

Hundsun Technologies Inc.

2022 Annual Report



Important Notice

- I. The Board and the Supervisory Committee of the Company and the Directors, Supervisors and members of the Senior Management warrant the truthfulness, accuracy and completeness of the contents in this Annual Report and confirm that there are no misrepresentations or misleading statements contained in or material omissions from this Annual Report, and accept several and joint legal responsibilities.**
- II. All Directors attended the board meeting of the Company to consider and approve the annual results.**
- III. Pan-China Certified Public Accountants LLP has issued a standard unqualified auditor's report for the Company.**
- IV. Liu Shufeng, chairman of the Company, and Yao Manying, Financial Controller and Head of the Accounting Firm (person in charge of accounting), warrant the truthfulness, accuracy and completeness of the financial statements contained herein.**
- V. Profit distribution plan or capital reserves share capitalization plan during the Reporting Period upon deliberation at the board meeting.**

Hundsun Technologies Inc. (hereinafter referred to as "the Company") realized a total net profit (for the parent company) of RMB1,030,126,214.29 (in RMB, the same as below) in 2022. According to the *Company Law*, the *Articles of Association* of the Company and the relevant guidelines of the China Securities Regulatory Commission and the Shanghai Stock Exchange, 10% of the statutory reserve fund shall be withdrawn first, plus the profit carry-over from the previous year. According to the actual situation, the Company plans to implement the profit distribution plan in the following order:

1. The Company will withdraw 10% of the statutory reserve fund of RMB103,012,621.43.
2. The Company will distribute a cash dividend of RMB1.30 (including tax) for every 10 shares to all shareholders based on 1,898,681,845 shares, being 1,900,006,442 shares outstanding less 1,324,597 shares in the special repurchase account of the Company, totaling RMB246,828,639.85.
3. The remaining distributable profits will be carried forward to the next year.

If, during the period between the disclosure of this profit distribution plan and the record date for dividend distribution, the Company's share capital involved in the profit distribution changes due to relevant matters, the Company plans to maintain the same proportion of profit distribution per share, adjust the total amount of distribution accordingly, and announce the details about adjustment separately.

VI. Disclaimer of forward-looking statements

Applicable Not Applicable

The Company's future strategies and plans contained herein do not constitute substantive commitments to investors by the Company. Investors and stakeholders should be adequately aware of risks herein and understand the differences among plans, forecasts and commitments.

VII. Whether the Controlling Shareholder of the Company or other associates has misappropriated the Company's funds for purposes other than for business?

No

VIII. Whether the Company has provided external guarantees in violation of any prescribed decision-making procedures?

No

IX. Whether more than half of the Directors fail to warrant the truthfulness, accuracy and completeness of the contents contained in the annual report disclosed by the Company?

No

X. Reminder of important risks

None

XI. Miscellaneous

Applicable Not Applicable

Note:

This document is a translated version of the Chinese version 2022 Annual Report (“2022 年年度报告”), and the published announcements in the Chinese version shall prevail. The complete published Chinese 2022 Annual Report may be obtained at www.sse.com.cn/

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Documents for Inspection	I. Accounting statements signed and sealed by the Chairman, Financial Controller, and Head of the Finance Department (person in charge of accounting) of the Company
	II. The original Auditor's Report sealed by Pan-China Certified Public Accountants LLP and sealed and signed by Pan-China's CPAs
	III. Originals of all documents and announcements of the Company publicly disclosed in the newspaper designated by CSRC during the Reporting Period

Section I Definitions

I. Definitions

Unless the context otherwise requires, the following terms shall have the following meanings in this report:

Definitions of frequently-used terms		
Hundsun, Hundsun Technologies or the Company	means	Hundsun Technologies Inc.
Hundsun Group	means	Hangzhou Hundsun Electronics Group Co., Ltd.
UF3.0	means	Core Business Operation Platform System Version 3.0 built based on a new generation of distributed microservice technology base, which can realize accounts, funds, securities trading, credit trading, options trading, financial products sales, clearing, inquiry, and other core businesses of brokers.
O45	means	Investment and trading system built based on a new generation of distributed microservice technology base, of which O refers to OMS and 45 refers to version 4.5
TA system	means	Transfer Agent, Hundsun's fund registration and transfer system software, used for investor account management in the asset management industry, including funds, securities, insurance, futures, and private equity.
Light technology platform	means	LIGHT, a financial digital infrastructure independently developed by Hundsun and a new generation of IT application innovation infrastructure, which provides 10 core technical capabilities for the digital transformation of financial business, can meet the demands of the financial industry for cloud-native, high-performance, and digital intelligence technologies, improve the development efficiency and operational stability of financial business, and enable the rapid innovation of financial business
AI	means	Artificial Intelligence, abbreviated as AI.
LTC	means	a management process that continuously optimizes customer-focused operations and management to improve overall operation targets.
IPD	means	Integrated Product Development, which is the concept and method for effective management of product development by integrating various best practices in product development
CRM	means	Customer Relationship Management
SAAS	means	Software-as-a-Service, i.e., providing software services over the network
PAAS	means	Abbreviation of Platform as a Service, which means platform as a service
JRES	means	JRES, which provides the underlying technical support operation environment necessary for business development, including JRESPlus-UI (view, component) and JRESPlus-MVC, is compatible with mainstream microservice development specifications, and provides enterprise-level microservice operation support and service governance platform
LDP	means	LDP, a new generation of low-latency, distributed and high-availability technology platform of Hundsun, which provides products and solutions such as rapid trading, rapid market quotations and rapid risk control for brokerage business, institutional services, asset management, and self-operated market-making of financial institutions, thus helping the development of high-performance scenarios
OBP	means	Offering Business Plans [or OBPs], namely Annual Business Plan of Product Package, which is developed by the product management team and submitted to IPMT as a basis for making investment decisions
PB2.0	means	A set of products, including investment service management system software, investment advisory service platform software, overseas institutional investment service system software, institutional agreement transaction service platform software, and OTC derivatives business management system software

Section II Company Profile and Key Financial Indicators

I. Company Information

Chinese name of the Company	恒生电子股份有限公司.
Chinese abbreviation	恒生电子
English name of the Company	Hundsun Technologies Inc.
English abbreviation	Hundsun
Legal representative of the Company	Liu Shufeng

II. Contact Information

	Secretary of the Board	Representative of Securities Affairs
Name	Tu Haiyan	Gu Ning
Correspondence address	Digital Intelligence Hundsun Center, No. 1888 Binxing Road, Binjiang District, Hangzhou	Digital Intelligence Hundsun Center, No. 1888 Binxing Road, Binjiang District, Hangzhou
Tel.	0571-28829702	0571-28829702
Fax	0571-28829703	0571-28829703
E-mail	investor@hundsun.com	investor@hundsun.com

III. Basic Information

Registered address	Hundsun Tower, No. 3588 Jiangnan Avenue, Binjiang District, Hangzhou
Historical changes to the registered address	None
Principal place of business	Digital Intelligence Hundsun Center, No. 1888 Binxing Road, Binjiang District, Hangzhou
Postal code of principal place of business	310053
Website of the Company	www.hundsun.com
E-mail	investor@hundsun.com

IV. Information Disclosure and Place for Inspection

Newspapers selected by the Company for information disclosure	China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily
Website designated by the Shanghai Stock Exchange for publishing the annual report	www.sse.com.cn
Place for inspection of annual reports of the Company	Digital Intelligence Hundsun Center, No. 1888 Binxing Road, Binjiang District, Hangzhou

V. Basic Information of the Company's Shares

Stock Profile				
Class of shares	Stock exchange	Stock abbreviation	Stock code	Stock abbreviation before change
A shares	Shanghai Stock Exchange	Hundsun Technologies	600570	

VI. Other Relevant Information

Accounting firm (domestic) engaged by the Company	Name	Pan-China Certified Public Accountants LLP
	Office address	Hangzhou, China
	Names of signing	Chen Caiqin and Fei Jun

	accountants	
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VII. Key Accounting Data and Financial Indicators for the Past Three Years

(I) Key accounting data

Key accounting data	Unit: Yuan		Currency: RMB	
	2022	2021	Increase or decrease for the period over the same period of the previous year (%)	2020
Revenue	6,502,387,143.49	5,496,578,624.88	18.30	4,172,645,156.56
Net profit attributable to shareholders of the Company	1,091,088,379.58	1,463,538,930.14	-25.45	1,321,735,522.48
Net profit attributed to shareholders of the listed company net of non-recurring profits and losses	1,144,419,161.05	946,569,672.55	20.90	733,590,924.61
Net cash flows from operating activities	1,138,192,779.96	956,789,306.14	18.96	1,397,902,270.41
	End of 2022	At the end of 2021	Increase or decrease at the end of the period as compared to that of the same period of the previous year (%)	At the end of 2020
Net assets attributable to shareholders of the Company	6,811,761,050.50	5,695,031,051.05	19.61	4,554,029,323.59
Total assets	13,004,578,298.67	12,079,908,312.76	7.65	9,971,144,688.34

(II) Key financial indicators

Key financial indicators	2022	2021	Increase or decrease for the period over the same period of the previous year (%)	2020
Basic earnings per share (RMB/share)	0.57	0.77	-25.97	0.70
Diluted earnings per share (RMB/share)	0.57	0.77	-25.97	0.70
Basic earnings per share net of non-recurring profits and losses (yuan/share)	0.60	0.50	20.00	0.39
Weighted average ROE (%)	17.36	30.11	Decrease by 12.75%	31.57
Weighted mean ROE net of non-recurring profit or loss (%)	18.21	19.47	Decrease by 1.26%	17.52

Explanation on the key accounting data and financial indicators of the Company for the past three years before the end of the Reporting Period

Applicable Not Applicable

VIII. Accounting Data Differences Between the PRC GAAP Standards and Foreign Accounting Standards

(I) Difference arising from the net profit and net assets attributable to shareholders of the Company in the financial statements disclosed simultaneously pursuant to the International Accounting Standards and the PRC GAAP Standards

Applicable Not Applicable

(II) Difference arising from the net profit and net assets attributable to shareholders of the Company in the financial statements disclosed simultaneously pursuant to the foreign accounting standards and the PRC GAAP Standards

Applicable Not Applicable

(III) Explanation on the difference between domestic and foreign accounting standards

Applicable Not Applicable

IX. Key Financial Data of 2022 By Quarter

	Unit: Yuan			Currency: RMB
	Q1 (January to March)	Q2 (April to June)	Q3 (July to September)	Q4 (October to December)
Revenue	973,430,594.24	1,412,282,460.90	1,351,375,583.85	2,765,298,504.50
Net profit attributable to shareholders of the Company	-41,295,808.72	-54,501,675.29	107,290,903.83	1,079,594,959.76
Net profit attributable to shareholders of the Company net of non-recurring profit or loss	15,377,135.83	93,823,740.61	221,121,955.21	814,096,329.40
Net cash flows from operating activities	-1,072,701,705.21	-6,759,959.91	480,811,562.15	1,736,842,882.93

Explanation on the difference between quarterly results and information disclosed in periodic reports

Applicable Not Applicable

X. Non-Recurring Profits or Losses and Amounts

Applicable Not Applicable

	Unit: Yuan			Currency: RMB
Non-recurring profits or losses	Amount for 2022	Note (if applicable)	Amount for 2021	Amount for 2020
Profit or loss from disposal of non-current assets	5,326,551.07		38,436,050.92	344,555,568.21
Government grants charged to the current profit or loss (excluding those closely related to the normal business of the Company and granted under the national policies and continuously enjoyed according to a certain quota of amount or volume)	51,728,213.87	Mainly represented the government grants for special projects	57,355,855.21	38,004,499.61
Profit or loss from changes in the fair value generated from the Company's held-for-trading and derivative	-112,295,096.37	Mainly represented the profit and loss from the changes	489,548,525.78	244,076,200.23

financial assets, and held-for-trading and derivative financial liabilities, and investment income from the disposal of held-for-trading and derivative financial assets, held-for-trading and derivative financial liabilities, and other debt investments, except for effective hedging business related to the Company's normal business		in the fair value generated from the Company's held-for-trading financial assets, and the investment income from the disposal of the held-for-trading financial assets		
Reversal of depreciation reserves of receivables and contractual assets under independent impairment assessment	1,015,200.00			
Other non-operating income and expenses other than the above	615,168.56		-770,038.19	-2,223,351.85
Other profits or losses that belong to non-recurring profits and losses				-10,389,612.76
Less: Effect on income tax	154,540.63		56,393,147.86	8,719,973.75
Effect on minority interests (after-tax)	-433,722.03		11,207,988.27	17,158,731.82
Total	-53,330,781.47		516,969,257.59	588,144,597.87

Reasons shall be given with respect to the Company classifying the non-recurring profit and loss items defined and listed in the *Explanatory Notice on Information Disclosure of Companies with Public Offering No. 1-Non-recurring Profit and Loss* as recurring profit and loss items.

Applicable Not Applicable

XI. Items Measured at Fair Values

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Change for the period	Effect on the profit for the period
Held-for-trading financial assets	1,991,523,094.74	1,497,708,252.01	-493,814,842.73	-4,012,833.21
Other debt investments	65,681,018.23	35,020,859.58	-30,660,158.65	2,131,923.49
Other non-current financial assets	2,981,720,276.86	2,532,458,912.37	-449,261,364.49	-27,344,381.67
Total	5,038,924,389.83	4,065,188,023.96	-973,736,365.87	-29,225,291.39

XII. Others

Applicable Not Applicable

Section III Management Discussion and Analysis

I. Discussion and Analysis on Business Operations

(I) Overall operation

In 2022, the Company actively gained insight into, grasped, and guided trends in financial industry development, as it underwent accelerated digital transformation and upgrading. At the same time, in line with the modernization of China's financial system and deepening reforms in capital markets, the Company seized upon the trends of technological upgrading and iteration to overcome uncertainty in the external environment, and dynamically adjusted its business strategy to maintain sustained growth, thanks to the persistent efforts of all employees. In addition, it also made progress in corporate governance, organizational upgrading, and product technology research and development.



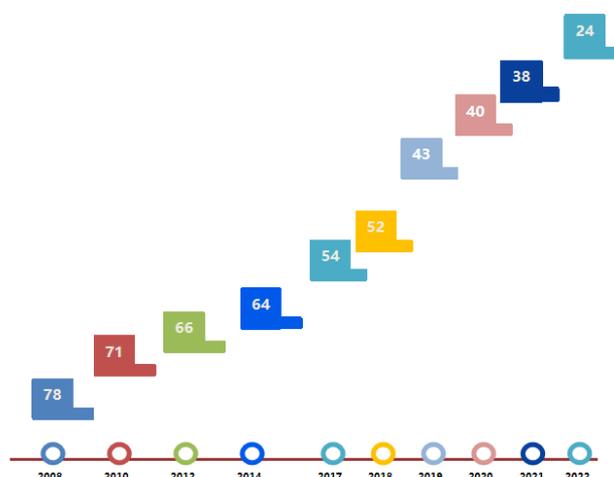
During the Reporting Period, the Company's revenues increased by 18.3% year on year, mainly reflecting its efforts to seize the market opportunities presented by digital transformation and upgrading in the financial industry. Net profit attributable to the Company's shareholders decreased by 25.45% year on year, mainly reflecting capital market fluctuations during 2022, which resulted in a significant decrease in the income from changes in the fair value of financial assets held by the Company compared to the same period in the previous year. Net profit attributable to the Company's shareholders after deducting non-recurring profits and losses increased by 20.90%, mainly reflecting the Company's timely adjustment of business strategies to suit the external environment, and attention to cost control, with income growth continuing to outstrip cost growth.

During the Reporting Period, the Company maintained overall continuous growth in all its businesses. In terms of revenue structure, the Company's big retail IT and big asset management IT businesses remain its main sources of revenue. Amongst these, asset management IT, institutional service IT and financial basic IT have achieved good growth, while steady growth was achieved by the operations management IT and brokerage IT businesses.

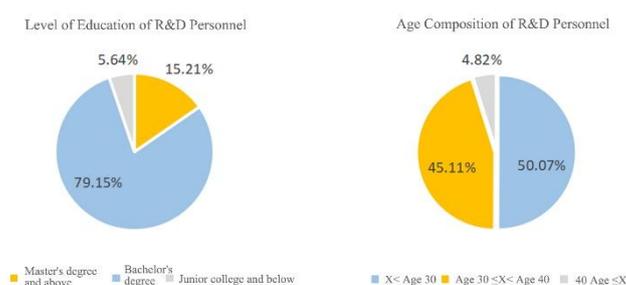
In terms of core products, UF3.0, O45, Wealth Management Sales 5, Comprehensive Wealth Management 6 and TA6 have expanded by many customers, retaining market and technological leadership. In terms of business model upgrading, growth in the wealth and asset management cloud businesses remains steady. In terms of data services, the Company is continuing to improve the functionality of its Insight, Smart Eye and Xiaofan terminal products, and continuously improving the competitiveness of its investment research industry chain analysis framework, and search, reading, calculation and writing for Cloud Investment research. Progress has been made in IT application innovation, with over 70 products compatible.

(II) R&D and Technology

In recent years, the Company is rapidly catching up and narrowing the gap with the leading international FinTech giants. The Company ranked 24th in the IDC Fintech Rankings 100 in 2022, with an overall upward trend in ranking.



