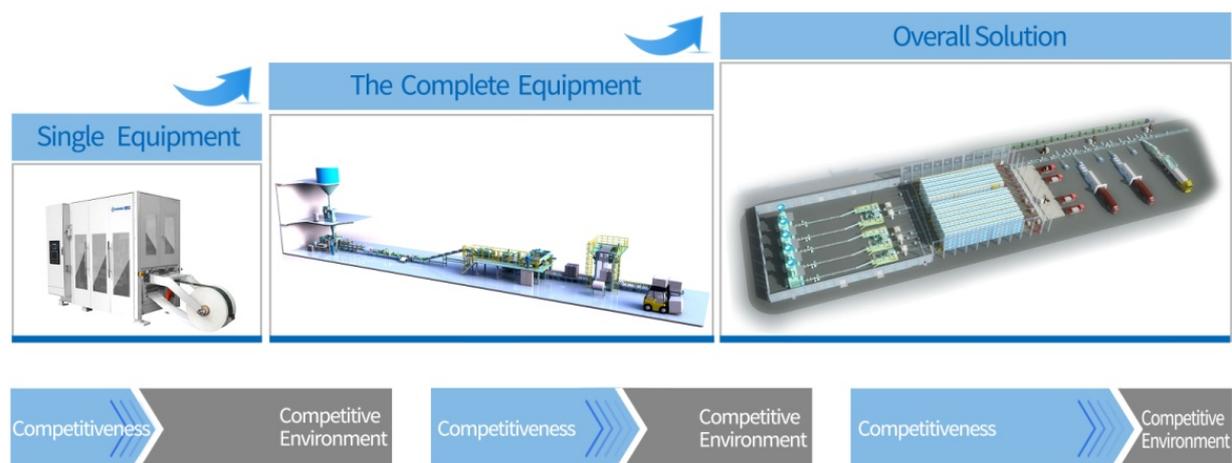
Throughout the Company’s technology, product development and industrialization process, the Company enters new industries and new fields usually with key single unit equipment (“points”); after breakthrough in solving industry pain points, quickly form an automated production line (“line”); With the accumulation of technology and the in-depth understanding of the industry, the overall solution (“surface”) of intelligent manufacturing is completed to help users realize the upgrade to digital and intelligent factories. This process of technological progress from “point → line → surface” helps the Company to concentrate resources, reduce technology development risks, open the ceiling for industry growth, and comprehensively enhance the Company’s core competitiveness.

As shown in the figure below:

Single unit sales (“point”), it is inevitable to face large competition, small market space, and the project potential contract amount is limited;

The complete equipment sales (“line”), the competitive environment improves, the competitive pressure decreases, the market space increases, and the potential contract amount is effectively enlarged;

The overall solution of intelligent manufacturing (“surface”), limited competitors, strong competitiveness, market space and potential contract amount is expected to multiply.



Legend: Schematic diagram of the competitive environment and potential market opportunities of single unit equipment, automation production line and overall solution of intelligent manufacturing

For example: in the field of sub-merged arc furnace, the urgent demand for safety production and replacing labors for calcium carbide industry, based on the industrial robot technology, the Company successfully developed and applied sub-merged (high temperature) arc furnace operation robot for calcium carbide which has epoch-making significance to traditional production (“point”), and successively developed ramming robot for calcium carbide, patrolling robot, intelligent pot transfer technology and other key production system (“line”), until forming science and technology innovation ability of an intelligent workshop overall solution that truly subverts the traditional production operations of the industry (“surface”), realizing few men, unmanned factories and intelligent manufacturing.

On April 7th and April 19th, 2022, the Company announced that the Company signed contracts with Inner Mongolia Junzheng Chemical Co., Ltd. and Ningxia Younglight Chemicals Co., Ltd. respectively on calcium

carbide post-processing intelligent factory and calcium carbide intelligent workshop. The contract amount is RMB 291.1432 million and RMB 69.628 million respectively, 360.7712 million in total. These two projects are the overall intelligent factory projects of the Company's high-temperature special robots as the main equipment application in the field of calcium carbide production, and the market demand of robot and intelligent factory industrialization projects is in the rise. The technology, product R&D and industrialization process from "point", "line" to "surface" have opened the ceiling of the industry growth, and truly realized the historic leap from "0" to "1". In this field, the Company is in the leading level in the application all over the world.

With the Company's leading technological advantage in the field of calcium carbide sub-merged arc furnace, the Company continues to develop the application of high temperature special robots in the high temperature furnace operation environment of industrial silicon furnace, silicon manganese, ferrosilicon, etc., committed to multi-dimensional technological innovation and breakthrough, and has successively achieved phased results.

(5) Brand competitiveness

The Company builds brand with quality, seeks progress with technology, and wins trust with service. Through high-quality products and efficient services, we strive to realize production automation and intelligent manufacturing for customers and achieve win-win cooperation. The Company's brand enjoys a constant leading in popularity, high reputation and customer loyalty in the main domestic product application fields. The Company pursues excellence, leads the development of intelligent equipment in the application industry and builds up a stable, cooperative and win-win customer network for a long time. At the same time, high-quality customer resources and huge potential demand for intelligent manufacturing equipment is the source of the Company's sustainable and rapid development.

(6) Achievements in intellectual property, proprietary technology and software copyright

During the reporting period, the Company obtained 16 patents approved by the State Intellectual Property Office, including 5 invention patents and 11 utility model patents; 15 software copyrights are approved by the National Copyright Administration. In addition to patent technology, the Company has a considerable amount of core technical know-how that exists in the form of proprietary technology by relying on confidentiality measures. The patents, proprietary technology and software copyright owned and mastered by the Company is the Company's significant core competitiveness. (Note: The amount of intellectual property acquired during the reporting period may have a slight deviation due to the limitation of statistical time points, and is only for investors' trend reference.)

(7) Social and economic benefits

The transformation of traditional industries with high technology is the responsibility and mission given to technological innovation enterprises by the era. The Company's automatic vehicle loading machine which is widely used in the national economy field and (high temperature) overall solution of intelligent manufacturing in the calcium carbide industry have transformative impact on replacing manual operations in high-risk or heavy manual working conditions to achieve safe production, improve production efficiency. Meanwhile, standardized intelligent equipment operations improve the capacity utilization rate, enhance the

enterprise efficiency significantly, and support the early realization of the national double carbon goal.

The Company's large-scale intelligent manufacturing equipment and intelligent factory technology can provide one-stop solution to save more resources and realize safe and efficient production for the customers, fundamentally solve the problem of structural labor gap for customers and promote the improvement of social production efficiency. The application of these high-tech products not only achieves good social benefits, but also brings considerable economic benefits to the Company at the same time.