The Company continuously recruits top talents in the industry and has built various sound systems and dedicated teams for research and development as well as its products. At present, the Company has 1067 employees with a master's degree or above (including a doctor's degree). In 2022, the Company invested a total of RMB2.346 billion in R&D, accounting for 36.08% of revenue. In 2022, the number of R&D personnel, at 7,016, accounted for 52.07% of the Company's total number of employees. The number of product technicians accounted for 73% of the total number of employees. The Company is at an industry-leading level in terms of number of R&D personnel and R&D investment.



In terms of technology, the Company remains committed to the continuous provision of leading technologies in order to promote the digitalization process of capital markets and the construction of new financial digital infrastructure fulfilling their needs. In terms of innovation in IT applications, while upholding the four principles of security, autonomy, controllability, and stability, the Company is accelerating the adaptation of its innovative IT application hardware, operating systems + databases, middleware, and business adaptation products, in order ease customers' IT application innovation burden. Development of the Company's Chinese-made LightDB database, based on the open-source PG, has continued and it has passed the CAICT's three trusted database evaluations. In terms of artificial

intelligence, based on its own engineering and productization practices, the Company has been exploring cutting-edge AI technologies, including deep learning, data science, knowledge graphs, NLP, computer vision, and AIGC, and their applications in the investment advisory, investment research, marketing, customer service, risk, operations and other fields, so that the innovation can deliver business value to users and the industry. In terms of low-code development, the Company has accelerated the consolidation of its platform infrastructure, helping fulfill the agile development requirements of business personnel via the construction of low-code development tools and high-quality application model components.

(III) M&A and Investment

During the Reporting Period, the Company made a moderate adjustment its investment strategy in response to changes in the external environment, to focus mainly upon follow-up management and integration of M&A projects, strengthening product line deployment via the integration of subsidiaries' businesses, and continuing to optimize some subsidiaries' equity structure. At the same time, the Company set up a phase I industrial fund to expand upstream and downstream deployment in its industry chain, and establish a win-win industrial ecology through cooperation with external capital.

(IV) Internal Management System

1. Upgrading and adjustment of organizational structure

In order to improve responsiveness to customer needs and product innovation, and to improve the efficiency of its organizational process management, the Company has been continually optimizing its organizational structure, establishing a "distributed" HSR organizational structure, and adjusting and optimizing its areas of business and the organizational structure of its industrial operations. Unlike a green train that "runs fast but depends entirely on the railway engine", each car of a high speed train has devices providing motive power; thus these have evolved into EMUs. Similarly, under the Company's guidance, all business teams now have their own momentum to move forward efficiently with increased energy.

2. Management process optimization and digital construction

The Company is continuing to promote digital construction in its planning management, operations management, process reform, organizational management and other, areas. The Company has officially released its strategic management process, and continues to develop tools for market insight, strategic planning and strategy implementation monitoring, and has completed its review of strategy implementation. IPD has been fully implemented, with six process-based organizations now in normal operation, and IPD processes including product management, requirements management, OBP, and R&D project management established and optimized. The LTC process framework has been established, and delivery and sales project processes fully implemented, ensuring that all leading customers are equipped with customer managers, solution managers, and delivery managers.

3. Team talent building

In terms of construction of the employment position system, the Company has iterated over qualification standards for multiple sequences of positions, an inventory of expert positions for management personnel and experts has been completed, and a preliminary position system covering

position design, statements, evaluation and person-position fit has been established. In terms of employee incentives, the Company successfully implemented its 2022 Employee Stock Ownership Scheme and the Stock Option Incentive Plan.

II. Industry Development During the Reporting Period

1. Financial institutions' technological investment

In recent years, financial institutions have continued to grow in terms of asset sizes and revenues, and business innovation has accelerated, thus new demands have been imposed upon their IT systems' performance and functionality. In order to strengthen their competitiveness, financial institutions are continuing to increase their investments in the application of technology and digital transformation and upgrading.

According to the *Practice Report and Case Compilation on Securities Companies' Digital Transformation (2022)* issued by the Securities Association of China in November 2022, brokers' investments in information technology are continuing to increase. In 2021, securities companies across the whole industry invested a total of RMB33.82 billion in information technology, up 28.7% year on year. The share of this investment made by the top brokers also increased, with the top 15 securities companies' investments accounting for 55.89% of the industry total.

According to the annual reports of A-share listed banks, these 22 banks invested a total of RMB168.1 billion in information technology during 2021, up 22.93% year on year.

2. Industrial policy and regulation

① FinTech policies

In recent years, China has introduced relevant incentives and policies designed to support the digital economy, network security and information-based development, core technological breakthroughs, cloud services, big data, innovation in IT applications, and connectivity. The *14th Five-Year Plan for the Development of Digital Economy*, issued by the State Council, aims to speed up the development of the network security industrial system, establish and improve the governance system for data security, and research improvements into industrial data security management policies.

The *FinTech Development Plan (2022-2025)*, issued by the People's Bank of China (PBOC), calls for adherence to "digitally-driven, intelligently serving the people, green & low-carbon, and fair & inclusive" development principles, on the basis of strengthened application of financial data elements.

The Securities Association of China issued a draft of its *Three-Year Improvement Plan for Network and Information Security (2023-2025)*, which proposes 33 key tasks, to brokers for comment. The Plan encourages brokers that are in a position to do so to invest an average of no less than 8% of their average net profit, or 6% of their average revenues, in information technology over the next three years, in order to actively promote the construction of a new generation of core systems, and transform and upgrade the technological architecture of their core systems.

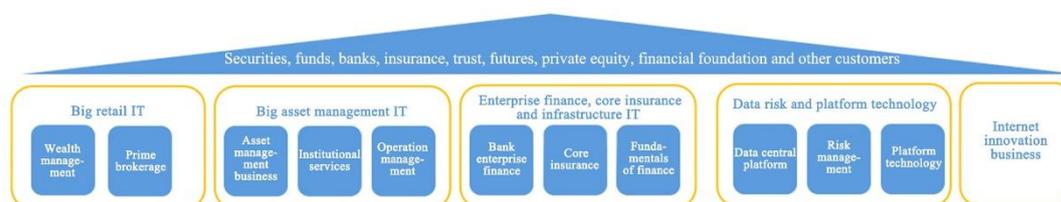
② Finance industry policies

FinTech is supporting the efficient and orderly development of the finance industry. In 2022, as the deepening of capital market reform and opening up continued, a series of policies, including the comprehensive registration system, personal pension-related policies, STAR market making, and bond trading optimization, were implemented. As always, the Company remains firmly committed to implementing regulatory requirements, supporting government agencies' promotion of financial reform and innovation, and maintaining financial security and the stability of financial development.

III. Business Development During the Reporting Period

The Company is a leading provider of FinTech products and services in China. With a focus on the financial industry, the Company mainly serves customers from securities, futures, public offering, trust, insurance, private equity, banking and industry, stock exchanges and emerging industries to provide one-stop FinTech solutions. Under the background of financial digital transformation and upgrading, the Company has gradually deepened from process digitization to business digitization, and continuously explored the intelligent application of FinTech, using advanced technologies such as cloud-native, high performance, big data, artificial intelligence and blockchain to empower financial institutions to better manage assets and serve customers, and to help customers realize financial digital transformation and upgrading.

The Company categorizes its principal business activities into the following six business segments, based on type of product or service: big retail IT, big asset management IT, corporate finance & insurance core & infrastructure IT, risk data and platform technology IT, Internet innovation, and non-financial.



● Big Retail IT Business

In 2022, revenues from the big retail IT business were RMB1.535 billion, up 9.53% year on year, and accounting for 24% of the Company's total revenue.

The big retail IT business mainly consists of securities brokerage IT business and wealth management IT business. The securities brokerage IT business mainly serves customers from the brokerage business segment of brokers, and the core product therein is the centralized trading system, which is mainly configured to provide account management, capital clearing and settlement, commission order management, and access services (interaction with exchanges, CSDC, etc.). The wealth management IT business mainly serves customers from the marketing, sales and customer service business divisions of various kinds of wealth management institutions including banks, brokers and third parties, along with various asset management institutions including funds, trusts and insurance asset managers, as well as banks' and brokers' custody and outsourcing business divisions. Its core products include asset allocation,

product management, and wealth management sales & marketing systems. These are mainly configured to provide wealth planning advice, and services for financial product management, wealth management sales transactions, investment advisory business operations, customer and investor marketing/services.

In terms of securities brokerage IT, the related businesses grew well, thanks to development opportunities offered due to regulation and industry innovation. In terms of core securities products, UF3.0 and some related modules were rolled out to many newly-signed up customers during the year. UF2.0 optimization services were appreciated by customers, with significantly improvements in product quality satisfaction. In terms of core futures products, good support was provided for key projects, and the futures operations middle-end platform was launched. In terms of innovative products, good momentum was maintained for the stock option incentive system, asset accounting system, and trading middle-end platform.

In terms of wealth management IT, over 100 new customers in total were added for core products such as Wealth Management Sales 5, Comprehensive Wealth Management 6, public offering investment advisory, and the customer relationship management (CRM) system, representing rapid growth. In terms of new business development, the Company's personal pension service was successfully rolled out to 7 leading customers; the commercial pension service was rolled out to 5 pilot institutions; Wealth Management and Asset Allocation 3.0 for securities institutions was rolled out to leading institutions; CRM5 was rolled out to banks' wealth management subsidiaries, and insurance brokerage services were rolled out to the securities industry.

- **Big Asset Management IT Business**

In 2022, revenues from the large asset management IT business were RMB2.805 billion, up 27.97% year on year, and accounting for 43% of the Company's total revenue.

The Company's big asset management IT business mainly comprises asset management IT, institutional service IT business, and operations management IT business. The asset management IT business mainly serves customers from the investment research, investment trading, risk management and other related business segments of securities houses, funds, insurance companies, banks, trusts, and other asset management institutions. Its main core products include investment decision-making systems and investment trading management systems, which are mainly configured to assist institutions in developing sound investment research processes, to support fund managers' investment decisions, and to provide a trading platform for traders. The institutional service IT business mainly serves customers from brokers' institutional business departments. Its core products include institutional service-related business systems, which are mainly configured to support brokers' provision of investment transactions, compliance risk control, low-latency transactions, agency transactions, strategy algorithms and other related services, to domestic and foreign institutional customers. The operations management IT business mainly serves customers from the operations departments of funds, broker asset managers, banks, trusts, insurance asset managers, and other asset management institutions. Its core products include transfer registration,

valuation accounting and capital settlement systems, mainly configured to support the operation of financial institutions' middle and back-end platforms.

In asset management IT business, revenue growth has been rapid, accompanied by diversification of revenue sources. O45 products matured further and were rolled out to 16 customers during the year. Preliminary whole-process research and development for the fixed-income functions of Fusion China, a next generation investment management product, were completed, with new customers signed up accordingly. Quantitative trading products developed rapidly. In bank capital management the core Mangos product was promoted in accordance with its progress, and Summit services grew steadily.

Institutional service IT business grew steadily, and the promotion of new products went smoothly. Many new customers were signed up for revenue swap, PB2.0, LDP fast transactions and ALGO BUS.

In operations management IT business, the Company's next-generation operations solutions have gradually gained industry recognition, with 100 new customers signed up. The Company's releases of two new products, Operations 3.0 and Fund TA6, improved its product competitiveness.

● Risk Data and Platform Technology IT Business

In 2022, revenues from the risk data and platform technology IT business were RMB450 million, up 12.49% year on year, and accounted for 7% of the Company's total revenue.

The risk data IT business mainly serves customers from various financial institutions' risk management and compliance management departments. Its main core products include data middle-end platform, comprehensive risk management, and compliance management products. These are mainly configured to provide data governance, risk monitoring, compliance reporting, process management, information reporting management and anti-money laundering services. The technology platform IT business mainly serves customers from various financial institutions' IT departments. Its main products and functions include the upgrading and transformation of digital intelligence bases, including IT application innovation/adaptation, R&D and implementation, Internet distributed microservice architectures (JRES), the LightDB high-performance database and the LDP low-latency distributed platform.

Risk data IT business grew steadily. Risk monitoring products, allowing fine-grained management for existing customers and product modules, were rolled out to new customers. Anti-money laundering products strengthen the performance and engineering capabilities of big data products. In the wealth management and asset management industries, regulatory reporting products provide services supporting all regulatory reporting for the PBOC, CBIRC, and CSRC, promoting unified database and indicator design, and improving data quality.

In platform technology IT business, progress was made in IT application innovation, with the adaptation and rollout of most major products completed. The annual goal of lightweight integration of JRES and O45 was completed, and the architecture was reinforced based on customer projects. Development and efficiency improvements were made to the low-code platform. Breakthroughs were made in LightDB database marketing, while LDP maintained industry-leading performance.

- **Corporate Finance, Core Insurance and Infrastructure IT Business**

In 2022, revenues from the corporate finance, core insurance and financial infrastructure IT business were RMB558 million, up 5.05% year on year, and accounting for 9% of the Company's total revenue.

The main core products of the corporate finance, core insurance and infrastructure IT business include cash management platforms and bill business products, core property insurance systems, core non-vehicle systems, etc.

In enterprise finance IT business, human resource control and project management were strengthened, while business growth remained steady. Transaction finance solutions were gradually enriched and implemented for many customers; promotion of the bill business was successful, with 18 new customers signed up during the year. Industrial and financial integrated solutions were strengthened, and several new customers were signed up.

In core insurance IT business, first stage rollout of core life insurance projects to key customers was completed. In the core property insurance system projects, non-Hundsun products were replaced with the Company's products for the first time. The Company established a digital intelligence innovation team and added 7 benchmark customers during the year.

In financial infrastructure IT business, two new national infrastructure customers, Guangzhou Futures Exchange and China Water Rights Exchange, were signed up. At the same time, the Company won the bid for the bond credit analysis system of Shanghai Clearing House and achieved multi-point cooperation with Shanghai Stock Exchange. 24 new local infrastructure customers were signed up. In new business, the trading system for China Beijing Environmental Exchange made steady progress, and a number of new customers were signed up in the digital asset and cultural rights trading fields.

- **Innovative Business for Internet and Significant Subsidiaries**

In 2022, revenues from the Internet innovation business were RMB954 million, up 18.64% year on year, and accounting for 15% of the Company's total revenue.

Internet innovation business is mainly conducted by a number of subsidiaries focused on innovation services, such as Gildata, Hundsun Ayers, and Cloudyee Network. Customers are mainly domestic and foreign funds, and securities, trusts, futures, insurance, emerging market, and other financial institutions. Core products include one-stop cloud service solutions and financial data information services.

Gildata: In 2022, Gildata recorded revenues of RMB339 million, up 17% year on year. During the Reporting Period, Gildata continued consolidation of its database, improving its production and deep data computing capabilities while creating transaction-level data quality standards using innovative technologies. It also continued to broaden the breadth of its data and increase business coverage, supporting its customer renewal rate and developing new users to achieve continuous, stable growth in data service revenues. In the investment, investment research, risk early warning, and content services fields, Gildata launched intelligent products such as WarrenQ, an intelligent cloud investment research platform, gaining over 120 new customers during the year.

Hundsun Ayers: In 2022, Hundsun Ayers recorded revenues of RMB188 million, up 10% year on year. During the Reporting Period, Hundsun Ayers' performance continued to improve, with revenues and market share increasing, and 5 new customers were acquired. There were breakthroughs in multiple products, and both the Fusion Invest and ESOP systems gained their first customer. At the same time, through its brokerage business transformation, Hundsun Ayers increased its trading of various financial products. In innovation services, it set out plans to construct an information routing platform and create a financial institution ecosystem in order to adapt to future business development as a broker.

Cloudeye Network: In 2022, Cloudeye Network recorded revenues of RMB195 million, up 37% year on year. During the Reporting Period, Cloudeye Network focused on products in the institutional wealth management and wealth terminals fields, where it continued to expand its industry share. At the same time, it focused on product and service quality in order to enhance its core competitiveness. In terms of operations, revenues from wealth and asset management SAAS and the scale of asset management grew steadily, expansion of market coverage continued and renewal rates remained high, with industry business capacity significantly improving. In terms of solutions, Cloudeye Network explored and made preliminary achievements in information technology service-based overall service capabilities.

IV. Analysis of Core Competitiveness During the Reporting Period

Applicable Not Applicable

Leading product technology. The goal of the Company is to become a leading one-stop FinTech solution provider that develops and implements industry technical standards and quality standards. An industry leader in product technology, the Company's core trading systems for securities brokerage services, buy-side investment management systems and TA systems are looked upon favorably by customers. These advantages enable the Company to have a certain scale effect and better marginal returns. Meanwhile, the Company is also rapidly acquiring technical capabilities in new fields through mergers and acquisitions and the establishment of joint ventures, entering fields such as bank fund management systems and core insurance systems in order to improve its data services, and allowing it to rapidly achieve leading technology status in these new businesses.

Strong brand influence. The FinTech industry itself has high technical requirements. Compared with entrants in the industry, the Company has 28 years of going concern experience, gained knowledge of customers' businesses, and accumulated capabilities to provide comprehensive services for customers, which enable the Company's products to be highly recognized by customers. Besides, the needs of financial institutions (for stable, safe and long-term high-quality services) also make customers prefer the products and services provided by leading technology companies in the industry.

Outstanding innovation ability. Over the years, the Company has maintained industry-leading levels in terms of number of R&D personnel and R&D investment. In terms of new product development and iteration, the Company is keeping abreast of the changes and technological upgrading of financial industry services to launch products with industry influence.

In terms of innovation incubation, the Company has taken pioneering laboratories as a bridge, continually releasing pioneering projects combining technology and business orientations of interest to the industry. Many of its cooperative projects with financial institutions have won industry awards.

In terms of the organization and development of innovative talents, the Company has received approved to establish a national postdoctoral research workstation which will continue the promotion of in-depth integration of industry, academia and research.

V. Major Operational Particulars During the Reporting Period

Main operation conditions in the Reporting Period are as follows:

(I) Analysis of Principal Businesses

1. Analysis on Changes of Relevant Items in Statement of Profit or Loss and Statement of Cash Flows

Item	Unit: Yuan		Currency: RMB
	During the period	During the corresponding period last year	Change (%)
Revenue	6,502,387,143.49	5,496,578,624.88	18.30
Cost of sales	1,718,949,583.55	1,484,602,486.66	15.79
Selling and distribution expenses	617,092,825.41	557,934,967.43	10.60
General and administrative expenses	870,226,221.15	681,453,467.57	27.70
Finance costs	15,894,747.75	-906,045.34	N/A
R&D expenses	2,346,280,973.22	2,139,296,366.07	9.68
Net cash flows from operating activities	1,138,192,779.96	956,789,306.14	18.96
Net cash flows from investing activities	286,226,994.40	-423,425,969.13	N/A
Net cash flows from financing activities	-481,520,619.51	-174,082,923.91	N/A

The change in the revenue is mainly due to the growth of the Company's business during the period.

The change in the cost of sales is mainly due to the increase in the Company's business and labor costs.

The change in selling and distribution expenses mainly reflects increases in employees' remuneration and share-based payments.

The change in general and administrative expenses mainly reflects the increased depreciation on fixed assets used in the Hundsun Cloud Production Base Phase I during the period.

The change in finance costs is mainly due to the increase in exchange loss and interest expense during the period compared with the same period last year.

The change in R&D expenses mainly reflects increases in employees' remuneration and share-based payments.

The change in net cash flows from operating activities is mainly due to the increase in collection obtained by the Company during the period over the same period of the previous year.

The change in net cash flows from investing activities is mainly due to the decrease in cash paid by the Company for construction in progress and investment during the period compared with the same period last year.

The change in net cash flows from financing activities is mainly due to the decrease in bank loans obtained by the Company during the period.

Detailed explanation of major changes in the Company's business type, profit composition or profit source during the period

Applicable Not Applicable

2. Analysis on Revenue and Costs

√Applicable □Not Applicable

Details of the Company's revenue from, and costs of, principal businesses are as follows:

(1). Performance of principal businesses by segment, by product, by region and by sales model

Unit: Yuan Currency: RMB

Revenue from Principal Businesses by Segment						
By segment	Revenue	Cost of sales	Gross profit margin (%)	Increase/decrease in revenue from last year (%)	Increase/decrease in the cost of sales from last year (%)	Increase/decrease in the gross profit margin from last year (%)
Big retail IT business	1,534,812,936.75	506,630,138.94	66.99	9.53	-1.15	Increased by 3.56%
Big asset management IT business	2,804,741,901.11	405,374,468.67	85.55	27.97	26.98	Increased by 0.12%
Data risk and platform technology	450,326,772.55	174,206,647.95	61.32	12.49	94.21	Decrease by 16.27%
Corporate finance, core insurance and infrastructure IT business	558,119,431.22	355,398,444.69	36.32	5.05	-0.68	Increased by 3.67%
Internet innovation business	953,736,227.92	231,329,153.59	75.74	18.64	44.30	Decreased by 4.32%
Non-financial business	195,861,842.20	45,195,253.16	76.92	19.83	1.63	Increased by 4.13%
Total	6,497,599,111.75	1,718,134,107.00	73.56	18.31	15.77	Increased by 0.58%
Principal Businesses by Product						
By product	Revenue	Cost of sales	Gross profit margin (%)	Increase/decrease in revenue from last year (%)	Increase/decrease in the cost of sales from last year (%)	Increase/decrease in the gross profit margin from last year (%)
Revenue from software	6,361,891,835.21	1,608,072,775.25	74.72	17.63	13.21	Increased by 0.98%
Revenue from hardware	121,222,195.71	106,725,715.15	11.96	81.99	77.02	Increased by 2.48%
Revenue from science park	14,485,080.83	3,335,616.60	76.97	-15.83	-0.71	Decrease by 3.51%
Total	6,497,599,111.75	1,718,134,107.00	73.56	18.31	15.77	Increased by 0.58%
Principal Businesses by Region						
By region	Revenue	Cost of sales	Gross profit margin (%)	Increase/decrease in revenue from last year (%)	Increase/decrease in the cost of sales from last year (%)	Increase/decrease in the gross profit margin from last year (%)
Mainland China	6,261,624,358.20	1,679,118,790.60	73.18	18.84	16.55	Increased by 0.52%
Overseas	235,974,753.55	39,015,316.40	83.47	5.75	-10.08	Increased by 2.91%
Total	6,497,599,111.75	1,718,134,107.00	73.56	18.31	15.77	Increased by 0.58%

(2). Analysis Statement of Production and Sales Volume

□Applicable √Not Applicable

(3). Performance of Major Procurement Contracts and Sales Contracts

□Applicable √Not Applicable

(4). Statement of Cost Analysis

Unit: Yuan

Cost by Sector							
By segment	Cost components	Amount for the current period	Proportion of amount for the current period in total cost (%)	Amount for the same period last year	Proportion of amount for the same period last year in total cost (%)	Change in the amount for the current period compared with the same period last year (%)	Description
Big retail IT business	Cost of sales	506,630,138.94	29.49	512,516,506.00	34.54	-1.15	
Big asset management IT business	Cost of sales	405,374,468.67	23.59	319,250,227.95	21.51	26.98	
Data risk and platform technology	Cost of sales	174,206,647.95	10.14	89,700,129.72	6.04	94.21	
Corporate finance, core insurance and infrastructure IT business	Cost of sales	355,398,444.69	20.69	357,829,232.59	24.11	-0.68	
Internet innovation business	Cost of sales	231,329,153.59	13.46	160,308,152.43	10.80	44.30	
Non-financial business	Cost of sales	45,195,253.16	2.63	44,469,792.58	3.00	1.63	
Total		1,718,134,107.00	100.00	1,484,074,041.27	100.00	15.77	
Cost by Product							
By product	Cost components	Amount for the current period	Proportion of amount for the current period in total cost (%)	Amount for the same period last year	Proportion of amount for the same period last year in total cost (%)	Change in the amount for the current period compared with the same period last year (%)	Description
Revenue from software	Cost of sales	1,608,072,775.25	93.60	1,420,423,285.41	95.71	13.21	
Revenue from hardware	Cost of sales	106,725,715.15	6.21	60,291,366.47	4.06	77.02	
Revenue from	Cost of sales	3,335,616.60	0.19	3,359,389.39	0.23	-0.71	

science park							
Total		1,718,134,107.00	100.00	1,484,074,041.27	100.00	15.77	

(5). Changes in the Scope of Consolidation due to Changes in the Shareholdings of Major Subsidiaries during the Reporting Period

Applicable Not Applicable

(6). Major Changes or Adjustments in the Company's Business, Products or Services during the Reporting Period

Applicable Not Applicable

(7). Key Customers and Key Suppliers

A. Key Customers of the Company

Applicable Not Applicable

Sales to the Company's top five customers amounted to RMB348,329,600, accounting for 5.36% of the total sales in the year. Among the sales to the top five customers, the sales to their affiliates amounted to RMB0, accounting for 0% of the total sales in the year

During the Reporting Period, there were cases in which sales to a single customer exceed 50% of the total, there are new customers among the top five customers, or the Company is heavily dependent on a few customers

Applicable Not Applicable

B. Key Suppliers of the Company

Applicable Not Applicable

Purchases from the Company's top five suppliers amounted to RMB 158,599,900, accounting for 22.80% of the total purchases in the year. Among the purchases to the top five customers, the purchases to their affiliates amounted to RMB45,587,300, accounting for 6.55% of the total purchases in the year

During the Reporting Period, there were cases in which purchases to a single supplier exceed 50% of the total, there are new suppliers among the top five suppliers, or the Company is heavily dependent on a few suppliers

Applicable Not Applicable

3. Expense

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period last year	Change (%)	Reasons for change
Selling and distribution expenses	617,092,825.41	557,934,967.43	10.60	Mainly reflects increases in employees' remuneration and share-based payments.
General and administrative expenses	870,226,221.15	681,453,467.57	27.70	Mainly reflects the increased depreciation on fixed assets used in the Hundsun Cloud Production Base Phase I during the period.
R&D expenses	2,346,280,973.22	2,139,296,366.07	9.68	Mainly reflects increases in employees' remuneration and share-based payments.
Finance costs	15,894,747.75	-906,045.34	N/A	Mainly due to the increase in exchange loss and interest expense during the period compared with the same period last year.

4. R&D Investment

(1). Statement of R&D Investment

Applicable Not Applicable

Unit: Yuan

Expensed R&D investment for the current period	2,346,280,973.22
Capitalized R&D investment for the current period	0
Total R&D investment	2,346,280,973.22
Proportion of total R&D investment in revenue (%)	36.08
Proportion of capitalized R&D investment in total R&D investment (%)	0

(2). R&D Personnel

√Applicable Not Applicable

Number of R&D personnel	7,016
Proportion of the number of R&D personnel in the headcount (%)	52.57
Educational Level of R&D Personnel	
Educational level	Number
Doctor's Degree	10
Master's Degree	1,057
Bachelor's degree	5,553
Junior college	395
High school or below	1
Age Composition of R&D Personnel	
Age composition	Number
Under the age of 30 (excluding 30)	3,513
Aged 30-40 (including 30 and excluding 40)	3,165
Aged 40-50 (including 40 and excluding 50)	326
Aged 50-60 (including 50 and excluding 60)	11
Aged 60 or above	1

(3). Description

Applicable Not Applicable

(4). Reasons for Significant Changes in the Composition of R&D Personnel and Impact on the Company's Future Development

Applicable Not Applicable**5. Cash Flow**√Applicable Not Applicable

Unit: Yuan Currency: RMB

Items in the statement of cash flows	Amount for the current period	Amount for the same period last year	Change (%)	Reasons for change
Sub-total of cash inflows from operating activities	7,055,770,054.23	6,193,014,080.29	13.93	Mainly due to the increase in cash received from sales of goods and provision of services during the period compared to the same period last year.
Sub-total of cash outflows for operating activities	5,917,577,274.27	5,236,224,774.15	13.01	Mainly reflects increases in cash payments to and on behalf of employees during the period.
Net cash flows from operating	1,138,192,779.96	956,789,306.14	18.96	

activities				
Sub-total of cash inflows from investing activities	2,899,849,858.63	5,762,984,326.05	-49.68	Mainly due to the decrease in investment returns during the period compared to the same period last year.
Sub-total of cash outflows for investing activities	2,613,622,864.23	6,186,410,295.18	-57.75	Mainly reflects decreased cash investments in construction in progress and investment payment during the period compared to the same period the previous year.
Net cash flows from investing activities	286,226,994.40	-423,425,969.13	N/A	
Sub-total of cash inflows from financing activities	913,792,377.82	1,923,543,622.44	-52.49	Mainly due to the decrease in bank loans during the period compared to the same period last year.
Sub-total of cash outflows for financing activities	1,395,312,997.33	2,097,626,546.35	-33.48	Mainly due to the share repurchase and the decrease in bank loan repayment during the period compared to the same period last year.
Net cash flows from financing activities	-481,520,619.51	-174,082,923.91	N/A	
Net increase in cash and cash equivalents	937,877,873.76	353,405,536.94	165.38	

(II) Significant Changes in the Profit from Non-Principal Business

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period last year	Change (%)	Reasons for change
Gain from changes in fair value	-165,741,099.23	414,401,157.02	-140.00	Mainly due to the significant changes in the fair value of the Company's financial assets at fair value during the period.
Investment income	258,537,504.13	275,837,269.79	-6.27	No significant changes

(III) Analysis of Assets and Liabilities

√Applicable □Not Applicable

1. Assets and Liabilities

Unit: Yuan

Item	Amount at the end of the current period	Proportion of amount at the end of the current period in total assets (%)	Amount at the end of the previous period	Proportion of amount at the end of the previous period in total assets (%)	Year-on-year change (%)	Description

Cash and bank balances	2,872,634,365.36	22.09	1,727,704,846.60	14.30	66.27	Mainly reflects increased collections at the end of the period and decreased purchases of financial assets held for trading.
Held-for-trading financial assets	1,497,708,252.01	11.52	1,991,523,094.74	16.49	-24.80	No significant changes
Accounts receivable	922,538,606.59	7.09	762,916,207.50	6.32	20.92	No significant changes
Inventories	541,390,396.07	4.16	466,992,190.19	3.87	15.93	No significant changes
Other debt investments	35,020,859.58	0.27	65,681,018.23	0.54	-46.68	Mainly reflects the partial redemption of financial bonds during the period.
Long-term equity investments	1,270,543,073.31	9.77	1,110,946,777.17	9.20	14.37	No significant changes
Other non-current financial assets	2,532,458,912.37	19.47	2,981,720,276.86	24.68	-15.07	No significant changes
Investment properties	139,546,030.07	1.07	127,524,968.93	1.06	9.43	No significant changes
Fixed assets	1,617,839,116.41	12.44	1,679,515,491.95	13.90	-3.67	No significant changes
Construction in progress	124,123,757.95	0.95	26,357,513.90	0.22	370.92	Mainly reflects the commencement of the construction of Phase II of the Hundsun Cloud Production Base during the period.
Right-of-use assets	49,359,468.89	0.38	32,023,105.44	0.27	54.14	Mainly reflects an increase in rented office space during the period.
Intangible assets	404,431,043.56	3.11	376,460,020.43	3.12	7.43	No significant changes
Goodwill	678,448,513.59	5.22	367,492,126.98	3.04	84.62	Mainly reflects an increase of goodwill related to the purchase of Summit software by CloudWing Network during the period.
Deferred income tax assets	193,121,586.84	1.49	163,436,491.51	1.35	18.16	No significant changes
Other non-			112,816,169.61	0.93	-100.00	Mainly reflects

current assets						the fact that the advance payment for Summit's software business by CloudWing Network in the previous year been carried forward in assets.
Short-term borrowings	54,993,749.99	0.42	178,028,314.11	1.47	-69.11	Mainly reflects the Company's repayment of most bank loans during the period.
Accounts payable	556,386,054.84	4.28	503,758,715.18	4.17	10.45	No significant changes
Contract liabilities	3,022,756,428.02	23.24	3,203,414,609.69	26.52	-5.64	No significant changes
Employee compensation payable	871,800,229.81	6.70	774,996,501.71	6.42	12.49	No significant changes
Taxes payable	235,335,318.28	1.81	196,064,942.41	1.62	20.03	No significant changes
Other payables	177,670,629.68	1.37	170,804,176.79	1.41	4.02	No significant changes
Current portion of non-current liabilities	17,061,706.54	0.13	154,496,614.61	1.28	-88.96	Mainly due to the repayment of the current portion of long-term bank borrowings during the period.
Other current liabilities	305,258,151.46	2.35	305,258,151.46	2.53		No significant changes
Long-term borrowings	115,834,519.89	0.89	228,454,065.70	1.89	-49.30	Mainly reflects the Company's partial repayment of long-term bank loans during the period.
Deferred income tax liabilities	45,897,128.03	0.35	68,201,491.05	0.56	-32.70	Mainly due to the significant changes in the fair value of the Company's financial assets at fair value during the period.

2. Overseas Assets

√Applicable □Not Applicable

(1) Asset scale

Included therein: overseas assets were 897,990,848.83 (Unit: Yuan Currency: RMB), accounting for 6.90% of the total assets.