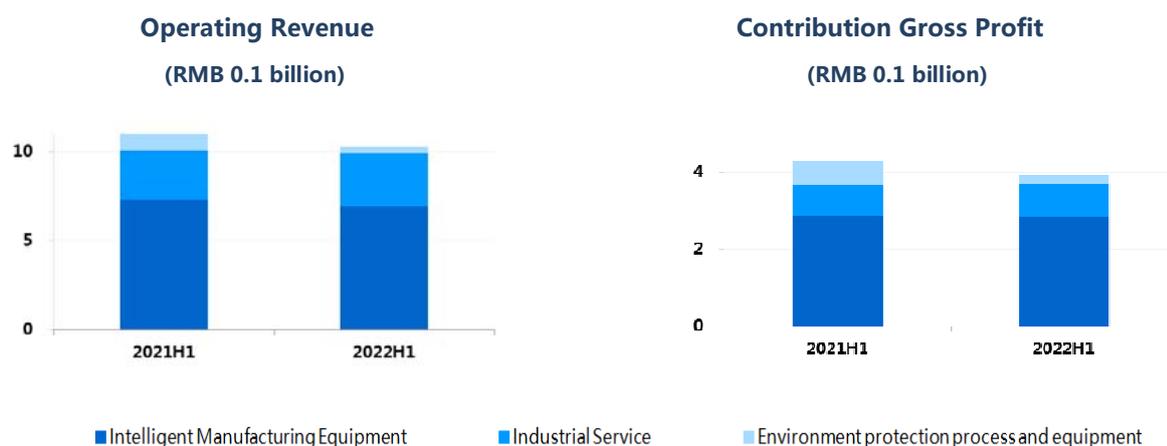
3. Analysis of Main Business

Overview

During the reporting period, there is strong market demand in the application of the Company's intelligent manufacturing equipment, the Company's marketing work has achieved best performance in both year-on-year growth and total volume in history. In which represented by irregular solid materials intelligent manufacturing equipment in the field of polysilicon of new energy raw material, and robot and complete system equipment in the field of sub-merged arc furnace intelligent factory, etc., continue to achieve major market progress. During the reporting period, the Company's total major contract amount announced in the temporary announcement exceeded 900 million, which led the Company's future performance growth.

During the reporting period, from the perspective of product delivery and revenue recognition, the revenue of environmental protection process fell by nearly 70% year-on-year, because there was no equipment revenue recognition, only the revenue of process design package and spare parts were recognized, which the year-on-year change decreased the Company's overall gross profit by about 10% during the reporting period. In addition, affected by staged silent period and strict epidemic control measures, the Company's supply chain, production organization and product delivery were impacted in different degrees. The supply chain inventory of the Company from Shanghai and surrounding areas was in shortage, once 10% employees of the headquarters were quarantined at home, these reasons led to product delivery of intelligent manufacturing equipment business was lower than expected, revenue is slightly decreased, but gross profit rate is increased, the overall contribution of intelligent manufacturing equipment gross margin is basically the same as the same period last year. The Company's operation and after-sales industrial service revenue continues to maintain a steady growth rate of 13.43%, and the gross profit rate is stable. The total revenue of "intelligent manufacturing equipment" + "industrial services" decreased slightly year-on-year, and the contribution gross profit increased slightly, both fluctuated slightly within the range of about 1%.

During the reporting period, the Company achieved revenue of RMB 1.028 billion, net profit attributable to the parent company is RMB 264 million, decreases by 7.84% and 7.78% year-on-year respectively, the weighted average return on equity (ROE) is 8.69%. From the perspective of revenue distribution, the Company's revenue and contribution gross profit ratio structure of intelligent manufacturing equipment, industrial services, environmental protection process equipment are shown in the figure below.



Note: in the above figure, Contributing Gross profit= Operating revenue of corresponding business – Operating cost, the contribution gross profit does not consider the impact of profit and loss of minority shareholders.

During the reporting period, the key accounting data and financial indicators are listed as follows:

Unit: RMB

Items	2022 H1	2021 H1	Increase/Decrease over the same period of previous year
Operating revenue	1,028,107,177.93	1,115,555,107.33	-7.84%
Operating profit	301,362,046.11	351,039,945.53	-14.15%
Total profit	301,326,741.76	350,867,770.00	-14.12%
Net profit	263,794,610.93	300,450,682.85	-12.20%
Thereof: Attributable to shareholders of the parent company	264,380,786.00	286,687,578.90	-7.78%

Year-on-year changes to major financial data

Unit: RMB

	2022 H1	2021 H1	Increase/Decrease over the same period of previous year	Rationale
Operating revenue	1,028,107,177.93	1,115,555,107.33	-7.84%	Due to the decrease in the revenue of environmental process and complete equipment from subsidiary Boao Environment.
Cost of sales	634,720,902.68	686,843,468.37	-7.59%	

Selling and distribution expenses	36,480,990.88	39,766,634.19	-8.26%	
General and administrative expenses	56,426,605.54	49,958,002.37	12.95%	Due to the increases in the expenses from new entities consolidated and salary expenses.
Finance expenses	-3,572,253.22	266,085.36	-1,442.52%	Due to the increase of the interest income of the agreement deposit in the current period.
Income tax expenses	37,532,130.83	50,417,087.15	-25.56%	Mainly due to the losses of environmental process and complete equipment from subsidiary Boao Environment. No significant changes in the parent company.
Research and development expenses	39,782,927.29	33,299,584.34	19.47%	Due to the increase in the amount of R&D staff.
Net cash flows from operating activities	172,174,009.00	183,443,783.69	-6.14%	
Net cash flows from investing activities	380,878,114.11	368,031,503.33	3.49%	Mainly due to the impact of cash management activities.
Net cash flows from financing activities	-260,595,886.83	-219,789,445.67	-18.57%	Mainly due to the effect on distribution of cash dividends.
Net increase in cash and cash equivalents	293,378,688.55	329,224,058.91	-10.89%	

Major changes to the profit structure or sources of the company in the reporting period:

Applicable Not applicable

No such cases in the reporting period.

Breakdown of operating revenue:

Unit: RMB

	2022H1		2021H1		Increase/Decrease over the same period of previous year
	Amount	Proportion of revenue	Amount	Proportion of revenue	
Total	1,028,107,177.93	100%	1,115,555,107.33	100%	-7.84%
Categorized by industry					
Intelligent manufacturing equipment	694,055,868.46	67.51%	727,303,592.98	65.20%	-4.57%

Industrial service	301,525,664.05	29.33%	282,054,413.57	25.28%	6.90%
Environmental protection process and equipment	32,525,645.42	3.16%	106,197,100.78	9.52%	-69.37%
Categorized by product					
Post-processing intelligent manufacturing equipment for solid material	489,678,686.79	47.63%	628,607,058.25	56.36%	-22.10%
Robots and complete system equipment	125,712,389.30	12.23%	31,549,557.52	2.83%	298.46%
Post-processing intelligent manufacturing equipment for rubber	67,744,438.39	6.59%	62,722,198.45	5.62%	8.01%
Intelligent logistics, warehousing systems	10,920,353.98	1.06%	4,424,778.76	0.40%	146.80%
Operation and after-sales type industrial services	254,633,155.67	24.77%	224,485,684.42	20.12%	13.43%
Supplementary industrial services and others	46,892,508.38	4.56%	57,568,729.15	5.15%	-18.55%
Environmental process and complete equipment	32,525,645.42	3.16%	106,197,100.78	9.52%	-69.37%
Categorized by region					
Region of east China	392,598,500.16	38.20%	335,550,526.31	30.08%	17.00%
Region of south China	76,739,224.97	7.46%	46,834,576.23	4.20%	63.85%
Region of central China	27,735,596.67	2.70%	136,168,523.27	12.21%	-79.63%
Region of north China	203,700,091.71	19.81%	149,224,058.26	13.38%	36.51%
Region of northwest China	236,289,323.31	22.98%	225,170,155.78	20.18%	4.94%
Region of southwest China	40,109,948.16	3.90%	50,480,350.28	4.53%	-20.54%
Region of northeast China	43,021,150.98	4.18%	117,687,257.53	10.55%	-63.44%
Overseas	7,913,341.97	0.77%	54,439,659.67	4.87%	-85.46%

Industries, products, or regions accounting for more than 10% of company revenue or operating profit

Unit: RMB

	Operating revenue	Cost of sales	Gross profit margin	Operating revenue increase/decrease over the same period	Cost of sales increased or decreased over the same period of previous year	Gross profit margin increased or decreased over the same period

				of previous year		of previous year
Categorized by industry						
Intelligent manufacturing equipment	694,055,868.46	411,036,362.32	40.78%	-4.57%	-6.74%	1.38%
Industrial service	301,525,664.05	215,231,974.79	28.62%	6.90%	6.76%	0.10%
Environmental protection process and equipment	32,525,645.42	8,452,565.57	74.01%	-69.37%	-81.00%	15.90%
Categorized by product						
Post-processing intelligent manufacturing equipment for solid material	489,678,686.79	300,133,002.93	38.71%	-22.10%	-21.18%	-0.71%
Robots and complete system equipment	125,712,389.30	64,458,558.32	48.73%	298.46%	272.97%	3.51%
Post-processing intelligent manufacturing equipment for rubber	67,744,438.39	37,277,111.04	44.97%	8.01%	-5.74%	8.02%
Intelligent logistics, warehousing systems	10,920,353.98	9,167,690.03	16.05%	146.80%	193.58%	-13.38%
Operation and after-sales type industrial services	254,633,155.67	174,766,196.45	31.37%	13.43%	13.90%	-0.28%
Supplementary industrial services and others	46,892,508.38	40,465,778.34	13.71%	-18.55%	-15.98%	-2.63%
Environmental process and complete equipment	32,525,645.42	8,452,565.57	74.01%	-69.37%	-81.00%	15.90%
Categorized by region						
Region of east China	392,598,500.16	240,436,816.44	38.76%	17.00%	22.08%	-2.54%
Region of south China	76,739,224.97	43,702,547.07	43.05%	63.85%	54.53%	3.43%
Region of central China	27,735,596.67	14,215,123.55	48.75%	-79.63%	-78.94%	-1.69%
Region of north China	203,700,091.71	118,209,028.81	41.97%	36.51%	40.11%	-1.49%
Region of northwest China	236,289,323.31	162,826,683.54	31.09%	4.94%	-7.27%	9.07%
Region of southwest China	40,109,948.16	23,982,898.48	40.21%	-20.54%	-39.74%	19.05%
Region of northeast China	43,021,150.98	25,455,263.00	40.83%	-63.44%	-58.89%	-6.56%
Overseas	7,913,341.97	5,892,541.79	25.54%	-85.46%	-81.84%	-14.86%

Where the Company's statistical criteria for core business data are adjusted during the reporting period, the core business data for the most recent year have been adjusted based on the statistical criteria effective as of the end of the reporting period.

Applicable Not applicable

During the reporting period, the reasons of operating revenue and gross profit rate change are as follows:

Intelligent manufacturing equipment: Affected by the phased strict pandemic control measures, the product delivery of intelligent manufacturing equipment business was lower than expected, and the revenue fell by 4.57% year-on-year, but the gross profit margin increased by 1.38%, to 40.78%, and the overall gross profit is basically the same as the same period last year. “Solid material post-processing intelligent manufacturing equipment” product delivery was the most affected, revenue fell 22.10% year-on-year; The revenue of “robot and complete system equipment” and “intelligent logistics and warehousing system”, were as expected in the 2021 Annual report, achieved a substantial growth of 298.46% and 146.80% respectively; The gross profit margin of “robot and complete system equipment” increased by 3.51% year-on-year to 48.73%, product competitiveness is outstanding; Affected by individual projects, the gross profit margin level of “intelligent logistics and storage system” is low, it is expected to have more than RMB 50 million of revenue scale this year, the gross profit will be better improved; The revenue of “rubber post-processing intelligent manufacturing equipment” increased slightly year-on-year, gross profit margin increased by 8.02% to 44.97%, revenue and profit of this kind are both increased.

Industrial service: The revenue of operation and after-sales industrial services increased by 13.43%, keeping a stable growth continuously, and the gross margin level remained basically stable; “Supplementary industrial services and others” was mainly the attached business of industrial service business, apart from operating and after-sales industrial service, the independent sales of FFS file rolls, plastic additives and other businesses accounted for less than 5%, the profitability is low, and the revenue fluctuation of which is not important to the Company.

Environmental protection process and equipment: During the reporting period, the revenue of environmental protection process fell by nearly 70% year-on-year, because there is no equipment revenue recognition, only the revenue of process design package and spare parts are recognized, the revenue for the whole year is expected to be about RMB 100 million, the strong profitability in process design package will lead the overall gross profit margin of the whole business to a higher level.

From the region perspective, based on the Company’s business model, the operating revenue usually varies from period to period, which is mainly affected by demand fluctuations from region to region and structural changes of product demand, as well as Company response demands, completion of product delivery and acceptance progress, etc. It is not a typical fluctuation of gross profit rate divided by region, please refer to explanation of operating revenue and gross profit rate changes for details.

4. Analysis of Non-Core Businesses

Applicable Not applicable

5. Analysis of Assets and Liabilities

(1) Significant Changes in Asset Composition

Unit: RMB

	End of current reporting period		End of previous year		Increase/ Decrease in proportion	Major changes
	Amount	Proportion of total asset	Amount	Proportion of total asset		
Cash at bank and on hand	586,641,082.15	11.22%	293,516,532.24	5.99%	5.23%	Due to the increase in ending balance of bank deposits.
Accounts receivable	796,142,735.50	15.23%	686,517,240.24	14.00%	1.23%	
Contract assets	100,777,680.67	1.93%	65,959,231.77	1.35%	0.58%	Due to the increase in amount of product warranty.
Inventories	1,735,576,206.21	33.20%	1,634,635,126.78	33.35%	-0.15%	Due to increases in orders and production tasks.
Investment properties	6,569,555.02	0.13%	6,765,974.62	0.14%	-0.01%	
Long-term equity investments	399,111,694.59	7.63%	368,931,927.57	7.53%	0.10%	Profit and loss and equities fluctuate of investment companies.
Fixed assets	216,527,641.00	4.14%	227,527,890.89	4.64%	-0.50%	
Construction in progress	804,726.79	0.02%			0.02%	Due to the investment in the construction in the preliminary stage.
Right-of-use assets	3,265,214.42	0.06%	1,536,107.89	0.03%	0.03%	Due to the increase in right-of-use asset (the lease of factory) of subsidiary Boshi Intelligence.
Short-term borrowings	36,830,000.00	0.70%	25,130,000.00	0.51%	0.19%	Transfer from discounted bank acceptance is not terminated for confirmation.
Contract liabilities	1,421,666,398.09	27.20%	1,183,763,174.21	24.15%	3.05%	Prepayments from customers whose revenue is not recognized grow faster.
Lease liabilities	565,180.40	0.01%	364,078.19	0.01%	0.00%	The increase in right-of-use asset of subsidiary Boshi Intelligence leads to the increase in lease liabilities.