Unit: Yuan Currency: RMB

Specific	Reason	Asset scale	Location	Operation	Control	Revenue	Proportion	Whether
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contents of assets				pattern	measures to safeguard asset security		of overseas assets in total assets (%)	there is significant impairment risk
Japan Hundsun Software Inc.	Established by the Company	58,859,328.01	Japan	Autonomous operation	Corporate governance, financial management, audit regulatory, performance assessment	-355,200.26	0.45	No
Hundsun Holdings Limited	Established by the Company	807,552,089.98	Hong Kong	Autonomous operation	Corporate governance, financial management, audit regulatory, performance assessment	55,508,740.45	6.21	No
Hundsun Intercontinental Holdings (HK) Limited	Established by the Company	15,641,585.26	Hong Kong	Autonomous operation	Corporate governance, financial management, audit regulatory, performance assessment	27,888,557.02	0.12	No
Hundsun IHS Markit China (Hong Kong) Technologies Limited	Established by the Company	1,155,507.06	Hong Kong	Autonomous operation	Corporate governance, financial management, audit regulatory, performance assessment	-282,257.62	0.01	No
GenSys Technology (International) Limited	Business combination not under common control	14,782,338.52	Hong Kong	Autonomous operation	Corporate governance, financial management, audit regulatory, performance assessment	-255,537.55	0.11	No
Total		897,990,848.83				26,727,188.00	6.90	

(2) Notes to the High Proportion of Oversea Assets

Applicable Not Applicable

3. Restriction on Major Assets as at the End of the Reporting Period

Applicable Not Applicable

Unit: Yuan

Item	Ending book value	Reason for restriction
Cash and bank balances	205,700,000.00	Time deposits to be held to maturity plus interest
Cash and bank balances	5,622,400.00	Guarantee deposit
Intangible assets	71,127,264.43	Pledged to secure bank borrowings
Construction in progress	124,123,757.95	Pledged to secure bank borrowings
Fixed assets	1,105,319,505.95	Pledged to secure bank borrowings
Total	1,511,892,928.33	

4. Other Description

Applicable Not Applicable

(IV) Analysis of the Industry Operation Information

Applicable Not Applicable

(V) Analysis of Investments**Overall Analysis of External Equity Investments**

√Applicable □Not Applicable

During the Reporting Period, the Company made a moderate adjustment its investment strategy in response to changes in the external environment, to focus mainly upon follow-up management and integration of M&A projects, strengthening product line deployment via the integration of subsidiaries' businesses, and continuing to optimize some subsidiaries' equity structure. At the same time, the Company set up a phase I industrial fund to expand upstream and downstream deployment in its industry chain, and establish a win-win industrial ecology through cooperation with external capital.

1. Major equity investment

√Applicable □Not Applicable

Unit: 10,000 yuan Currency: RMB

Investee	Principal business	Whether the subject is principally engaged in investment business	Investment modes	Investment	Shareholding proportion	Consolidated or not	Statement item (if applicable)	Source of funds	Partner (if applicable)	Investment term (if any)	Situation as at the balance sheet date	Prospective earnings (if any)	Effect on profit or loss during the period	Lawsuit involved or not	Disclosure date (if any)	Disclosure index (if any)
Hangzhou AlphaFlow Technology Co., Ltd.	Business Process Management & Automation (BPM&BPA) Software R&D and Solutions Provider	No	Capital increase	4,500.00	9.5745%	No	Long-term equity investments	Self-owned fund	None	None	Capital has been fully invested, and industrial and commercial registration of changes completed			No		
Total	/	/	/	4,500.00	/	/	/	/	/	/	/			/	/	/

2. Major non-equity investment

□Applicable √Not Applicable

3. Financial assets at fair value

√Applicable □Not Applicable

Unit: 10,000 yuan Currency: RMB

Category of assets	Opening balance	Profits or losses from changes in fair value in the current period	Accumulated variance in fair value included in equity	Impairment accrued in the current period	Purchase amount in the current period	Sale/redemption amount during the period	Other changes	Closing balance
Stocks	65,601.45	6,984.64			50,019.07	55,143.19		57,888.70
Trust products	146,944.78	-13,127.02			11,500.00	62,351.82		80,720.62
Bonds	6,568.10		-71.14			2,781.97		3,502.09
Others	284,778.10	-9,630.60			130,259.49	139,764.34		264,407.39
Total	503,892.43	-15,772.98	-71.14		191,778.56	260,041.32		406,518.80

Security investment

√Applicable □Not Applicable

Unit: 10,000 yuan Currency: RMB

Type of securities	Securities code	Stock abbreviation	Initial investment cost	Source of funds	Beginning book value	Profits or losses from changes in fair value in the current period	Accumulated variance in fair value included in equity	Purchase amount in the current period	Sales amount in the current period	Investment profit or loss during the period	Ending book value	Accounting subject
Stocks	300377	YSSTECH	32,080.40	Self-owned fund	55,269.16	-10,731.46		4,379.87	10,770.05	1,944.54	29,162.58	Other non-current financial assets
Stocks	002948	Bank of Qingdao	5,200.00	Self-owned fund	9,260.00	-3,013.35		1,920.00	7,120.00	1,749.65		Other non-current financial assets
Stocks	688031	Transwarp-U	1,634.28	Self-owned fund	1,634.28	21,541.82					23,176.10	Other non-current financial assets
Stocks	600900	CYPC		Self-owned fund		-59.92		4,406.92			4,347.00	Other non-current financial assets

Stocks	603383	Apex Software		Self-owned fund		-323.20		12,355.69	12,355.69	528.38		Other non-current financial assets
Stocks	/	Others	869.79	Self-owned fund	1,072.29	-429.23		25,322.30	24,897.45	-50.02	1,203.02	Held-for-trading financial assets
Funds	001669	Nuoan Juxinbao Currency C		Self-owned fund				9,800.00		1.11	9,801.11	Held-for-trading financial assets
Funds	003358	E Fund 7-10 Year CDB Bond Index		Self-owned fund		-25.22		3,575.00		14.89	3,549.78	Held-for-trading financial assets
Funds	511990	Hwabao Cash Tianyi A		Self-owned fund				6,999.62	6,999.62	3.30		Held-for-trading financial assets
Funds	519752	BOCOM New Return Flexible Configuration Hybrid A	1,300.00	Self-owned fund	1,303.17	-145.84		3,800.00			4,957.33	Held-for-trading financial assets
Funds	515890	Bosera CSI Dividend ETF	2,042.81	Self-owned fund	2,047.14	-749.95		12,038.09		1,451.12	12,295.27	Other non-current financial assets
Funds	519760	BOCOM New Return Flexible Configuration Hybrid C	2,100.00	Self-owned fund	2,106.41	-120.16		2,000.00			3,986.24	Held-for-trading financial assets
Funds	050106	Bosera Stable Value Bond A	3,500.00	Self-owned fund	3,405.83	-720.34		5,425.00	2,000.00	774.35	6,170.19	Held-for-trading financial assets
Funds	000314	China Merchants Ruifeng Flexible Configuration Hybrid Initiated Fund A	3,600.00	Self-owned fund	3,688.64	-133.37		1,500.00			5,055.28	Held-for-trading financial assets
Funds	004932	China Merchants Fengtuo Flexible Configuration Hybrid A	3,700.00	Self-owned fund	3,791.77	-254.50			99.78	-4.56	3,432.02	Held-for-trading financial assets
Funds	000171	E Fund Yufeng Return Bond Fund A	4,879.90	Self-owned fund	3,900.90	-144.47					3,746.63	Held-for-trading financial assets
Funds	000025	Morgan Stanley Shuangli Enhanced Bond C	8,300.00	Self-owned fund	8,331.92	93.48		4,000.00	7,500.00	-5.22	4,851.51	Held-for-trading financial assets

Funds	515080	China Merchants CSI Dividend ETF	9,020.31	Self-owned fund	10,060.31	-1,040.00			9,020.31	196.33		Other non-current financial assets
Funds		FIPJIYU Robust Wealth Management	10,000.00	Self-owned fund	10,275.80	-275.80			10,000.00			Other non-current financial assets
Funds		Others	41,238.86	Self-owned fund	41,484.74	-1,584.80		36,961.13	9,488.56	843.03	67,158.03	Held-for-trading financial assets
Trust products		Ping An Wealth * Huijin Bond Investment Fund No.3	46,200.00	Self-owned fund	46,200.00				46,200.00	1,129.18		Held-for-trading financial assets
Trust products		Special Securities Investment Collective Fund Trust Plan of Shenzhen SDIC Zhuque Partnership	3,000.00	Self-owned fund	17,267.06	-2,885.20					14,381.86	Other non-current financial assets
Trust products		Shenzhen SDIC Jinglin Fengshou Securities Investment Collective Fund Trust Plan	2,000.00	Self-owned fund	11,048.16	-1,805.42					9,242.74	Other non-current financial assets
Trust products		Chang'an Trust-Yunsheng No.1	52,898.59	Self-owned fund	65,069.47	-7,705.45		11,500.00	14,646.82	3,276.97	53,527.77	Other non-current financial assets
Trust products		Chang'an Trust-Yunsheng No.3	3,538.65	Self-owned fund	3,870.84	-302.58					3,568.26	Other non-current financial assets
Trust products		Others	1,505.00	Self-owned fund	3,489.24	-428.36			1,505.00			Other non-current financial assets
Others		Industrial Bank Jinxueqiu Tianli Express Net Worth Financial Products	57,000.00	Self-owned fund	57,000.00				57,000.00	28.13		Held-for-trading financial assets
Others		China Merchants Bank Bubushengjin 8699	21,270.00	Self-owned fund	21,270.00			28,000.00	22,040.00	216.42	27,230.00	Held-for-trading financial assets
Others		Fubon Bank (China) Yuehuiying		Self-owned fund				3,700.00	3,700.00	11.53		Held-for-trading financial assets

Others		Others	600.00	Self-owned fund	600.00	16.93		8,747.32	3,430.34	8.71	5,933.91	Held-for-trading financial assets
Bonds		Others	6,321.46	Self-owned fund	6,568.10		-71.14		2,781.97	213.19	3,502.09	Other debt investments
Others		Others	4,685.01	Self-owned fund	6,039.09	-375.09		2,451.69	5,536.86	106.64	2,578.83	Held-for-trading financial assets
Total	/	/	328,485.06	/	396,054.32	-11,601.48	-71.14	188,882.63	257,092.45	12,437.67	302,857.55	/

Investments in private funds

√Applicable □Not Applicable

1. Hundsun Digital Intelligence Qiyuan Industrial Fund has been registered as a private fund. See Announcements No. 2022-017 and 2022-087 on www.sse.com.cn for details;
2. Cross-intelligence Jinna No.1 FOF Private Securities Investment Fund has been registered as a private fund. See Announcements No. 2022-082 and No. 2022-085 on www.sse.com.cn for details;
3. Private equity share (tentative) of Yangtze River Delta Collaborative Leadership (Shanghai) has not yet been registered as a private investment fund. See Announcement No. 2022-088 on www.sse.com.cn for details.

Derivative investment

□Applicable √Not Applicable

4. Specific progress of major asset restructuring and integration during the Reporting Period

□Applicable √Not Applicable

(VI) Disposal of Major Assets and Equity

□Applicable √Not Applicable

(VII) Analysis of Major Companies Controlled and Invested in by the Company

√Applicable □Not Applicable

Unit: 10,000 yuan Currency: RMB

Full company name	Nature of business	Registered capital	Total assets	Net assets	Revenue	Net profit
Hangzhou Hundsun Cloud Investment Holding Co., Ltd.	Industrial investment	16,500.00	54,224.36	22,041.85	1,326.72	867.60
Japan Hundsun Software Inc.	Software	JPY 7,850.00	5,885.93	1,686.62	4,935.62	-35.52
Hangzhou Cloudeye Network Technology Co., Ltd.	Software	10,000.00	30,235.08	21,665.28	19,511.35	7,505.11
Hangzhou Cloudbroker Network Technology Co., Ltd.	Software	5,176.50	7,462.78	4,233.77	6,275.72	413.88
Hangzhou Hundsun Wengine Network Technology Co., Ltd.	Software	1,250.00	21,532.88	13,650.62	13,241.56	5,768.41
Hundsun Holdings Limited	Investment management	HKD 10000.00	80,755.21	68,478.60	18,805.53	5,550.87
Hangzhou Xinglu Equity Investment Partnership (L.P.)	Investment management	24,100.00	9,917.19	5,771.02		263.85
Zhejiang Jingteng Network Technology Co., Ltd.	Software	5,428.58	11,612.24	6,445.94	11,163.83	18.48
Wuxi Xinglu Tiancheng Investment Management Partnership (L.P.)	Investment management	30,100.00	2,328.80	2,328.80		-73.71
Shanghai Gildata Inc.	Software	13,778.10	45,883.06	25,530.44	33,943.92	-1,787.43
Business Intelligence Info. Tech. (Hangzhou) Co., Ltd.	Software	2,793.58	7,691.04	4,326.16	7,441.44	1,007.16
Shanghai Genus-Finance Information Technology Co.,	Software	2,122.03	11,919.51	7,912.82	6,774.43	808.50

Ltd.							
Hundsun IHS Markit China Technologies Co., Ltd.	Software	7,000.00	4,541.51	4,063.97	12.30	-1,288.18	
Nanjing Xingcheng Equity Investment Partnership (L.P.)	Investment management	30,300.00	29,676.64	29,676.64		-104.33	
Hangzhou Cloudwing Network Technology Co., Ltd.	Software	46,606.11	73,383.63	53,562.70	11,528.94	725.78	
Hundsun iBontal (Guangdong) Technology Co., Ltd.	Software	9,907.12	10,438.55	4,466.57	12,041.35	-2,112.10	
Zhejiang Xunchang Wendao Network Information Technology Co., Ltd.	Software	5,000.00	1,823.09	1,336.68	503.94	-2,269.53	
Shenzhen Ricequant Technology Co., Ltd.	Software	1,140.63	2,118.56	1,595.57	1,755.54	-73.04	
Ant (Hangzhou) Funds Sales Co., Ltd.	Finance	15,562.00	1,235,214.15	155,024.45	1,115,860.88	54,402.14	
Shenzhen Tradeblazer Technology Co., Ltd.	Software	3,546.97	14,378.22	13,598.47	3,268.49	776.61	
Hundsun Cloud Financing Network Technology Co., Ltd.	Software	7,470.00	15,731.09	7,998.21	14,485.14	114.55	

(VIII) Status of Structured Entity Controlled by the Company

Applicable Not Applicable

VI. Discussion and Analysis of the Future Development of the Company**(I) Industry pattern and trends**

Applicable Not Applicable

In order to achieve its goals for 2030, the Company is anticipating industry development trends and making long-term strategic plans. To this end, the application of FinTech in the financial sector is evolving from application on a “tools and platform” basis towards an ecosystem basis, a notable trend towards the integration of technology and business has emerged, and the wealth management and asset management industry chains are undergoing reshaping. As a major supplier of FinTech to the Chinese domestic wealth and asset management industry, Hundsun aims become more open and cooperative in the exploration of

cutting-edge technological innovation with customers, with the aim of jointly sketching out blueprints for "Digital-intelligent Finance 2030".

Three drivers of industry development

Development in the financial industry is being driven by three main factors:

1. Business: Business is the dominant driver of changes in the markets. China's capital markets are undergoing transformation from developing markets to developed markets. The construction of multi-tier capital markets, implementation of an overall registration system, and changes in asset allocation are set to drive development and change in finance.

2. Technology: Technology is driving the digital-intelligent transformation, leading to a restructuring of scenarios, processes, management, and productivity. The AI technologies underlying ChatGPT, AIGC, Digital Humans, etc. have become important scientific and technological variables.

3. Regulation: Finance is a highly regulated industry, and the shape, pace and path of its market development will be sketched out by regulation.

Three Stages and a Quartet of Data Intelligence

The development of data intelligence can be roughly divided into three stages: "digitalization", "digital governance" and "digital intelligence". In the "digitalization" stage, e-enabling and primary automation of data is realized mainly during the process of e-enabling manual services, constructing business processes and gathering information on business execution. Characteristics of this stage include scattered data, difficulties with data quality control, inadequate value mining, software problems, numerous data silos and business process discontinuities. In the "digital governance" stage, the focus is mainly upon the construction of information systems for business management and analysis, promoting centralization of services, systems and data, and a high degree of automation. This permits centralized data governance and improvements in quality, empowering business and decision-making. In the "digital intelligence" stage, innovation in the financial application of IT will become the foundation for construction of digital intelligent ecosystems and industries, with highly-integrated of services and technology, intelligent automation, and profound changes in organizational management and corporate culture.

These three stages — "digitalization", "digital governance" and "digital intelligence" — are apparent during the process as three overlapping waves, converging on the goal of high-quality development in digital intelligence finance. However, the ultimate realization of this goal relies on the "Quartet" — construction of technological infrastructure, business process reengineering, training of team talent, and upgrading of cultural concepts — to begin the new chapter.

FinTech Business Process Reengineering Under Regulatory Guidance

Reengineering can be viewed from four dimensions; those of the customer, investment, operations, and risk control:

1. Customer: As financial services have developed from sales-driven and product-driven, to being driven on a customer-centered investment advisory basis, their closed-loop channel, taking products as its main mode, has evolved into a closed-loop ecosystem with content as its main carrier. The construction of a customer-centered investment advisory service system, including customization on the investment side, enables the digital re-engineering of each process in each link of this entire closed loop.

2. Investment: Potential exists to comprehensively improve investment capacity, to broaden the boundaries of asset management business, to digitalize investment research logic, and to network investment research content, building an investment research ecosystem for buyers and sellers, and forming an industrial ecosystem combining trading data, supply and demand, and investment research.

3. Operations: Operational patterns are being reinvented from front-end to back-end, permitting automated, intelligent, and service operation without human intervention, with operators focusing on service operations intelligence innovations resolving problems relating to income, cost and control.

4. Risk control: Construction of unified risk management platforms to render risks, from passive to active, visible. Through modeling and data-enabled intelligent risk control technology, risk management products are being transformed from merely fulfilling "regulatory compliance" requirements to delivery of both "regulatory compliance" and "business empowerment".