(2) Major Assets Overseas

√Applicable □Not applicable

Types of asset	Nature	Value	Location	Operating mode	Measures taken to protect asset safety	Earnings	In the Company's net assets (%)	Any major impairment risk or not
Equity assets	Equity acquisition	RMB: 271.2595 million	Graz, Austria	Design, manufacture and sales	Not applicable	RMB: -6.14 million	8.76%	No

(3) Assets and liabilities measured at fair value

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Profit or loss from change in fair value during the period	Cumulative fair value change charged to equity	Amount provided for impairment in the period	Purchased in the period	Sold in the period	Other changes	Closing balance
Financial assets								
Financial asset held for trading (excluding derivative financial))	845,595,470.49	693,391.19	3,698,861.68		1,058,410,000.00	1,348,880,000.00		555,818,861.68
Investments in other equity instruments	54,843,027.56							54,843,027.56
Sub-total of the above	900,438,498.05	693,391.19	3,698,861.68		1,058,410,000.00	1,348,880,000.00		610,661,889.24
Financial liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Note: the financial asset held for trading above-mentioned are currency fund and guaranteed bank structural deposits etc., for cash management of unused self-owned capital, based on the resolution of the Board of Directors and the Board of Shareholders.

Whether there were any material changes on the measurement attributes of major assets of the company during the reporting period

Yes No

(4)Restricted asset rights as of the end of this Reporting Period

Item	Book value at the end of period (RMB)	Limitation reason
Cash at bank and on hand	6,800.00	Minimum deposit of ETC toll bank account
Cash at bank and on hand	1,085,035.04	Bank deposit on letter of guarantee (holding subsidiary Boao Environment)
Cash at bank and on hand	1,840,000.00	Bank deposit on letter of guarantee (wholly controlled subsidiary Boshi Intelligence)
Buildings	12,576,294.06	Bank credit mortgage (holding subsidiary Boao Environment)
Buildings	14,464,391.27	Mortgage of bank loans (holding subsidiary Nanjing Green)
Land use rights	4,022,235.46	Mortgage of bank loans (holding subsidiary Nanjing Green)
Total	33,994,755.83	

6. Investment Made

(1)Total investment amount

Applicable Not applicable

Total investment amount of the Reporting Period (RMB)	Total investment amount of the same period of last year (RMB)	Change
399,111,694.59	350,697,138.40	13.81%

The investments above are all investments made by the Company in associates or joint ventures.

(2)Significant equity investment made in the reporting period

Applicable Not applicable

(3)Significant non-equity investments ongoing in the reporting period

Applicable Not applicable

(4)Financial investments

①Securities investments

Applicable Not applicable

No such cases in the reporting period.

②Derivatives investments

Applicable Not applicable

No such cases in the reporting period.

(5) Use of Raised Funds

Applicable Not applicable

No such cases in the reporting period.

(6)Related investment progress

①Investment in high-end medical diagnosis and treatment equipment

Celiac minimally invasive surgical robot: The celiac minimally invasive surgical robot project of Harbin Si Zhe Rui Smart Medical Equipment Co., Ltd., which is invested and participated by the Company, currently holds 13.46% of its equity. Electric endoscopic needle forceps (name of registration certificate) has been approved in January, 2021 for medical device registration certificate issued by the State Drug Administration, and the intended use is ureterolithotomy; The intraperitoneal endoscopic surgical system (name of registration certificate) has obtained medical device registration certificate issued by the State Drug Administration in June, 2022.

Image-guided radiotherapy precise positioning: The image-guided radiotherapy precise positioning project of Jiangsu Rayer Medical Technology Co., Ltd., invested by the Company, currently holds its 15.40% equity. The project obtained the registration certificate of IGPS-O, IGPS-V image-guided radiotherapy positioning system issued by the State Food and Drug Administration in March 2016. In February 2020, the Optical Guidance Tracking System (OGTS) has obtained medical device registration certificate issued by the State Drug Administration

Remote assisted minimally invasive pedicle implantation robot: the remote assisted minimally invasive pedicle implantation robot project of Suzhou Zoezen Robot Co., Ltd., invested and participated by Suzhou HIT-Boshi Medical Equipment Co., Ltd., a wholly-owned subsidiary of the Company, currently, the Company holds 7.18% of its equity. The main R&D product of the project, Navigation and positioning equipment for spinal surgery has obtained medical device registration certificate issued by the State Drug Administration in February, 2022.

The field of high-end medical diagnosis and treatment equipment project is characterized by long research and development cycle, high barriers to enter, long product registration cycle, and big clinical risks. There are many risk factors that cannot be determined during type testing and clinical

trials. For the registered projects, there is also a risk whether the promotion and industrialization can meet the expectation. Hereby, investors are advised to carefully evaluate the relevant risk factors.

②Progress of the robot equity investment fund

In 2015, the Company participated in the establishment of Dongguan Boshi Ruidexin Robot Equity Investment Fund, and established Dongguan Boshi Ruidexin Robot Equity Investment Center (limited partnership). The total investment of Boshi was RMB 60 million, accounting for 30% of the subscribed investment of the fund. By the end of the reporting period, Boshi had received RMB 48.72 million of project investment returns and profit distribution, the earnings are good.

7. Sale of Major Assets and Equity Interests

(1)Sale of major assets

Applicable Not applicable

No such cases in the reporting period.

(2)Sale of major equity interests

Applicable Not applicable

8. Analysis of Major Subsidiaries

Applicable Not applicable

During the reporting period, the Company has no important holding company information that should be disclosed.

9. Structured Bodies Controlled by the Company

Applicable Not applicable

10. Risks Facing by the Company and Countermeasures

(1) The risk that the R&D of intelligent manufacturing equipment and industrialization process are less than expected.

China is undergoing a “transformation from a manufacturing giant to a manufacturing power”, and the demand for the transformation of digital factories and intelligent factories is on the rise. In the face of demand, if the company fails to timely expand the application field of new technology in time, or the industrialization process is not as expected, it may miss the best opportunity to enter the new industry, which will bring adverse effects on the medium-term and long-term rapid development of the Company and become one of the risk factors faced by the Company.

Solutions: First of all, in the aspect of R&D and setting up the project, the Company chooses areas with large market demand which can be replicated, and the Company has technological advantages, which helps to accelerate the research and development process. After successful research and development, there is a large space for replication and promotion. Secondly, the Company chooses the areas with existing industry pain points and great technical difficulties. After making breakthroughs in key technologies, it will quickly establish and consolidate its technological competitive advantages, accelerate to get through the whole product line, and establish a first-mover advantage for the company. Thirdly, in the formation of intelligent manufacturing overall solutions, regarding non-critical supporting technologies for the mature market, the Company effectively uses social resources, focusing on the research and development of the core technologies, so as to accelerate the launching of product solutions. At the same time, the Company establishes standardized modules for intelligent manufacturing and factory digital product solutions, which helps to accelerate the replication and promotion of product technology in different customers and different industries, and effectively respond to relevant risk factors.

(2) The risk that 5G-based industrial internet and artificial intelligence technology cannot be deeply applied in the Company's overall solution of intelligent manufacturing.

Solutions: Intelligent manufacturing technology is inseparable from industrial Internet technology. The application of 5G in the industrial field provides technological convenience for man-machine collaboration and intelligent manufacturing. At present, the Company has outstanding competitive advantages in the field of product application. However, if the industrial Internet and artificial intelligence technology based on 5G cannot be deeply integrated and applied in the intelligent manufacturing product technology solutions in the future, it will restrict the speed and quality of the Company's medium-term and long-term development, and constitute one of the risk factors.

Enterprises above the designated size of China's manufacturing industry generally have automated production lines, but the proportion of digitalization is not high, factory data sharing is little, and use of intelligent technology is few. The development of intelligent manufacturing in China still has a big gap compared with the United States, Japan and Germany, and the overall development space of the industry is broad. Based on years of technical accumulation and rich product line application advantages, the Company can provide customers with the overall intelligent manufacturing solutions in the main product application fields, and continue to carry out technical research on the integration and application of 5G, industrial Internet and artificial intelligence technology in the overall solutions of intelligent manufacturing application. From the perspective of resources, Lianchuang Weilai is the largest shareholder of the Company, and its actual controller, China United Network Communications Group Co., Ltd., has a profound industrial and technical background in 5G network. The industrial resources of the Company's largest shareholder will help the Company to build the industrial upgrading of "5G + industrial Internet", and accelerate the Company to expand new fields and explore new markets. At the level of product research and development, the Company will also make full use of its own advantages and resources, accelerate the technology reserve in the digital and intelligent manufacturing industry, establish a competitive advantage position, and deal with risk factors.

(3)The risk of whether the Company can effectively integrate its own and social resources and accelerate technological innovation.

As a technology-oriented enterprise, the Company leads the differentiated competition strategy with the

technology lead, in the field where the Company is engaged, the Company replaces the imported equipment or makes the first set of innovative applications to maintain the dominant competitive position for a long time. However, in the face of the rapid development of the industrial Internet, artificial intelligence, as well as the fierce resource competition, the development of enterprises can not only stay on the use of internal resources. If the Company fails to effectively integrate its own and social resources and accelerate technological innovation, it will constitute one of the risk factors restricting the medium-and long-term development of the Company.

Solutions: In terms of product and technology R&D, the Company actively cooperates with social resources with the principle of independent and controllable core technology and considering efficiency priority. For example, in the fields of intelligent manufacturing solutions and the like, for units with non-core and sufficient market competition, with the principle of considering cost and efficiency, preferentially connect the social resources such as universities, research institutes, leading technology enterprises in the industry and integrate the company's core technologies, accelerate the research and development process of products and technology, and strive for market opportunities. Making effective use of social resources will help company to concentrate their own resources, focus on key technological innovation and cope with relevant risk factors.

(4)The risk that the equipment delivery may be delayed due to strict pandemic control measures.

Two years after the spread of COVID-19, stricter controls, such as the unexpected silent period, had an impact on the company's product supply chain and product delivery during the reporting period. In the future, if the COVID-19 pandemic or other viruses accelerate spreading periodically, it may pose adverse risk factors for the Company's production organization, product delivery, and revenue recognition.

Solutions: The Company's equipment products are produced according to the order, and the pandemic control measures may affect the time point of revenue recognition, but it will not affect the final realization of revenue recognition. In terms of production organization, the Company considers the impact factors of the pandemic on the procurement cycle, optimizes the raw material procurement and inventory management, and prevents the risk of poor supply chain. In terms of product delivery, the Company timely pays close attention to the pandemic situation in various places, actively evaluates the pandemic control measures, allocates installation and commissioning resources as a whole, and controls the risk of delayed delivery of installation and commissioning products.

(5)The risk of unexpected demand for intelligent equipment in the post-pandemic era.

As we all know, the human fight against COVID-19 has entered a lasting tug of war, and the virus has repeatedly mutated and expanded the infectivity, making countries around the world unexpected. Since 2022, while the world has fought against this common disaster of mankind, the sudden emergence of international geopolitical and military conflicts may have had a far-reaching impact on the world's political and economic pattern for several years. As a manufacturing giant in the world, the world's demand for Chinese manufacturing may be lower than expected if China is affected by insufficient global demand or adverse world economic and trade policies. In the field of product technology application, as the Company is a domestic intelligent equipment supplier and intelligent manufacturing overall solution provider, it is inevitably restricted by this. Therefore, if the demand for intelligent equipment in the post-pandemic period

is not as expected, it will constitute one of the short-term and medium-term risk factors restricting the Company's future performance.

Solutions: What corresponds to the risk is the opportunity. In the post-pandemic era, the structural supply of China's manufacturing labor force is insufficient, which brings God-given development opportunities for the suppliers of the overall solution of intelligent manufacturing. On the one hand, the Company promotes the replication and implementation of mature solutions of intelligent manufacturing among different enterprises, on the other hand, it helps customers to improve production efficiency and improve economic benefits with high efficient equipment. From the perspective of customers, it not only solves the problem of production resources allocation, but also helps customers to concentrate resources, make efficient output and improve economic benefits. At the same time, in the field of intelligent manufacturing equipment, the Company's industrial service revenue scale has increased year by year, making a considerable contribution to the overall performance of the Company. Although with the recovery of the world's manufacturing capacity in the post-pandemic era, the world's demand for Made in China may have the risk of fluctuations, the Company strives to win the favor of users with vibrant products, traverse through demand fluctuations and cope with relevant risk factors.

(6) The short-term risk that the production capacity of Intelligent Manufacturing Equipment restricts the Company's performance growth.

With the upgrading of China's manufacturing industry, the structural supply of labor force is insufficient, and the market demand for intelligent manufacturing equipment is strong. The Company's intelligent manufacturing equipment is in the high-end equipment application market, with strong customer strength, urgent demand for intelligent equipment technology to replace labor, and great potential for the overall solutions of intelligent factories. At present, the Company has abundant orders, busy production organized work, and the intelligent manufacturing equipment production capacity may constitute one of the short-term risk factors affecting the Company's performance growth.

Solutions: To ease the pressure of production capacity, make full use of the advantages of the Yangtze River Delta in region, policy, transportation, industrial environment, the Company has decided to establish regional headquarters in Huaqiao Economic Development zone, Kunshan, implementing the production projects of Robots and Intelligent factories and focusing on the overall solution of intelligent manufacturing of raw material production of new energy enterprises, the overall solution of intelligent manufacturing of sub-merged arc furnace smelting and the market upgrading demand guided by new technology products, developing together with the Company to form an incremental scale and expand production capacity. During the construction period of the project, currently the Company has leased the plant with supporting social resources and organized production to relieve the Company's production pressure. At the same time, the Company makes financing plan to issue RMB 450 million of convertible bonds, used for robot and intelligent factory industrialization production project, sub-merged arc furnace operation robot and its intelligent factory R&D demonstration project, technology innovation and service center (R&D center) project construction and supplementing liquidity, optimizing the capital structure, improving the Company R&D achievements and production capacity and innovation and helping the Company's medium-and long-term performance growth, to deal with related risk factors.

(7) The risk of technology confidentiality and unfair competition.