Development trends in new technologies

1. Safety & Controllability: Once databases have been deeply adapted and transformed, smooth migration will become financial industry database transformation's top priority. As the infrastructure for IT application innovation is rolled out, the construction of an IT application innovation cloud will assist financial institutions in the completion of their cloud-native low-latency transformation. DBPaaS management platforms will become critical to improving database application and O&M efficiency. Cross-platform and transcoding technologies will become an effective means via which existing assets can be quickly reused for customer side IT application innovation. As "development security" is transformed into "secure development", DevSecOps will become the superior security R&D solution, just as chaos engineering will emerge as an important means for ensuring the stability of financial information systems.

2. Data & Intelligence: Data Lakehouse and Data Fabric technologies will further unify management and control of enterprise data assets. The popularization of data processing and data application will accelerate enterprises' digital-intelligent transformation and upgrading, while the integration of domain knowledge, innovation and deep learning will usher in a new stage in the popularization and generalization of financial AI. Scenario-driven graph database infrastructure and high-performance large-scale graph computing will become essential, while Digital Humans will become interactive, leading to fundamental improvements in online and offline service experiences.

3. Performance & Experience: Use of in-memory computing to compensate for database-related performance issues will gradually dominate in core trading systems, while the integration of some business development logic into platforms will emerge as the major trend in high-performance development, and

hardware/kernel integration of some platform functionality becomes the dominant trend in high-performance platform development. Hyper-convergence of storage and compute engines will be the next target for data technology convergence, while inclusive digital finance drives the emergence of inclusive design as a new trend in user experience.

4. Efficiency & Cooperation: Low-code platforms based on enterprise architecture assets will facilitate enterprise business innovation. Increasing numbers of technologies and components will be integrated via RPA to form enterprise-level integration platforms. Blockchain and derivative trust technologies will provide critical support for processes involving the identification and circulation of, and transactions in, data elements. The implementation of FinTech will enter a phase of standardized construction, further promoting the development of its industrial ecosystem.

(II) Development strategies of the Company

Applicable Not Applicable

Vision: To become a world-leading Fintech company. Mission: To make Finance Easy

1. Customer First

With "Customer First" as its top strategic priority, the Company is adhering to the value proposition of "meeting customer expectations and making only first-class products", while resolutely implementing only "customer-centric and customer value-oriented" organizational and process changes.

2. First-class products

Adhering to a product-oriented strategy, The Company is continually promoting the launch of core next-generation products, improving its superior products to enhance its competitiveness, and expand the leading advantages and market influence conferred by its strategic products.

3. Leading in technology

The Company is continuing to enhance its technological capabilities in IT application innovation, LDP, JRES, low-code platforms, digital intelligence platforms, LightDB, and efficiency platforms. The Company is committed to continuously providing its leading technologies to promote capital markets' digitalization process and construct new financial digital infrastructure that fulfills the capital markets' needs.

4. Data intelligence

The Company is increasing the breadth and depth of its data service applications, developing data and component subscription services, promoting upgrades to product intelligence, enriching its data assets, improving data quality, and emphasizing the development of intelligent investment and research scenarios, as it continues to improve the competitiveness of its investment and research products.

5. Management upgrade

The Company is extending its efforts in DSTE, IPD, LTC process systems, product development, sales, delivery, and other comprehensive project-based operations, as it facilitates the construction of teams of cadres and experts in order to develop a first-class organizational team. The Company is developing itself into "Digital Hundsun", improving its level of internal digital management and external digital service capability.

(III) Operation planApplicable Not Applicable

Based on the Company's new strategic plan and organizational restructuring, as well as the outlook for the market and regulatory policies in 2023, the Company's main business revenue for 2023 is budgeted to increase by approximately 18% year-over-year, while its costs and expenses are budgeted to increase by approximately 18% year-over-year.

(IV) Potential risksApplicable Not Applicable

The main risks faced by the Company are those of talent turnover, market competition and technological innovation at the cutting-edge.

In terms of the risk of talent turnover, as a technology-driven FinTech company, the Company has a growing need for high-end talent, and a “brain drain” of core employees could affect its business. In response to the above risk, the Company has, on the one hand, formulated a series of talent attraction policies, and is actively engaging in industry-university-research cooperation and training with major universities, while providing an industry-competitive compensation and welfare system. On the other hand, the Company demonstrates its commitment to the retention of key talents via provision of a sound management system and reasonable incentive measures, while continuously expanding its team of high-quality talents.

In terms of risks from market competition, the Company mainly faces competition from new industry players, including niche business competitors and traditional financial institutions' FinTech subsidiaries. Meanwhile, the Company is improving its service capability and product quality via adjustment and optimization of its internal organizational structure. The Company is also remaining open and cooperative, and increasing its investment in product R&D, accelerating iteration over and improvement of next-generation products, and working continuously to improve customer satisfaction, product engineering capability and project delivery efficiency. In terms of customer service, the Company aims to enrich its customer interfaces and improve its customer service capability.

In terms of cutting-edge technology innovation risks, due to the rapid development of emerging technology trends, such as AI, blockchain, big data and cloud computing, the Company needs to keep up with technology trends and maintain sufficient investment in research and development, or it may have to face the situation of being lagged behind in technology. For many years, Hundsun has emphasized and continuously invested in cutting-edge technological research, establishing a three-level R&D architecture system revolving around the Hundsun Research Institute, technology platform headquarters and service department platform R&D, and maintaining high levels of R&D investment.

(V) OthersApplicable Not Applicable

VII. Circumstances of and reasons for the Company fails to disclose in accordance with the relevant standards due to special reasons such as non-application of the standards, state secrets and trade secrets

Applicable Not Applicable

Section IV Corporate Governance

I. Relevant Information of Corporate Governance

Applicable Not Applicable

By observing core values of "Customer First, Integrity, Professionalism, Openness, Cooperation and Continuous Growth" and upholding the mission to "Make the Finance Easy", Hundsun is committed to developing into the world's leading FinTech company. Since its establishment, Hundsun has been actively undertaking social responsibility as a corporate citizen and continuously promoting the sustainable development of itself and society. In accordance with the relevant national laws and regulations and its *Articles of Association*, the Company has defined the organizational hierarchy of the Board, the Supervisory Committee, the management and internal departments, staffing, responsibilities and authority, working procedures, and related requirements. The Company continues to improve its corporate governance structure, standardize its operations and enhance its corporate governance in strict accordance with the provisions of the *Company Law*, the *Securities Law*, the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange* and other relevant laws and regulations, as well as the requirements of the *Articles of Association*, the *Procedural Rules for Shareholders' General Meetings*, the *Procedural Rules for Board Meetings*, the *Procedural Rules for Supervisory Committee*, the *Management Rules of Internal Audit* and other rules and regulations.

(1) Shareholders and shareholders' general meetings During the Reporting Period, the Company held four shareholders' general meetings in total. The convening, holding and voting procedures of the meetings were in line with the provisions of the *Company Law* and the Company's *Articles of Association* and the *Procedural Rules for Shareholders' General Meetings*, and the lawyers witnessed the meetings on the spot and issued a legal opinion to prove the legality. The Company kept communication channels with its shareholders open, treated all shareholders equally, and ensured that shareholders can fully exercise their rights and enjoy their right to be informed and to participate in decision-making on major matters.

(2) Directors and the Board. The number and the member composition of the Company's Board meet the requirements of laws and regulations, and the Directors are all responsible and diligent. There are a total of 11 directors, including four independent directors, namely two accountant experts, one financial expert, and one legal expert (female). The independent directors do not take office in the Company except as a director, which is in line with relevant regulations. During the Reporting Period, the Company held 9 board meetings, the convening, holding and voting procedures of which were in line with the provisions of the *Company Law* and the Company's *Articles of Association* and the *Procedural Rules for Board Meetings*. The Board consists of four special committees, namely Strategy and Investment Committee, Audit Committee, Nominations Committee, and Remuneration and Evaluation Committee, and formulated the terms of reference and implementation rules for each committee to give full play to

professional advantages, guarantee the legitimacy, scientificity and correctness of collective decisions made by the Board and reduce the operational risks of the Company.

Whether there are material differences between corporate governance and the provisions of laws, administrative regulations and CSRC on the governance of listed companies; if so, the reasons should be given

Applicable Not Applicable

II. Specific measures taken by the Controlling Shareholder and the Actual Controller to ensure the independence of the Company's assets, personnel, finance, departments and business, as well as the solutions, work schedule and follow-up work plan made to affect the independence of the Company

Applicable Not Applicable

The situation that the Controlling Shareholder, the Actual Controller and other companies under their control are engaged in the same or similar business as the Company, the impact of the horizontal competition or significant changes in the horizontal competition on the Company, solutions taken, progress and the follow-up solutions

Applicable Not Applicable

III. Introduction to Shareholders' General Meeting

Session of meeting	Date	Media in which resolutions were disclosed	Date of disclosure	Resolutions
The First Extraordinary General Meeting in 2022	April 15, 2022	www.sse.com.cn	April 16, 2022	The <i>Proposal on General Election of the Board of Directors</i> and the <i>Proposal on General Election of the Supervisory Committee</i> were adopted through deliberation. Details of the above resolutions are set out in the Company's Announcement No. 2022-026.
2021 Annual General Meeting	June 24, 2022	www.sse.com.cn	June 25, 2022	The <i>Full Text and Summary of the 2021 Annual Report</i> , the <i>2021 Annual Work Report of the Board</i> , the <i>2021 Annual Work Report of the Supervisory Committee</i> , the <i>2021 Annual Final Accounting Report</i> , the <i>Self-evaluation Report on Internal Control in 2021</i> , the <i>Profit Distribution Plan for 2021</i> , the <i>Proposal on the Further Employment of Pan-China Certified Public Accountants LLP and its Remuneration</i> , and <i>Proposal on the Application for Comprehensive Credit Line for 2022</i> were adopted at the meeting through deliberation. Details of the above resolutions are set out in the Company's Announcement No. 2022-038.
Second Extraordinary General Meeting of 2022	July 19, 2022	www.sse.com.cn	July 20, 2022	The <i>Proposal on Hundsun's 2022 Employee Stock Ownership Scheme (Draft) and its Summary</i> and the <i>Proposal on Hundsun's Management Measures for 2022 Employee Stock Ownership Scheme</i> , and the <i>Proposal on Requesting the Shareholders' General Meeting to Authorize the Board of Directors to Handle Matters Related to the 2022 Employee Stock Ownership Scheme</i> were adopted through deliberation. Details of the above resolutions are set out in the Company's Announcement No. 2022-046.
2022 Third Extraordinary General Meeting	September 13, 2022	www.sse.com.cn	September 14, 2022	Adopted through deliberation the <i>Proposal on Hundsun's 2022 Stock Option Incentive Plan (Draft) and Its Summary</i> , the <i>Proposal on the Management Measures for Performance Evaluation under the 2022 Stock Option Incentive Plan of Hundsun Technologies Inc.</i> , and the <i>Proposal on Requesting the Shareholders' General Meeting to Authorize the Board of Directors to Handle Matters Related to the 2022 Stock Option Incentive Plan</i> . Details of the above resolutions are set out in the Company's Announcement No. 2022-065.

The preferred shareholders with resumed voting rights request for an extraordinary general meeting

Applicable Not Applicable

Information of Shareholders' General Meetings

Applicable Not Applicable

IV. Directors, Supervisors and Senior Management

(I) Changes in Shareholding and Remuneration of Directors, Supervisors and Senior Management Currently in Office and Resigned during the Reporting Period

√Applicable □Not Applicable

Unit: share

Name	Position (Note)	Gender	Age	Date of term commencement	Date of term expiration	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change in shares during the Reporting Period	Reasons	Total pre-tax remuneration received from the Company during the Reporting Period (RMB 10,000)	Whether to receive compensation from related parties of the Company
Liu Shufeng	Chairman	Male	53	2022-04-15	2025-04-14	12,134,409	15,774,732	3,640,323	Equity distribution of the Company in 2021	1,032.03	No
Fan Jingwu	Vice Chairman and President	Male	52	2022-04-15	2025-04-14	1,272,080	1,653,704	381,624	Equity distribution of the Company in 2021	750.46	No
Peng Zhenggang	Director	Male	54	2022-04-15	2025-04-14	15,000,000	19,500,000	4,500,000	Equity distribution of the Company in 2021	758.71	No
Jiang Jiansheng	Chief Supervisor	Male	52	2022-04-15	2025-04-14	27,820,528	36,166,686	8,346,158	Equity distribution of the Company in 2021	699.67	No
Jing Xiandong	Director	Male	51	2019-04-19	2022-04-15						
Han Xinyi	Director	Male	46	2022-04-15	2025-04-14						
Ji Gang	Director	Male	49	2022-04-15	2025-04-14						
Zhu Chao	Director	Male	43	2022-04-15	2025-04-14						

Yu Bin	Director	Male	46	2022-04-15	2025-04-14						
Wang Xiangyao	Independent Director	Male	66	2022-04-15	2025-04-14					24.00	
Liu Xiaolun	Independent Director	Male	51	2022-04-15	2025-04-14					24.00	
Liu Lanyu	Independent Director	Female	57	2019-04-19	2022-04-15					7.00	
Ding Wei	Independent Director	Male	63	2022-04-15	2025-04-14					24.00	
Zhou Chun	Independent Director	Female	35	2022-04-15	2025-04-14					17.00	
Huang Chenli	Supervisor	Male	43	2019-04-19	2022-04-15						
Chen Zhijie	Supervisor	Male	41	2022-04-15	2025-04-14						
Xie Lijuan	Supervisor	Female	41	2022-04-15	2025-04-14					74.20	No
Guan Xiaolan	Deputy General Manager	Male	52	2022-04-15	2025-04-14	2,153,329	2,799,328	645,999	Equity distribution of the Company in 2021	422.89	No
Zhang Guoqiang	Deputy General Manager	Male	46	2022-04-15	2025-04-14					382.67	No
Zhang Yong	Deputy General Manager	Male	46	2022-04-15	2025-04-14					423.75	No
Wang Feng	Deputy General Manager	Male	46	2022-04-15	2025-04-14					295.41	No
Bai Shuo	Deputy General Manager	Male	67	2022-04-15	2025-04-14					203.49	No
Han Haichao	Deputy General Manager	Male	52	2022-04-15	2025-04-14					180.34	No
Fang Xiaoming	Deputy General Manager	Male	46	2022-04-15	2025-04-14					308.17	No
Ni Shouqi	Deputy General Manager	Male	50	2022-04-15	2025-04-14					234.85	No
Zhou Feng	Deputy General Manager	Male	60	2022-04-15	2025-04-14					225.06	No

Yao Manying	Head of Finance	Female	48	2022-04-15	2025-04-14					127.51	No
Tu Haiyan	Secretary of the Board of Directors	Female	53	2022-04-15	2025-04-14					125.90	No
Tong Chenghui	Deputy General Manager	Male	51	2019-04-19	2022-04-15					76.41	No
Fu Meiyong	Deputy General Manager	Female	68	2019-04-19	2022-04-15					189.39	No
Zhang Xiaodong	Deputy General Manager	Male	55	2022-04-15	2022-09-09	237	71	308	Equity distribution of the Company in 2021	244.21	
Total	/	/	/	/	/	58,380,583	75,894,521	17,514,412	/	6,851.12	/

Name	Major work experience
Liu Shufeng	one of the co-founders who founded the Company in 1995 and currently serves as the Company's Chairman.
Fan Jingwu	He joined the Company in 1996 and currently serves as the Vice Chairman and President of the Company.
Peng Zhenggang	one of the co-founders who founded the Company in 1995 and currently serves as the Company's Director.
Jiang Jiansheng	one of the co-founders who founded the Company in 1995 and currently serves as the Company's Chief Supervisor.
Han Xinyi	the Director and CFO of Ant Group Co., Ltd.
Ji Gang	He serves as the Vice President of Ant Group Co., Ltd.
Yu Bin	He serves as the General Manager of CTO Digital Technology Division of Ant Group Co., Ltd.
Zhu Chao	the senior director and head of the Corporate Development Department of Ant Group Co., Ltd.
Chen Zhijie	the director of the Investment and Corporate Development Department of Ant Group Co., Ltd.
Ding Wei	Born in 1960, he graduated from the Finance Department of Renmin University of China in 1982, studied for a doctoral degree in the Department of Economics of the University of Texas at Austin with the Fulbright scholarship from 1984 to 1987, and completed the executive training course at Harvard Business School in 1998. With extensive experience in banking and finance, He worked for the World Bank, Deutsche Bank, CICC, Temasek and other organizations and institutions, and is currently the founder and chairman of Borun Capital.
Wang Xiangyao	Born in 1957, he is a senior accountant, Chinese CPA, doctor of economics, accounting professor, and doctoral supervisor. He has won the first and second prizes of the Higher Teaching Achievement Award of Zhejiang Province, the Outstanding Achievement Award of Philosophy and Social Sciences of Zhejiang Province, and many other awards. He is also the deputy director of the Accounting Standards Professional Committee of the Chinese Accounting Association, an academic member of the Internal Audit Society, and an independent director of BeingMate Co., Ltd. and the Company.

Liu Xiaolun	He has a Ph.D. in Business Management (Corporate Governance) and is currently the executive director of the Institute of Finance of Beijing National Accounting Institute, the professor in charge of the risk management and internal control program/China Financial Industry CRO Training Program, and the supervisor of master students of Beijing National Accounting Institute/Tsinghua University/Ministry of Finance Academy of Finance. He was the senior auditor and senior experienced auditor of PricewaterhouseCoopers and Andersen • Hua Qiang Certified Public Accountant and the first and second director of the Institute of Audit and Risk Management of the National Accounting Institute and is also a member of the 7th Committee on Internal Control Standards of China Accounting Society, a member of the 8th Fundamental Accounting Theory Committee of China Accounting Society, a non-practicing member of CICPA, a member of the Association of Certified Fraud Examiners (ACFE), and an honorary member of the Institute of Management Accountants (IMA).
Zhou Chun	Born in 1988, he is currently an Associate Professor at Zhejiang University Guanghua Law School, Zhejiang University Guanghua Law School and holds a Bachelor's degree in Law from Peking University, a Master's degree in Law from Columbia University (James Kent Scholar), and a Doctorate in Law from Peking University. His research interests include corporate law, securities law, financial regulation, comparative corporate governance, etc. He is also a council member of Securities Law Research Association of China Law Society and a council member of Commercial Law Research Association of China.
Xie Lijuan	joined the Company in 2010 and is currently the Employee Supervisor and director of the audit office of the Company.
Guan Xiaolan	joined the Company in 1996 and is currently the Deputy General Manager of the Company
Zhang Guoqiang	joined the Company in 1999 and is currently the Deputy General Manager of the Company
Zhang Yong	joined the Company in 2004 and is currently the Deputy General Manager of the Company
Wang Feng	joined the Company in 2001 and is currently the Deputy General Manager of the Company
Bai Shuo	joined the Company in 2021 and is currently the Deputy General Manager of the Company
Han Haichao	joined the Company in 2021 and is currently the Deputy General Manager of the Company
Fang Xiaoming	joined the Company in 1999 and is currently the Deputy General Manager of the Company
Ni Shouqi	joined the Company in 1998 and is currently the Deputy General Manager of the Company
Zhou Feng	joined the Company in 1999 and is currently the Deputy General Manager of the Company
Yao Manying	joined the Company in 2000 and is currently the Head of Finance of the Company.
Tu Haiyan	She joined the Company in 2000 and currently serves as the Secretary of the Board of Directors of the Company
Jing Xiandong	the Chairman and CEO of Ant Group Co., Ltd.
Huang Chenli	He serves as the Investment Director of Ant Group Co., Ltd.

Other information

Applicable Not Applicable

(II) Positions of Directors, Supervisors and Senior Management Currently in Office and Resigned during the Reporting Period**1. Position in the Shareholder's Entity**

√Applicable □Not Applicable

Name of officer	Name of the Shareholder's entity	Position in the Shareholder's entity	Date of term commencement	Date of term expiration
Zhu Chao	Hangzhou Hundsun Electronics Group Co., Ltd.	Executive Director (Legal Representative)	July 15, 2022	
Han Xinyi	Hangzhou Hundsun Electronics Group Co., Ltd.	Executive Director, General Manager, and Legal Representative	September 10, 2018	July 15, 2022
Explanation on position in the shareholder's entity				

(III) Compensation of Directors, Supervisors and Senior Management

√Applicable □Not Applicable

Decision-making process of compensation of Directors, Supervisors and Senior Management	During the Reporting Period, the remuneration of Directors, Supervisors and Senior Management who receive remuneration from the Company is determined in accordance with the regulations on remuneration assessment established by the Company.
Basis for determining the remuneration of Directors, Supervisors and Senior Management	Based on the wage base and appraisal principles determined by the Board, annual remuneration is paid based on the results of the annual performance appraisal.
Actual payment of remuneration to Directors, Supervisors and Senior Management	Please refer to Section "Changes in Shareholding and Remuneration of Directors, Supervisors and Senior Management Currently in Office and Resigned during the Reporting Period" for details
Total payment of remuneration before tax to Directors, Supervisors and Senior Management as at the end of the Reporting Period	See notes for details

(IV) Change of Directors, Supervisors and Senior Management of the Company

√Applicable □Not Applicable

Name	Position	Changes	Reasons
Liu Shufeng	Chairman	Elected	General election of the Board of Directors
Liu Shufeng	President	Resigned	Term expires
Fan Jingwu	Deputy Chairman	Elected	General election of the Board of Directors
Fan Jingwu	President	Appointment	Appointment by the Board of Directors
Jiang Jiansheng	Chief Supervisor	Elected	General election of the Supervisory Committee
Jiang Jiansheng	Director	Resigned	Term expires
Peng Zhenggang	Chairman	Resigned	Term expires
Peng Zhenggang	Director	Elected	General election of the Board of Directors
Huang Chenli	Supervisor	Resigned	Term expires

Ji Gang	Director	Elected	General election of the Board of Directors
Jing Xiandong	Director	Resigned	Term expires
Zhou Chun	Independent Director	Elected	General election of the Board of Directors
Liu Lanyu	Independent Director	Resigned	Term expires
Bai Shuo	Deputy General Manager	Appointment	Appointment by the Board of Directors
Han Haichao	Deputy General Manager	Appointment	Appointment by the Board of Directors
Fang Xiaoming	Deputy General Manager	Appointment	Appointment by the Board of Directors
Zhang Xiaodong	Deputy General Manager	Resigned	Resignation for personal reasons
Fu Meiyong	Deputy General Manager	Resigned	Term expires
Tong Chenghui	Deputy General Manager	Resigned	Term expires

(V) Details of Fines Imposed by Securities Regulatory Bodies in the Past Three Years

Applicable Not Applicable

(VI) Others

Applicable Not Applicable

V. Board Meetings Held During the Reporting Period

Session of meeting	Date	Resolutions
22 nd meeting of the Seventh Board of Directors	February 14, 2022	The Proposal on the Repurchase of the Company's Shares through Call Auction Trading was adopted through deliberation. Details of the above resolutions are set out in the Company's Announcement No. 2022-002.
23 rd meeting of the Seventh Board of Directors	March 29, 2022	Adopted through deliberation the <i>Full Text and Summary of the 2021 Annual Report of the Company</i> , the <i>2021 Work Report of General Manager of the Company</i> , the <i>2021 Annual Work Report of the Board of Directors of the Company</i> , the <i>2021 Annual Final Accounts Report of the Company</i> , the <i>2021 Annual Work Report of the Audit Committee of the Company</i> , the <i>2021 Annual Work Report of the Remuneration and Evaluation Committee of the Company</i> , the <i>2021 Annual Work Report of the Strategy and Investment Committee of the Company</i> , the <i>2021 Annual Work Report of the Nomination Committee of the Company</i> , the <i>2021 Self-evaluation Report on Internal Control of the Company</i> , the <i>Proposal on the Further Appointment of Pan-China Certified Public Accountants LLP and its Remuneration</i> , the <i>Profit Distribution Plan for 2021</i> , the <i>2021 Social Responsibility Report of the Company</i> , the <i>Proposal on the Application for Comprehensive Credit Line for 2022</i> , the <i>Proposal on the Company's Expected Related Party Transactions in Relation to Day-to-day Operation in 2022</i> , the <i>Proposal on the Acquisition of the Equity Interest in the Controlled Subsidiary Business Intelligence Info. Tech. and Related Party Transactions</i> , the <i>Proposal on Initiation of the Hundsun Phase I Software Industry Fund</i> , and the <i>Proposal on the Requesting the Holding of the Shareholders' General Meetings for 2021</i> . Details of the above resolutions are set out in the Company's Announcement No. 2022-011.
24 th meeting of the Seventh Board of Directors	March 30, 2022	Adopted through deliberation the <i>Proposal on the General Election of the Board of Directors</i> and the <i>Proposal on Requesting the Holding of the First Extraordinary General Meeting for 2022</i> . Details of the above resolutions are set out in the Company's Announcement No. 2022-020.

1 st meeting of the Eighth Board of Directors	April 15, 2022	Elected Mr. Liu Shufeng as the Chairman of the Company and Mr. Fan Jingwu as the Vice Chairman of the Company, proposed to appoint Mr. Fan Jingwu as the new President of the Company, and appointed Ms. Tu Haiyan as the Secretary of the Board of Directors; appointed all members of the Audit Committee, Remuneration and Evaluation Committee, and Strategy and Investment Committee, and Nomination Committee; and appointed Vice Presidents and the Head of Finance. Details of the above resolutions are set out in the Company's Announcement No. 2022-027.
2 nd meeting of the Eighth Board of Directors	April 26, 2022	The <i>First Quarterly Report of 2022</i> and the <i>Q1 Work Report of the President in 2022</i> were adopted at the meeting through deliberation. Details of the above resolutions are set out in the Company's Announcement No. 2022-029.
3 rd meeting of the Eighth Board of Directors	July 1, 2022	Adopted through deliberation the <i>Proposal on the 2022 Employee Stock Ownership Scheme (Draft) of Hundsun Technologies Inc. and Its Summary</i> , the <i>Proposal on the Management Measures for 2022 Employee Stock Ownership Scheme of Hundsun Technologies Inc.</i> , the <i>Proposal on Requesting the Shareholders' General Meeting to Authorize the Board of Directors to Handle Matters Related to the Employee Stock Ownership Scheme</i> , the <i>Proposal on Revising the Organization and Working Procedures of the President's Office Meeting of Hundsun Technologies Inc.</i> , the <i>Proposal on Revising the Organization and Working Procedures of the Strategy and Investment Committee of the Board of Directors of Hundsun Technologies Inc.</i> , and the <i>Proposal on the Requesting the Holding of the Second Extraordinary General Meeting for 2022</i> . Details of the above resolutions are set out in the Company's Announcement No. 2022-039.
4 th meeting of the Eighth Board of Directors	August 24, 2022	Adopted through deliberation the <i>2022 Semi-Annual Report of the Company</i> , the <i>2022 Semi-Annual Work Report of the President of the Company</i> , the <i>Proposal on the 2022 Stock Option Incentive Plan (Draft) of Hundsun Technologies Inc. and Its Summary</i> , the <i>Proposal on Hundsun Technologies Inc.'s Management Measures for the Implementation of the 2022 Stock Option Incentive Plan</i> , the <i>Proposal on Requesting the Shareholders' General Meeting to Authorize the Board of Directors to Handle Matters Related to the 2022 Stock Option Incentive Plan</i> , the <i>Proposal on the Acquisition of the Controlled Subsidiary Shanghai Dworld by the Controlled Subsidiary Gildata and Related Party Transactions</i> , and the <i>Proposal on Requesting the Holding of the Third Extraordinary General Meeting for 2022</i> were adopted through deliberation. Details of the above resolutions are set out in the Company's Announcement No. 2022-054.
5 th meeting of the Eighth Board of Directors	September 13, 2022	Adopted through deliberation the <i>Proposal on Adjusting the List of Participants and the Number of Options Granted under the 2022 Stock Option Incentive Plan</i> and the <i>Proposal on the Initial Granting of Stock Options to the Participants under the 2022 Stock Option Incentive Plan</i> . Details of the above resolutions are set out in the Company's Announcement No. 2022-067.
6 th meeting of the Eighth Board of Directors	October 25, 2022	Adopted through deliberation the <i>Third Quarterly Report of 2022 of the Company</i> , the <i>Third Quarterly Work Report of the President of 2022 of the Company</i> , and the <i>Proposal on Applying for Budgeted Funds Required to Repurchase Shares under Some Employee Stock Ownership Schemes of Innovative Business Subsidiaries</i> . Details of the above resolutions are set out in the Company's Announcement No. 2022-076.

VI. The Performance of Directors' Duties

(I) The Attendance of Directors at Board Meetings and General Meetings

Name of Director	Independent director or not	Attendance at Board meetings						Attendance at general meetings
		Number	Number	Number of	Number	Time(s)	Two	Number of

		of Board meetings to be attended this year	of meetings attended in person	meetings attended by way of telecommunication	of meetings attended by proxy	of Absence	consecutive Board meetings not attended in person or not	general meetings attended
Liu Shufeng	No	9	9	3	0	0	No	4
Peng Zhenggang	No	9	9	3	0	0	No	4
Fan Jingwu	No	6	6	2	0	0	No	4
Han Xinyi	No	9	9	3	0	0	No	0
Ji Gang	No	6	6	2	0	0	No	0
Zhu Chao	No	9	9	3	0	0	No	0
Yu Bin	No	9	9	3	0	0	No	0
Ding Wei	Yes	9	9	3	0	0	No	0
Wang Xiangyao	Yes	9	9	3	0	0	No	1
Liu Xiaolun	Yes	9	9	3	0	0	No	0
Zhou Chun	Yes	6	6	2	0	0	No	3
Jiang Jiansheng	No	3	3	1	0	0	No	4
Jing Xiandong	No	3	3	1	0	0	No	0
Liu Lanyu	Yes	3	3	1	0	0	No	0

Explanation on non-attendance in person by Directors at two consecutive Board meetings

Applicable Not Applicable

Number of Board meetings held during the year	9
Including: Number of on-site meetings	0
Number of meetings held by way of telecommunication	3
Number of meetings held by a combination of on-site and telecommunication	6

(II) Objection to Related Matters of the Company by Independent Directors

Applicable Not Applicable

(III) Others

Applicable Not Applicable

VII. Special Committees Under the Board

Applicable Not Applicable

(1) Membership of special committees under the Board

Name of special committee	Member name
Audit Committee	Wang Xiangyao, Liu Xiaolun, Ding Wei, Peng Zhenggang, Zhu Chao

Nominations Committee	Liu Xiaolun, Wang Xiangyao, Zhou Chun, Liu Shufeng, Ji Gang
Remuneration and Evaluation Committee	Ding Wei, Liu Xiaolun, Zhou Chun, Liu Shufeng, Han Xinyi
Strategy Committee	Peng Zhenggang, Liu Shufeng, Fan Jingwu, Han Xinyi, Zhu Chao

(2) The Strategy Committee held one meeting during the Reporting Period

Date	Meeting content	Important comments and suggestions	Other performance of duties
March 29, 2022	To deliberate the <i>2021 Annual Work Report of the Strategy and Investment Committee</i>	The attending members adopted the Proposal through serious discussion and deliberation and agreed to submit the Proposals to the Board for deliberation.	None

(3) The Remuneration Committee held 4 meetings during the Reporting Period

Date	Meeting content	Important comments and suggestions	Other performance of duties
March 29, 2022	To deliberate the <i>2021 Annual Work Report of the Remuneration and Evaluation Committee</i>	The attending members adopted the Proposal through serious discussion and deliberation and agreed to submit the Proposals to the Board for deliberation.	None
June 29, 2022	Deliberated the <i>Proposal on the 2022 Employee Stock Ownership Scheme (Draft) of Hundsun Technologies Inc. and Its Summary, the Proposal on the Management Measures for 2022 Employee Stock Ownership Scheme of Hundsun Technologies Inc., and the Proposal on Requesting the Shareholders' General Meeting to Authorize the Board of Directors to Handle Matters Related to the Employee Stock Ownership Scheme</i>	The attending members adopted the Proposal through serious discussion and deliberation and agreed to submit the Proposals to the Board for deliberation.	None
August 19, 2022	Deliberated the <i>Proposal on the 2022 Stock Option Incentive Plan (Draft) of Hundsun Technologies Inc. and Its Summary, the Proposal on the Management Measures for the 2022 Stock Option Incentive Plan of Hundsun Technologies Inc. , and the Proposal on Requesting the Shareholders' General Meeting to Authorize the Board of Directors to Handle Matters Related to the 2022 Stock Option Incentive Plan</i>	The attending members adopted the Proposal through serious discussion and deliberation and agreed to submit the Proposals to the Board for deliberation.	None
September 13, 2022	Deliberated the <i>Proposal on Adjusting the List of Participants and the Number of Options Granted under the 2022 Stock Option Incentive Plan and the Proposal on Initially Granting Stock Options to the Participants under the 2022 Stock Option</i>	The attending members adopted the Proposal through serious discussion and deliberation and agreed to submit the Proposals to the Board for deliberation.	None

	<i>Incentive Plan</i>		
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(4) The Nominations Committee held one meeting during the Reporting Period

Date	Meeting content	Important comments and suggestions	Other performance of duties
March 25, 2022	Deliberated the <i>2021 Annual Work Report of the Nomination Committee</i> and the <i>Proposal on the General Election of the Board of Directors of the Company</i>	The attending members adopted the Proposal through serious discussion and deliberation and agreed to submit the Proposals to the Board for deliberation.	None

(5) The Audit Committee held 7 meetings during the Reporting Period

Date	Meeting content	Important comments and suggestions	Other performance of duties
January 5, 2022	1. Deliberated the <i>2021 Annual Audit Plan of Hundsun</i>	The attending members unanimously adopted the <i>2021 Annual Audit Plan of Hundsun</i> upon careful discussions.	None
March 24, 2022	Listened to 1. the <i>Report of Pan-China Certified Public Accountants LLP on the Audit Results of Hundsun for 2021</i> ; 2. the <i>2021 Annual Work Summary of Internal Audit and the 2022 Annual Work Plan</i>	The attending members 1. carefully communicated with the accountants about the problems found in the audit process and put forward constructive opinions and suggestions; 2. affirmed the work of the internal audit in 2021, approved the 2022 Annual Work Plan of the Internal Audit, and put forward constructive opinions.	None
March 24, 2022	Deliberated 1.the <i>Full Text and Summary of the 2021 Annual Report of the Company</i> ; 2. the <i>2021 Self-evaluation Report on Internal Control of the Company</i> ; 3. the <i>Proposal on the Further Appointment of Pan-China Certified Public Accountants LLP and its Remuneration</i> ; 4. the <i>Profit Distribution Plan for 2021</i> ; 5. the <i>Proposal on the Company's Expected Related Party Transactions in Relation to Day-to-day Operation in 2022</i> ; 6. the <i>Proposal on the Acquisition of the Equity Interest in the Controlled Subsidiary Business Intelligence Info. Tech. and Related Party Transactions</i>	The attending members adopted all the proposals through serious discussion and deliberation and agreed to submit the proposals to the Board for deliberation.	None
April 26, 2022	1. To deliberate the <i>First Quarterly Report of 2022</i>	The attending members adopted the Proposal through serious discussion and deliberation and agreed to	None

		submit the Proposals to the Board for deliberation.	
August 22, 2022	Deliberated 1. the 2022 <i>Semi-annual Report of the Company</i> ; 2. the <i>Proposal on the Acquisition of the Controlled Subsidiary Shanghai Dworld by the Controlled Subsidiary Gildata and Related Party Transactions</i>	The attending members adopted the Proposal through serious discussion and deliberation and agreed to submit the Proposals to the Board for deliberation.	None
October 25, 2022	Deliberated 1. the <i>Third Quarterly Report of 2022 of the Company</i> ; 2. the <i>Proposal on Applying for Budgeted Funds Required to Repurchase Shares under Some Employee Stock Ownership Schemes of Innovative Business Subsidiaries</i>	The attending members adopted the Proposal through serious discussion and deliberation and agreed to submit the Proposals to the Board for deliberation.	None
November 29, 2022	1. Listened to the <i>2022 Annual Pre-audit Review Report and Financial and Operational Analysis of Hundsum</i>	The attending members carefully communicated with the accountants about the problems found during the 2022 annual pre-audit review and put forward specific requirements.	None

(6) Details of matters in question

Applicable Not Applicable

VIII. Explanation on Existence of Risks Discovered by the Supervisory Committee

Applicable Not Applicable

The Supervisory Committee had no objection to the matters supervised during the Reporting Period.