Technology leading is one of the Company's important competitive strategies and competitive advantages. In the market competition, the Company implements the differentiated competition strategy, stabilizes the moat with the technological leading advantage, and maintains a high long-term level of profitability. The Company attaches great importance to technical confidentiality protect the Company's technology security and prevent relevant risks through intellectual property protection, rights protection according to law, signing confidentiality agreement and non-competition agreement with key technology personnel, and confidentiality of proprietary technology by means of encryption technology. Nevertheless, there may still be possibility that the Company's intellectual property rights are illegally used, the proprietary technology mastered by the Company are illegally stolen and the Company faces other unfair competition risks, which constitute the risk of potential economic loss to the Company.

Solutions: The Company's technology is divided into patented technology and proprietary technology, from the perspective of technical confidentiality, each has its own advantages. The competitiveness of the enterprise depends on the absolute strength. Only by being far ahead in the same competition, can we continue to be in the leading competitive advantage position. In addition to the traditional technology confidentiality and anti-improper competition means, the Company, by means of technology R&D and innovation, continues to enhance technology reserve to keep one generation of R&D, one generation of reserve and one generation of sales, to maintain the absolute competitive advantage in the domestic main product application field. Therefore, through continuous technological innovation, actively coping with relevant risks is the primary strategy for the company to deal with technology confidentiality and face unfair competition.

The risk factors above are the Company concerned, the Company actively takes measures in order to avoid and control relevant risks effectively.

V. Financial statements**(1) Consolidated Balance Sheet**

Prepared by HARBIN BOSHI AUTOMATION CO., LTD.

Unit: RMB

Item	Jun 30, 2022	Jan 1, 2022
Current assets:		
Cash at bank and on hand	586,641,082.15	293,516,532.24
Financial assets held for trading	555,818,861.68	845,595,470.49
Derivative financial assets		
Bills receivable	271,893,567.61	229,646,179.07
Accounts receivable	796,142,735.50	686,517,240.24
Financing receivables	140,693,656.81	79,149,044.16
Prepayments	146,255,935.10	122,894,199.23
Other receivables	22,083,026.15	15,263,337.81
Thereof: Interest receivable		
Dividend receivable		
Inventories	1,735,576,206.21	1,634,635,126.78
Contract assets	100,777,680.67	65,959,231.77
Assets held for sale		
Non-current assets due within one year		
Other current assets	31,320,224.70	102,006,478.67
Total current assets	4,387,202,976.58	4,075,182,840.46
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	399,111,694.59	368,931,927.57
Other equity instruments investments	54,843,027.56	54,843,027.56
Other non-current financial assets		
Investment properties	6,569,555.02	6,765,974.62
Fixed assets	216,527,641.00	227,527,890.89
Construction in progress	804,726.79	
Productive biological assets		
Oil and gas assets		

Right-of-use assets	3,265,214.42	1,536,107.89
Intangible assets	62,588,232.54	59,203,985.82
Development costs		
Goodwill	55,986,496.23	57,640,668.16
Long-term deferred expenses		
Deferred tax assets	35,599,654.86	33,545,799.43
Other non-current assets	4,901,599.18	16,767,197.42
Total non-current assets	840,197,842.19	826,762,579.36
Total assets	5,227,400,818.77	4,901,945,419.82
Current liabilities:		
Short-term loans	36,830,000.00	25,130,000.00
Financial liabilities held for trading		
Derivative financial liabilities		
Bills payable		
Accounts payable	195,218,317.57	169,654,369.55
Advances from customers	290,250.00	93,199.97
Contract liabilities	1,421,666,398.09	1,183,763,174.21
Employee benefits payable	19,885,181.66	55,640,882.93
Taxes payable	51,706,046.53	50,017,507.87
Other payables	4,457,475.21	1,310,296.34
Thereof: Interest payable		
Dividend payable		
Liabilities held for sale		
Non-current liabilities due within one year	1,906,948.25	15,584,251.66
Other current liabilities	87,923,963.10	87,335,615.64
Total current liabilities	1,819,884,580.41	1,588,529,298.17
Non-current liabilities:		
Long-term loans		
Bonds payable		
Thereof: Preference shares		
Perpetual debts		
Lease liabilities	565,180.40	364,078.19
Long-term payable	0.00	6,000,000.00
Long-term employee benefits payable		

Provisions	3,344,614.71	4,202,180.70
Deferred income	6,322,508.55	8,369,857.05
Deferred tax liabilities	13,132,260.96	13,350,055.20
Other non-current liabilities	286,839,867.26	233,253,274.34
Total non-current liabilities	310,204,431.88	265,539,445.48
Total liabilities	2,130,089,012.29	1,854,068,743.65
Shareholders' equity:		
Share capital	1,022,550,000.00	1,022,550,000.00
Other equity instruments		
Thereof: Preference shares		
Perpetual debts		
Capital reserve	211,254,898.13	168,298,491.29
Less: treasury shares		
Other comprehensive income	13,140,443.80	15,452,263.61
Specific reserve	28,089,596.15	26,141,271.69
Surplus reserve	255,493,157.09	255,493,157.09
General risk reserve		
Retained earnings	1,400,601,208.71	1,391,857,922.71
Total equity attributable to shareholders of the Parent Company	2,931,129,303.88	2,879,793,106.39
Minority shareholder equity	166,182,502.60	168,083,569.78
Total shareholders' equity	3,097,311,806.48	3,047,876,676.17
Total liabilities and shareholders' equity	5,227,400,818.77	4,901,945,419.82

Legal representative: Deng Xijun

Director of Finance: Sun Zhiqiang

Prepared by: Wang Peihua

(2) Balance Sheet of Parent Company

Unit: RMB

Item	Jun 30, 2022	Jan 1, 2022
Current assets:		
Cash at bank and on hand	525,101,291.39	231,349,019.86
Financial assets held for trading	523,649,644.37	781,841,534.53
Derivative financial assets		
Bills receivable	228,830,023.70	213,879,097.43
Accounts receivable	735,781,094.27	623,091,820.39
Financing receivables	117,947,835.93	62,227,683.22

Prepayments	119,065,515.88	103,997,118.75
Other receivables	17,707,137.72	12,089,893.45
Thereof: Interest receivable		
Dividend receivable		
Inventories	1,387,226,907.33	1,365,863,929.52
Contract assets	99,620,384.50	61,464,107.44
Assets held for sale		
Non-current assets due within one year		
Other current assets	12,506,225.59	84,086,902.47
Total current assets	3,767,436,060.68	3,539,891,107.06
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	549,798,960.89	510,619,193.87
Other equity instruments investments	24,483,027.56	24,483,027.56
Other non-current financial assets		
Investment properties		
Fixed assets	159,563,124.71	167,587,260.49
Construction in progress	635,670.19	
Productive biological assets		
Oil and gas assets		
Right-of-use assets	547,176.96	653,082.18
Intangible assets	37,176,470.28	36,724,254.11
Development costs		
Goodwill		
Long-term deferred expenses		
Deferred tax assets	24,337,405.03	25,151,630.69
Other non-current assets	4,362,105.18	15,847,197.42
Total non-current assets	800,903,940.80	781,065,646.32
Total assets	4,568,340,001.48	4,320,956,753.38
Current liabilities:		
Short-term loans	5,000,000.00	
Financial liabilities held for trading		