IX. Employees of the Parent Company and Main Subsidiaries at the End of the Reporting Period**(I) Employees**

Number of employees in the parent company	8,690
Number of employees in main subsidiaries	4,657
Total number of employees on job	13,347
Number of the retired staff with expenses borne by the parent company and main subsidiaries	
Professions	
Type of professions	Number of employees
On-site implementation	1,770
Product technology	9788
Marketing and sales	394
Functional management	622
Customer services	773
Total	13,347
Level of education	
Level of education	Number of employees
Master's degree and above	1,636
Bachelor's degree	10,687
Junior college and below	1,024
Total	13,347

(II) Remuneration Policy

Applicable Not Applicable

The remuneration of the Company's employees includes salaries, bonuses and other benefit plans. In compliance with relevant PRC laws and regulations, the Company implements different remuneration standards for different employees based on their positions, abilities, performance and other factors.

(III) Training Plan

Applicable Not Applicable

The Company focuses on improving the overall quality of the workforce and formulates talents training plans according to the development needs of various talents so that the Company's management level and human resources can be continuously improved.

(IV) Labor Outsourcing

Applicable Not Applicable

Total hours outsourcing	12801.09 person month
Total payment for labor outsourcing	RMB 226,282,500

X. Plan for Profit Distribution or Conversion of Common Reserve Fund into Share Capital**(I) Formulation, Implementation or Adjustment to the Cash Dividend Policy**

Applicable Not Applicable

During the Reporting Period, the Company implemented the Profit Distribution Plan for 2021. On August 12, 2022, the Company disclosed the *Announcement on the Implementation of the Dividend Distribution Plan for 2021*, with a specific distribution plan of a cash dividend of RMB0.1 per share and 0.3 bonus shares per share. As the actual number of shares for profit distribution was 1,461,486,540, the total cash dividend distributed by the Company was RMB146,148,654 (including tax) and the number of bonus shares distributed was 438,445,962. The Company had 1,900,006,442 shares outstanding after the share distribution.

(II) Special Explanation on Cash Dividend Policy

Applicable Not Applicable

Whether it complies with the provisions of the Articles of Association or the requirements of resolutions of the general meetings	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the dividend standard and proportion are well defined and clear	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms are complete and sound;	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the Independent Directors have performed their duties and played their due roles	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the minority shareholders have the opportunity to fully express their opinions and demands and whether their legitimate rights and interests are fully protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(III) If the Company was Profitable during the Reporting Period and the Parent Recorded Profits Distributable to the Shareholders, but No Cash Profit Distribution Plan was Proposed, the Company Shall Disclose in Detail the Reasons for Non-Distribution as Well as the Use and Future Plans of the Undistributed Profits

Applicable Not Applicable

(IV) Profit Distribution and Transfer from Capital Reserve to Share Capital during the Reporting Period√Applicable Not Applicable

Unit: Yuan Currency: RMB

Number of Bonus Shares Per 10 Shares (share)	3
Number of dividends per 10 shares (RMB) (tax-inclusive)	1
Number of Transfer per 10 shares (share)	0
Amount of cash dividends (tax included)	146,148,654
Net profits attributable to common shareholders of listed companies in consolidated statements in dividend-receiving year	1,463,538,930.14
Proportion to the net profit attributable to ordinary shareholders of the Company in the consolidated financial statements (%)	9.99
Amount of buy-back of share in cash to be included in the cash bonus	682,524,351.4
Total of cash dividends (tax included)	828,673,005.4
Proportion of the total amount of dividends to the net profit attributable to ordinary shareholders of the Company in the consolidated financial statements (%)	56.62

XI. The Company's Share Incentive Scheme, Employee Stock Ownership Scheme or Other Employee Incentives and the Impact Thereof**(I) Incentives Disclosed in the Temporary Announcements and without Progress or Changes in Subsequent Implementation**√Applicable Not Applicable

Summary of events	Enquiry index
2022 Employee Stock Ownership Scheme (Draft) of the Company	Announcement No. 2022-042 www.sse.com.cn
Management Measures for 2022 Employee Stock Ownership Scheme of the Company	www.sse.com.cn
Announcement on the Completion of Non-trade Stock Transfer under the 2022 Employee Stock Ownership Scheme	Announcement No. 2022-047 www.sse.com.cn
Announcement on the Resolutions of the First Meeting of the Holders under the 2022 Employee Stock Ownership Scheme	Announcement No. 2022-051 www.sse.com.cn
2022 Stock Option Incentive Plan (Draft) of the Company	www.sse.com.cn
Announcement on Adjusting the List of Participants and the Number of Options Granted under the 2022 Stock Option Incentive Plan	Announcement No. 2022-069 www.sse.com.cn
Announcement on the Initial Granting of Stock Options to Participants under the 2022 Stock Option Incentive Plan	Announcement No. 2022-070 www.sse.com.cn

Announcement on the Completion of Registration for Stock Options Granted under the 2022 Stock Option Incentive Plan	Announcement No. 2022-073 www.sse.com.cn
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(II) Incentives Undisclosed in Temporary Announcements or with Progress in Subsequent Implementation

Share incentives

Applicable Not Applicable

Other Description

Applicable Not Applicable

Employee Stock Ownership Scheme

Applicable Not Applicable

Other incentives

Applicable Not Applicable

(III) Share Incentives Granted to Directors and Senior Management during the Reporting Period

Applicable Not Applicable

Unit: share

Name	Position	Number of stock options held at the beginning of the year	Number of stock options newly granted during the Reporting Period	Exercisable shares during the Reporting Period	Shares issued upon exercise of stock options during the Reporting Period	Exercise price of stock options (RMB)	Number of stock options held at the end of the Reporting Period	Market price at the end of the Reporting Period (RMB)
Fan Jingwu	Vice Chairman and President	0	467,000	0	0	34.88	467,000	40.46
Zhang Yong	Vice President	0	415,000	0	0	34.88	415,000	40.46
Zhang Guoqiang	Vice President	0	386,000	0	0	34.88	386,000	40.46
Guan Xiaolan	Vice President	0	343,000	0	0	34.88	343,000	40.46
Wang Feng	Vice President	0	281,000	0	0	34.88	281,000	40.46
Fang Xiaoming	Vice President	0	271,000	0	0	34.88	271,000	40.46
Han Haichao	Vice President	0	187,000	0	0	34.88	187,000	40.46
Bai Shuo	Vice President	0	176,000	0	0	34.88	176,000	40.46
Ni Shouqi	Vice President	0	123,000	0	0	34.88	123,000	40.46
Zhou Feng	Vice President	0	97,000	0	0	34.88	97,000	40.46
Yao Manying	Head of Finance	0	94,000	0	0	34.88	94,000	40.46
Tu Haiyan	Secretary of the Board of Directors	0	87,000	0	0	34.88	87,000	40.46
Total	/	0	2,927,000	0	0	/	2,927,000	/

(IV) Establishment and Implementation of Appraisal Mechanism and Incentive Mechanism for Senior Management During the Reporting Period

Applicable Not Applicable

XII. Establishment and Implementation of Internal Control System during the Reporting period

Applicable Not Applicable

For details, please refer to the Company's *Internal Control Assessment Report 2022* as disclosed on the website of the Shanghai Stock Exchange at www.sse.com.cn.

Explanation on Significant Deficiencies in Internal Control During the Reporting Period

Applicable Not Applicable

XIII. Management Control over the Subsidiaries During the Reporting Period

Applicable Not Applicable

According to the *Company Law*, the *Articles of Association* and other relevant laws, regulations and rules, as well as the provisions of the *Management Rules for Holding Subsidiaries*, the Company guided, managed and supervised its subsidiaries, and explicitly required the subsidiaries to operate in a standardized manner, to make financial management and operation decisions in compliance, to extend their efforts in reporting related party transactions, external guarantees, foreign investments and other important matters to the Company in advance, and to strengthen the collaborative management of technology, research and development, sales and other aspects to jointly safeguard the Company's rights and interests.

XIV. Information on Audit Report of Internal Control

Applicable Not Applicable

For details of the report, please refer to the website of Shanghai Stock Exchange: www.sse.com.cn

Whether or not to disclose the audit report of internal control: Yes

Type of opinion on the audit report on internal control: Standard unqualified opinion

XV. Rectification of Problems Identified in the Self-Inspection over the Company's Special Governance Measures

The Company had rectified several problems identified in the self-inspection in a targeted manner. At present, there is only the problem of requiring Independent Directors to work on the spot, which cannot be implemented temporarily due to external conditions.

XVI. Others

Applicable Not Applicable

Section V Environmental and Social Responsibility**I. Environmental Information**

Whether any environmental protection-related mechanisms are in place	Yes
Funds invested in environmental protection during the Reporting Period (RMB 10,000)	208.84

(I) Explanation on Environmental Protection of Companies and Their Significant Subsidiaries Classified as the Key Pollutant Discharging Entities Announced by the Environmental Protection Department

Applicable Not Applicable

(II) Environmental Protection of the Companies Other than Key Pollutant Discharging Entities√Applicable Not Applicable**1. Administrative penalties imposed for environmental problems**Applicable √Not Applicable**2. Disclosure of other environmental information with reference to key pollutant discharging entities**√Applicable Not Applicable

The Company is mainly engaged in providing software products and services to domestic financial institutions, in which the resources used are mainly human resources, and the products produced are mainly software, systems, data and various platform services, so there is almost no environmental pollution.

3. Reasons for failure to disclose other environmental informationApplicable √Not Applicable**(III) Relevant information that is conducive to ecological protection, pollution prevention and environmental responsibility fulfillment**Applicable √Not Applicable**(V) Measures taken to reduce carbon emissions during the Reporting Period and their effectiveness**

Whether any carbon emission reduction measures are taken	Yes
Reduced carbon dioxide equivalent emissions (tonnes)	-3,411
Types of carbon emission reduction measures (e.g., use of clean energy for power generation, application of carbon emission reduction technologies during production, R&D and production of new products that help reduce carbon emissions)	Digital energy consumption management, garbage sorting, paperless office, special water-saving measures, and special power-saving measures

Detailed description

Applicable √Not Applicable**II. Social Responsibility****(I) Whether the social responsibility report, sustainable development report, or ESG report is disclosed separately**√Applicable Not Applicable

For details, please refer to the *Environmental, Social and Governance (ESG) Report and Corporate Social Responsibility Report of Hundsun* as disclosed on the website of the Shanghai Stock Exchange at www.sse.com.cn.

(II) Social Responsibility√Applicable Not Applicable

Charitable donations and public welfare programs	Amount/Content	Description
Total investment (RMB 10,000)	126.11	

Including: funds (RMB 10,000)	94.72	Mainly including without limitation the rehabilitation program for autistic children, the support program for students in poverty areas, the program to promote the quality of national education, the program to fulfill the dreams of children from disadvantaged families, and the "Future Financiers" financial education public welfare class.
Monetary value of goods and materials (RMB 10,000)	31.39	
Number of beneficiaries	1583	

Detailed description

Applicable Not Applicable

III. Details on the Company Consolidating and Expanding Its Achievements in Poverty Alleviation and Rural Revitalization

Applicable Not Applicable

Detailed description

Applicable Not Applicable

Section VI Significant Events

I. Performance of Commitments

(I) Commitments of the Actual Controller, Shareholders, Related Parties, Acquiring Parties of the Company and the Company and Other Parties Involved During the Reporting Period or Subsisting to the Reporting Period

Applicable Not Applicable

(II) If the Company Has Made a Profit Forecast as to Its Assets or Projects, and the Reporting Period is within the Profit Estimate Period, the Company's Explanation on whether Its Assets or Projects Meet Its Previous Profit Forecast and the Reasons

Yes No Not Applicable

(III) Fulfillment of the Performance Commitment and Its Impact on the Goodwill Impairment Test

Applicable Not Applicable

II. Funds for Purposes Other Than for Business Misappropriated by the Controlling Shareholders and Other Related Parties During the Reporting Period

Applicable Not Applicable

III. Illegal Guarantee

Applicable Not Applicable

IV. The Company's Notes on the "Non-Standard Opinion Audit Report" of Accounting Firms

Applicable Not Applicable

V. Analysis and Explanation of the Reasons for and Effects of Changes in the Accounting Policies and Accounting Estimates of the Company or Remedies for Major Accounting Errors

(I) Explanations of the Company on the Reasons for and Effects of Changes in the Accounting Policies and Accounting Estimates

Applicable Not Applicable

(II) Analysis and Explanation of the Reasons for and Effects of the Company's Remedies for Major Accounting Errors

Applicable Not Applicable

(III) Communication with Former Accounting Firms

Applicable Not Applicable

(IV) Other Notes

Applicable Not Applicable

VI. Appointment and Dismissal of Accounting Firms

Unit: 10,000 yuan Currency: RMB

	Current appointment
Name of domestic accounting firm	Pan-China Certified Public Accountants LLP
Remuneration for domestic accounting firm	130
Term of audit by domestic accounting firm	20
Names of CPA of domestic accounting firm	Chen Caiqin and Fei Jun
Duration of audit service provided by CPA with	20

domestic accounting firm		
	Name	Remuneration
Accounting firm for internal control audit	Pan-China Certified Public Accountants LLP	35

Explanation on Appointment and Dismissal of Accounting Firms

Applicable Not Applicable

Change of the accounting firms during the Audit Period

Applicable Not Applicable

VII. Facing the Risk of Suspension of Listing**(I) Reasons for Suspension of Listing**

Applicable Not Applicable

(II) Measures Taken by the Company

Applicable Not Applicable

(III) Situation and Reasons for Termination of Listing

Applicable Not Applicable

VIII. Matters Related to Bankruptcy Reorganization

Applicable Not Applicable

IX. Major Litigation and Arbitration Matters

The Company had significant litigations or arbitrations in the current year. The Company had no significant litigations or arbitrations in the current year.