Derivative financial liabilities		
Bills payable		
Accounts payable	179,388,288.94	163,506,047.84
Advances from customers		
Contract liabilities	1,255,663,932.15	1,076,132,534.39
Employee benefits payable	16,247,831.86	45,727,674.42
Taxes payable	41,831,101.85	45,300,625.00
Other payables	4,946,924.85	5,531,624.08
Thereof: Interest payable		
Dividend payable		
Liabilities held for sale		
Non-current liabilities due within one year	210,957.85	201,250.11
Other current liabilities	79,001,770.12	82,008,840.39
Total current liabilities	1,582,290,807.62	1,418,408,596.23
Non-current liabilities:		
Long-term loans		
Bonds payable		
Thereof: Preference shares		
Perpetual debts		
Lease liabilities	209,114.67	209,114.67
Long-term payable		6,000,000.00
Long-term employee benefits payable		
Provisions	3,186,071.80	3,996,091.20
Deferred income	6,322,508.55	8,369,857.05
Deferred tax liabilities	6,955,930.05	7,297,242.43
Other non-current liabilities	146,973,885.08	107,151,867.52
Total non-current liabilities	163,647,510.15	133,024,172.87
Total liabilities	1,745,938,317.77	1,551,432,769.10
Shareholders' equity:		
Share capital	1,022,550,000.00	1,022,550,000.00
Other equity instruments		
Thereof: Preference shares		
Perpetual debts		
Capital reserve	211,245,192.31	168,288,785.47

Less: treasury shares		
Other comprehensive income	4,844,985.62	5,369,127.17
Specific reserve	23,462,782.47	22,035,866.22
Surplus reserve	255,493,157.09	255,493,157.09
Retained earnings	1,304,805,566.22	1,295,787,048.33
Total shareholders' equity	2,822,401,683.71	2,769,523,984.28
Total liabilities and shareholders' equity	4,568,340,001.48	4,320,956,753.38

(3) Consolidated Income Statement

Unit: RMB

Item	Current period	Last period
1. Total revenue	1,028,107,177.93	1,115,555,107.33
Thereof : Operating revenue	1,028,107,177.93	1,115,555,107.33
2. Total cost	774,244,677.87	817,171,415.21
Thereof : cost of sales	634,720,902.68	686,843,468.37
Taxes and surcharges	10,405,504.70	7,037,640.58
Selling and distribution expenses	36,480,990.88	39,766,634.19
General and administrative expenses	56,426,605.54	49,958,002.37
Research and development expenses	39,782,927.29	33,299,584.34
Financial expenses	-3,572,253.22	266,085.36
Thereof : Interest expenses	672,000.80	707,430.63
Interest income	4,948,498.70	194,369.22
Add: Other income	29,814,352.11	31,460,061.23
Investment income ("-" for losses)	18,102,815.76	23,271,381.73
Thereof: Income from investment in associates and joint ventures	7,913,264.64	6,602,487.57
Gain from derecognition of financial assets measured at amortized cost		
Exchange income (Loss is listed with "-")		
Net exposure hedging gains ("-" for losses)		
Gains from changes in fair value ("-" for losses)	693,391.19	-2,778,859.32
Credit impairment losses ("-" for losses)	4,998,212.24	2,074,614.24
Impairment losses ("-" for losses)	-6,020,200.38	-1,309,097.78
Gains from assets disposal ("-" for losses)	-89,024.87	-61,846.69

3. Operating profit ("-" for losses)	301,362,046.11	351,039,945.53
Add: Non-operating income	1.73	1.66
Less: Non-operating expenses	35,306.08	172,177.19
4. Profit before income tax ("-" for losses)	301,326,741.76	350,867,770.00
Less: Income tax expenses	37,532,130.83	50,417,087.15
5. Net profit for the year ("-" for net losses)	263,794,610.93	300,450,682.85
(1) Classification according to operation continuity		
Net profit from continuing operations(loss is stated with "-")	263,794,610.93	300,450,682.85
Net profit from discontinued operations(loss is stated with "-")		
(2) Classified by ownership of the equity		
Attributable to shareholders of the Parent Company	264,380,786.00	286,687,578.90
Minority interests	-586,175.07	13,763,103.95
6. Other comprehensive income, net of tax	-4,029,393.04	225,437.90
Other comprehensive income attributable to shareholders of the Parent Company, net of tax	-2,311,819.81	2,708,053.33
(1) Other comprehensive income items which will not be reclassified subsequently to profit or loss		5,292,000.00
1) Changes arising from re-measurement of defined benefit plan		
2) Other comprehensive income that will not be transferred subsequently to profit or loss under the equity method		
3) Changes in the fair value of the investment in other equity instruments		5,292,000.00
4) Changes in the fair value of the Company's own credit risk		
5) Others		
(2) Other comprehensive income items which will be reclassified subsequently to profit or loss	-2,311,819.81	-2,583,946.67
1) Other comprehensive income that will be transferred subsequently to profit or loss under the equity method		
2) Changes in the fair value of other debt investments		
3) Amount of financial assets reclassified and included in other comprehensive income		
4) Credit impairment reserves for other debt investment		
5) Cash flow hedging reserve		
6) Translation differences arising from translation of foreign currency financial statements	-2,311,819.81	-2,583,946.67

7)Others		
Other comprehensive income attributable to minority shareholders, net of tax	-1,717,573.23	-2,482,615.43
7. Total comprehensive income	259,765,217.89	300,676,120.75
Attributable to shareholders of the Parent Company	262,068,966.19	289,395,632.23
Minority interests	-2,303,748.30	11,280,488.52
8. Earnings per share		
(1) Basic earnings per share	0.2586	0.2804
(2) Diluted earnings per share	0.2586	0.2804

Legal representative: Deng Xijun Director of Finance: Sun Zhiqiang Prepared by: Wang Peihua

(4)Income Statement of Parent Company

Unit: RMB

Item	Current period	Last period
1. Total revenue	941,991,481.19	953,943,000.80
Less: cost of sales	588,479,383.86	613,465,857.42
Taxes and surcharges	8,903,000.49	6,457,908.10
Selling and distribution expenses	34,170,418.05	34,438,606.49
General and administrative expenses	27,777,651.39	26,668,862.47
Research and development expenses	31,882,198.68	23,637,107.73
Financial expenses	-4,827,923.76	-2,165,572.00
Thereof : Interest expenses	9,707.74	
Interest income	4,915,799.72	175,364.61
Add: Other income	29,600,786.33	28,411,188.35
Investment income ("-" for losses)	17,639,956.12	30,104,288.61
Thereof: Income from investment in associates and joint ventures	7,913,264.64	6,602,487.57
Gain from derecognition of financial assets measured at amortized cost		
Net exposure hedging gains ("-" for losses)		
Gains from changes in fair value ("-" for losses)	608,109.84	-2,586,347.61
Credit impairment losses ("-" for losses)	5,289,492.36	695,399.00
Impairment losses ("-" for losses)	-2,718,689.24	-137,288.83
Gains from assets disposal ("-" for losses)	-124,663.52	-61,846.69
2. Operating profit ("-" for losses)	305,901,744.37	307,865,623.42

Add: Non-operating income	1.15	1.66
Less: Non-operating expenses	20,302.22	3,858.25
3. Profit before income tax ("-" for losses)	305,881,443.30	307,861,766.83
Less: Income tax expenses	41,225,425.41	40,512,679.09
4. Net profit for the year ("-" for net losses)	264,656,017.89	267,349,087.74
Net profit from continuing operations (loss is stated with "-")	264,656,017.89	267,349,087.74
Net profit from discontinued operations (loss is stated with "-")		
5. Other comprehensive income, net of tax	-524,141.55	
(1) Other comprehensive income items which will not be reclassified subsequently to profit or loss		
1) Changes arising from remeasurement of defined benefit plan		
2) Other comprehensive income that will not be transferred subsequently to profit or loss under the equity method		
3) Changes in the fair value of the investment in other equity instruments		
4) Changes in the fair value of the Company's own credit risk		
5) Others		
(2) Other comprehensive income items which will be reclassified subsequently to profit or loss	-524,141.55	
1) Other comprehensive income that will be transferred subsequently to profit or loss under the equity method		
2) Changes in the fair value of other debt investments		
3) Amount of financial assets reclassified and included in other comprehensive income		
4) Credit impairment reserves for other debt investment		
5) Cash flow hedging reserve		
6) Translation differences arising from translation of foreign currency financial statements	-524,141.55	
7) Others		
6. Total comprehensive income	264,131,876.34	267,349,087.74
7. Earnings per share		
(1) Basic earnings per share		
(2) Diluted earnings per share		

(5) Consolidated Cash Flow Statement

Unit: RMB

Item	Current period	Last period
1. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	1,087,371,067.68	988,131,295.51
Refund of taxes and surcharges	28,176,068.36	33,081,369.60
Other cash receipts relating to operating activities	8,801,935.01	6,853,478.32
Sub-total of cash inflows from operating activities	1,124,349,071.05	1,028,066,143.43
Cash paid for goods and services	552,625,962.57	504,191,726.57
Cash paid to employees and paid on behalf of employees	227,143,438.05	196,334,468.47
Payments of taxes and surcharges	124,830,966.71	90,136,931.10
Other cash payments relating to operating activities	47,574,694.72	53,959,233.60
Sub-total of cash outflows from operating activities	952,175,062.05	844,622,359.74
Net cash flows from operating activities	172,174,009.00	183,443,783.69
2. Cash flows from investing activities		
Cash received from withdrawing investments	1,423,456,384.65	1,994,610,000.00
Cash received from investment income	25,836,070.85	16,668,894.16
Net cash received from disposal of fixed assets, intangible assets and other long term assets	86,841.10	811,457.70
Net cash received from disposal of subsidiaries and other operating units		
Other cash receipts relating to investing activities		
Sub-total of cash inflows from investing activities	1,449,379,296.60	2,012,090,351.86
Cash paid to acquire fixed assets, intangible assets and other long-term assets	10,091,182.49	11,808,848.53
Cash paid to acquire investments	1,058,410,000.00	1,632,250,000.00
Net increase of mortgaged loans		
Net cash paid to acquire subsidiaries and other operating units		
Other cash payments relating to investing activities		
Sub-total of cash outflows from investing activities	1,068,501,182.49	1,644,058,848.53
Net cash flows from investing activities	380,878,114.11	368,031,503.33
3. Cash flows from financing activities		
Cash received from capital contributions		
Thereof: Cash received by subsidiaries from minority shareholders' capital contributions		

Cash received from borrowings	28,830,000.00	15,000,000.00
Other cash receipts from financing activities		
Sub-total of cash inflows from financing activities	28,830,000.00	15,000,000.00
Cash repayments of borrowings	32,130,000.00	22,174,437.32
Distribution of dividends or profits and payments for interest expenses	256,234,892.33	212,608,098.04
Thereof: Cash payments for dividends or profit to minority shareholders by subsidiaries		7,350,000.00
Other cash payments relating to financing activities	1,060,994.50	6,910.31
Sub-total of cash outflows from financing activities	289,425,886.83	234,789,445.67
Net cash flows from financing activities	-260,595,886.83	-219,789,445.67
4. Effect of foreign exchange rate changes on cash and cash equivalents	922,452.27	-2,461,782.44
5. Net increase in cash and cash equivalents	293,378,688.55	329,224,058.91
Add: Cash and cash equivalents at the beginning of period	290,330,558.56	113,464,591.58
6. Cash and cash equivalents at the end of period	583,709,247.11	442,688,650.49

Legal representative: Deng Xijun Director of Finance: Sun Zhiqiang Prepared by: Wang Peihua

(6)Cash Flow Statement of Parent Company

Unit: RMB

Item	Current period	Last period
1. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	944,606,308.01	865,325,043.92
Refund of taxes and surcharges	24,908,877.27	30,787,752.80
Other cash receipts relating to operating activities	6,920,097.79	5,094,383.50
Sub-total of cash inflows from operating activities	976,435,283.07	901,207,180.22
Cash paid for goods and services	500,875,979.72	429,869,414.86
Cash paid to employees and paid on behalf of employees	130,471,617.02	165,576,286.71
Payments of taxes and surcharges	115,637,958.66	77,058,305.53
Other cash payments relating to operating activities	28,383,872.04	42,305,830.70
Sub-total of cash outflows from operating activities	775,369,427.44	714,809,837.80
Net cash flows from operating activities	201,065,855.63	186,397,342.42
2. Cash flows from investing activities		
Cash received from withdrawing investments	1,302,165,929.92	1,865,550,000.00
Cash received from investment income	25,622,816.62	23,608,102.41

Net cash received from disposal of fixed assets, intangible assets and other long term assets	192,841.10	811,457.70
Net cash received from disposal of subsidiaries and other operating units		
Other cash receipts relating to investing activities		8,000,000.00
Sub-total of cash inflows from investing activities	1,327,981,587.64	1,897,969,560.11
Cash paid to acquire fixed assets, intangible assets and other long-term assets	4,058,395.96	9,993,275.48
Cash paid to acquire investments	977,800,000.00	1,506,200,000.00
Net cash paid to acquire subsidiaries and other operating units		
Other cash payments relating to investing activities	2,800,000.00	8,000,000.00
Sub-total of cash outflows from investing activities	984,658,395.96	1,524,193,275.48
Net cash flows from investing activities	343,323,191.68	373,776,284.63
3. Cash flows from financing activities		
Cash received from capital contributions		
Cash received from borrowings	5,000,000.00	
Other cash receipts from financing activities		
Sub-total of cash inflows from financing activities	5,000,000.00	
Cash repayments of borrowings		
Distribution of dividends or profits and payments for interest expenses	255,637,500.00	204,510,000.00
Other cash payments relating to financing activities	9,707.74	
Sub-total of cash outflows from financing activities	255,647,207.74	204,510,000.00
Net cash flows from financing activities	-250,647,207.74	-204,510,000.00
4. Effect of foreign exchange rate changes on cash and cash equivalents	10,431.96	-1,577.84
5. Net increase in cash and cash equivalents	293,752,271.53	355,662,049.21
Add: Cash and cash equivalents at the beginning of period	231,342,219.86	20,668,974.65
6. Cash and cash equivalents at the end of period	525,094,491.39	376,331,023.86

Board of Directors of HARBIN BOSHI AUTOMATION CO., LTD.

August 27th, 2022