X. Penalties on the Company and Its Directors, Supervisors, Senior Management, Controlling Shareholders and Actual Controller due to Suspected Violation Of Laws and Regulations, and Rectification

Applicable Not Applicable

XI. Explanation on the Integrity of the Company and Its Controlling Shareholders and Actual Controllers During the Reporting Period

Applicable Not Applicable

XIII. Major Related Party Transactions**(I) Related Party Transactions Related to Daily Operations****1. Events Disclosed in the Temporary Announcements and without Progress or Changes in Subsequent Implementation**

Applicable Not Applicable

Summary of events	Enquiry index
The Announcement on Expected Related Party Transactions Related to Daily Operations in 2022	Announcement No. 2022-016 www.sse.com.cn

2. Events Disclosed in the Temporary Announcements but with Progress or Changes in Subsequent Implementation

Applicable Not Applicable

3. Events Undisclosed in the Temporary AnnouncementsApplicable Not Applicable**(II) Related Party Transactions from Acquisition and Disposal of Assets or Equity****1. Events Disclosed in the Temporary Announcements and without Progress or Changes in Subsequent Implementation**Applicable Not Applicable

Summary of events	Enquiry index
Announcement on the Acquisition of the Controlled Subsidiary Shanghai Dworld by the Controlled Subsidiary Gildata and Related Party Transactions	Announcement No. 2022-059 www.sse.com.cn

2. Events Disclosed in the Temporary Announcements but with Progress or Changes in Subsequent ImplementationApplicable Not Applicable**3. Events Undisclosed in the Temporary Announcements**Applicable Not Applicable**4. The Performance Achievements during the Reporting Period Shall Be Disclosed if Undertakings on Performance Are Involved**Applicable Not Applicable**(III) Material Related Party Transactions involving Joint Foreign Investments****1. Events Disclosed in the Temporary Announcements and without Progress or Changes in Subsequent Implementation**Applicable Not Applicable**2. Events Disclosed in the Temporary Announcements but with Progress or Changes in Subsequent Implementation**Applicable Not Applicable**3. Events Undisclosed in the Temporary Announcements**Applicable Not Applicable**(IV) Claims and Liabilities between Related Parties****1. Events Disclosed in the Temporary Announcements and without Progress or Changes in Subsequent Implementation**Applicable Not Applicable**2. Events Disclosed in the Temporary Announcements but with Progress or Changes in Subsequent Implementation**Applicable Not Applicable**3. Events Undisclosed in the Temporary Announcements**Applicable Not Applicable**(V) Financial Business between the Company and Related Financial Companies, Holding Financial Companies and Related Parties**Applicable Not Applicable

(VI) Others

Applicable Not Applicable

XI. Material Contracts And Performance

(I) Trust, Contracting and Leasing

1. Trust

Applicable Not Applicable

2. Contracting

Applicable Not Applicable

3. Leasing

Applicable Not Applicable

(II) Guarantee√Applicable Not Applicable

Unit: 10,000 yuan Currency: RMB

Guarantees provided by the Company and its subsidiaries to subsidiaries	
Total guarantee amount to subsidiaries during the Reporting Period	0
Balance of total guarantees to subsidiaries at the end of the Reporting Period (B)	13,800
Total guarantee amount (including guarantees to subsidiaries) provided by the Company	
Total guarantee amount (A+B)	13,800
Proportion of total guarantee amount in the Company's net assets (%)	2.03

(III) Entrustment of Asset Management**1. Entrusted wealth management****(1) Overall entrusted wealth management**√Applicable Not Applicable

Unit: 10,000 yuan Currency: RMB

Type	Source of funds	Amount incurred	Outstanding balance	Amount overdue but uncollected
Bank financing	Self-owned fund	40,446.49	33,146.15	
Others	Self-owned fund	27,413.16	27,413.16	

OthersApplicable Not Applicable

(2) Individual entrusted financial management

√Applicable □Not Applicable

Unit: 10,000 yuan Currency: RMB

The Engineer	Type of entrusted wealth management	Entrusted amount	Start date	Expiration date	Source of funds	Capital accounts Investment	Remuneration determination method	Annual yield	Expected income (if any)	Actual profits or losses	Actual recovery condition	Via legal procedures or not	Is there any entrusted wealth management plan in the future?	Amount withdrawn for impairment provision (if any)
Ping An Trust Ltd.	Ping An Wealth - Huijin Bond Investment Fund No.3	10,000.00	2021-07-14	2022-01-14	Self-owned fund	Directly or indirectly investing in bonds on the Shanghai Stock Exchange and Shenzhen Stock Exchange and the inter-bank market (including but not limited to treasury bonds, central bank bills, financial bonds, enterprise bonds, corporate bonds, medium-term notes, short-term commercial papers, private placement debt financing instruments, SME private placement bonds, and asset-backed securities), bond repos, money market funds, bond investment funds, bank deposits, as well as financial instruments whose investment is limited to the foregoing (including but not limited to specific customer asset management plans of fund management companies and targeted asset management plans of securities companies) and other fixed-income products in which trusts are permitted by laws and regulations to invest.		4.70%	236.93	236.93	Take back			
China Industrial Bank	Jinxueqiu Tianli Express Net Worth Financial Product	57,000.00	2021-12-30	2022-01-05	Self-owned fund	Mainly investing in investments including but not limited to (1) bank deposits, bond repos, money market instruments such as money market funds, and other inter-bank and exchange-traded financial instruments; (2) negotiable certificates of deposit, treasury bonds, policy-based financial bonds, central bank bills, short-term commercial papers, super short-term commercial papers, medium-term notes, enterprise bonds, corporate bonds, private placement debt financing instruments, asset-backed		3.00%	26.05	28.13	Take back			

						securities, subordinated bonds and other inter-bank and exchange market bonds and debt financing instruments, and other fixed-income short-term investment instruments; (3) other credit assets that meet the regulatory requirements.								
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Others

Applicable Not Applicable

(3) Impairment provision for entrusted wealth management

Applicable Not Applicable

2. Entrusted loan**(1) Overall entrusted loan**

Applicable Not Applicable

Others

Applicable Not Applicable

(2) Single entrusted loan

Applicable Not Applicable

Others

Applicable Not Applicable

(3) Impairment provision for entrusted loans

Applicable Not Applicable

3. Others

Applicable Not Applicable

(IV) Other Material Contracts

Applicable Not Applicable

XIV. Other Significant Events that Have a Significant Impact on Investors' Value Judgments and Investment Decisions

Applicable Not Applicable

Section VII Changes in Shares and Particulars of Shareholders**I. Changes in Shareholding of Shares****(I) Statement of Changes in Shares****1. Statement of Changes in Shares**

Unit: share

	Before this change		Increase (+)/decrease (-) in this change					After this change	
	Number	Proportion (%)	Issuance of new shares	Bonus shares	Conversion of the reserve funds into shares	Others	Sub-total	Number	Proportion (%)
I. Shares not subject to selling restrictions	1,461,560,480	100		438,445,962			438,445,962	1,900,006,442	100
1. RMB-denominated ordinary shares	1,461,560,480	100		438,445,962			438,445,962	1,900,006,442	100
II. Total number of shares	1,461,560,480	100		438,445,962			438,445,962	1,900,006,442	100

2. Particulars of Changes in Shares

Applicable Not Applicable

On August 12, 2022, the Company disclosed the *Announcement on the Implementation of the Dividend Distribution Plan for 2021*, with a specific distribution plan of a cash dividend of RMB0.1 per share and 0.3 bonus shares per share. As the actual number of shares for profit distribution was 1,461,486,540, the total cash dividend distributed by the Company was RMB146,148,654 (including tax) and the number of bonus shares distributed was 438,445,962. The Company had 1,900,006,442 shares outstanding after the share distribution.

3. Effect of Changes in Shares on Financial Indicators such as Earnings per Share and Net Assets per Share for the Recent Year and the Recent Period (if any)

Applicable Not Applicable

The Company issued the announcement on the 2021 equity distribution on August 12, 2022, and the Company distributed a cash dividend of RMB1.00 (including tax) for every 10 shares and 3 bonus shares for every 10 shares to all shareholders based on the shares outstanding registered on the date of registration of the implementation of the equity distribution less the number of shares in the special securities repurchase account of the Company. After the completion of the share distribution, the Company had 1,900,006,442 shares in total. The effect of the share change on the relevant financial indicators is as follows.

Key financial indicators	January to September 2022	The same period last year (after changes of shares)	The same period last year (before changes of shares)
Basic earnings per share (RMB/share)	0.01	0.77	1.0
Diluted earnings per share (RMB/share)	0.01	0.77	1.0
Net assets per share attributable to shareholders of the Company (RMB/share)	3.01	3.0	3.90

4. Other Information that the Company Deems Necessary or as Required by Securities Regulators

Applicable Not Applicable

(II) Changes in Restricted Shares

Applicable Not Applicable

II. Security Issuance and Listing**(I) Security Issuance during the Reporting Period**

Applicable Not Applicable

Explanation on the issuance of securities during the Reporting Period (please describe bonds with different interest rates during the duration separately):

Applicable Not Applicable

(II) Changes in Number of Shares and Shareholding of the Company's Shares and the Changes in Structure of its Balance Sheet

Applicable Not Applicable

(III) Existing Internal Staff Shares

□Applicable √Not Applicable

III. Shareholders and Actual Controllers**(I) Total Number of Shareholders**

Total number of ordinary Shareholders at the end of the Reporting Period (Nr.)	83,319
Total number of ordinary shareholders at the end of last month before the disclosure date of the Annual Report (Nr.)	83,370

(II) Shareholding of the Top 10 Shareholders and Top 10 Outstanding Shareholders (or Holders of Unrestricted Shares) at the End of the Reporting Period

Unit: share

Shareholding of the Top 10 Shareholders							
Name of Shareholder (Full Name)	Increase or Decrease during the Reporting Period	Number of Shares Held At the End of the Period	Proportion (%)	Number of Restricted Shares	Pledged, Marked or Frozen Shares		Nature of Shareholder
					Status of Shares	Number	
Hangzhou Hundsun Electronics Group Co., Ltd.	90,863,789	393,743,087	20.72	0	None		Domestic non-state-owned corporate
Hong Kong Securities Clearing Company Limited	36,650,190	260,404,626	13.71	0	Unknown		Overseas corporate
Jiang Jiansheng	8,346,158	36,166,686	1.90	0	None		Domestic natural person
Zhou Lin'gen	7,767,865	33,660,748	1.77	0	Unknown		Unknown
China Securities Finance Corporation Limited	5,754,732	24,937,171	1.31	0	Unknown		State-owned corporate
Peng Zhenggang	4,500,000	19,500,000	1.03	0	None		Overseas natural person
Industrial and Commercial Bank of China Limited - Guangfa Multi-factor Flexible Allocation Hybrid Securities Investment Fund	4,966,378	17,831,685	0.94	0	Unknown		State-owned corporate
Liu Shufeng	3,640,323	15,774,732	0.83	0	None		Domestic natural person
Chen Hong	3,016,697	15,025,722	0.79	0	Unknown		Unknown
Aberdeen Standard Investments (Asia) Limited -Aberdeen Standard - China A-Share Fund	5,658,065	13,683,314	0.72	0	Unknown		Overseas corporate
Shareholding of the Top 10 Shareholders without Restrictions							
Name of Shareholder	Number of Outstanding Shares without Restrictions	Type and Number of Shares					
		Type	Number				
Hangzhou Hundsun Electronics Group Co., Ltd.	393,743,087	Ordinary shares denominated in RMB	393,743,087				
Hong Kong Securities Clearing Company Limited	260,404,626	Ordinary shares denominated in RMB	260,404,626				

Jiang Jiansheng	36,166,686	Ordinary shares denominated in RMB	36,166,686
Zhou Lin'gen	33,660,748	Ordinary shares denominated in RMB	33,660,748
China Securities Finance Corporation Limited	24,937,171	Ordinary shares denominated in RMB	24,937,171
Peng Zhenggang	19,500,000	Ordinary shares denominated in RMB	19,500,000
Industrial and Commercial Bank of China Limited - Guangfa Multi-factor Flexible Allocation Hybrid Securities Investment Fund	17,831,685	Ordinary shares denominated in RMB	17,831,685
Liu Shufeng	15,774,732	Ordinary shares denominated in RMB	15,774,732
Chen Hong	15,025,722	Ordinary shares denominated in RMB	15,025,722
Aberdeen Standard Investments (Asia) Limited -Aberdeen Standard - China A-Share Fund	13,683,314	Ordinary shares denominated in RMB	13,683,314
Special securities repurchase account of the top 10 Shareholders	N/A		
The above Shareholders entrust and waive their voting rights or are entrusted with the voting right	None		
Explanations of relationships between or concerted actions of the aforementioned shareholders	Unknown		

Shareholdings of Top 10 Shareholders with Trading Restrictions and Conditions of Such Restrictions

Applicable Not Applicable

(III) Strategic Investors or General Corporations Becoming Top 10 Shareholders Due to the Placement of New Shares

Applicable Not Applicable

IV. Controlling Shareholder and Actual Controller**(I) Controlling Shareholder****1 Corporation**

Applicable Not Applicable

Name	Hangzhou Hundsun Electronics Group Co., Ltd.
Person in charge or legal representative	Zhu Chao
Incorporation date	September 28, 1998
Principal Operating Business	Services: non-financial technology project investment, corporate financial management consulting, technology development of integrated circuits and communication equipment, technical consulting, and transfer of achievements; wholesale and retail: communication equipment, and groceries; import and export of goods (except for those prohibited by laws and administrative regulations, and those restricted by laws and administrative regulations can be operated only after obtaining a license). (The items that are subject to approval according to laws shall be operated only after relevant approvals are obtained from relevant authorities).
Shareholding of other domestic and overseas listed companies controlling and holding shares during the Reporting Period	None

Others	None
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2 Natural person

Applicable Not Applicable

3 Special explanation on no controlling shareholders of the Company

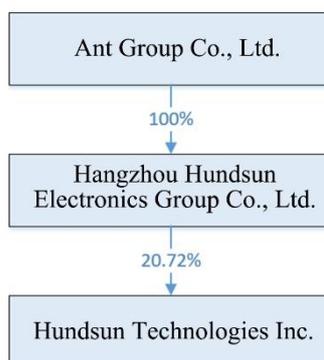
Applicable Not Applicable

4 Changes in controlling shareholders during the Reporting Period

Applicable Not Applicable

5 Block diagram of property rights and control relationship between the Company and the Controlling Shareholder

Applicable Not Applicable

**(II) Actual Controller****1 Corporation**

Applicable Not Applicable

2 Natural person

Applicable Not Applicable

3 Special explanation on no actual controllers of the Company

Applicable Not Applicable

On January 7, 2023, Mr. Ma Yun and related parties signed the *Agreement on the Termination of Acting-in-Concert Agreement* and other documents to change the upper-level equity structure of Hangzhou Hundsun Electronics Group Co., Ltd., the controlling shareholder of the Company. Upon completion of the above change, Mr. Ma Yun will no longer be the Actual Controller of the Company and the Company will have no Actual Controller. The completion of the above change will also be subject to all necessary governmental approval or filing procedures. For details of the above matters, please refer to the Announcement No. 2023-002 disclosed by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn).

4 Changes in the Company's control rights during the Reporting Period

Applicable Not Applicable

5 Block diagram of property rights and control relationship between the Company and the Actual Controller

Applicable Not Applicable

6 Actual Controller controlling the Company by way of trust or other asset management methods

Applicable Not Applicable

(III) Summary of Other Facts about the Controlling Shareholder and Actual Controller

Applicable Not Applicable

On January 7, 2023, Mr. Ma Yun and related parties signed the *Agreement on the Termination of Acting-in-Concert Agreement* and other documents to change the upper-level equity structure of Hangzhou Hundsun Electronics Group Co., Ltd., the controlling shareholder of the Company. Upon completion of the above change, Mr. Ma Yun will no longer be the Actual Controller of the Company and the Company will have no Actual Controller. The completion of the above change will also be subject to all necessary governmental approval or filing procedures. For details of the above matters, please refer to the Announcement No. 2023-002 disclosed by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn).

V. The Company's Controlling Shareholder or the First Majority Shareholder and Its Concert Parties Pledged a Total of 80% or More of Their Shareholdings in the Company

Applicable Not Applicable

VI. Other Corporate Shareholders with Over 10% Of Shareholding in the Company

Applicable Not Applicable

VII. Details on Restriction on Shareholding Reduction

Applicable Not Applicable

VIII. Specific Implementation of Share Repurchase During the Reporting Period

Applicable Not Applicable

Unit: Yuan Currency: RMB

Name of Share Repurchase Scheme	Announcement on the Proposal to Repurchase the Company's Shares in Call Auction Trading
Date of disclosure	February 15, 2022
Number of shares to be repurchased and the proportion (%) in total shares outstanding	0.0855-0.1283
Proposed amount for repurchase	RMB 100 million – 150 million
Proposed repurchase term	February 14, 2022 – February 13, 2023
Repurchase purpose	For the stock option incentive plan or employee stock ownership scheme
Number of shares repurchased (share)	2,497,957
Number of repurchased shares as a percentage of the underlying shares under the share incentive scheme (%) (if any)	0
Progress of the Company's share repurchase reduction in call auction trading	N/A

Section VIII Preferred Shares

Applicable Not Applicable

Section IX Corporate Bonds

I. Enterprise Bonds, Corporate Bonds and Debt Financing Instrument of Non-Financial Enterprises

Applicable Not Applicable

II. Convertible Corporate Bonds

Applicable Not Applicable

Section X Financial Report

I. Auditor's Report

Applicable Not Applicable

Auditor's Report

TJS [2023] No. 1208

To all shareholders of Hundsun Technologies Inc.

I. OPINION

We have audited the financial statements of Hundsun Technologies Inc. (hereinafter referred to as Hundsun Technologies), including the consolidated and parent company's balance sheets as of December 31, 2022, the consolidated and parent company's income statements, cash flow statements and statements of retained earnings for 2022, and related notes to the financial statements.

In our opinion, the attached financial statements present fairly, in all material respects, the consolidated and parent company's financial position of Hundsun Technologies as of December 31, 2022, and the consolidated and the parent company's records of performance and cash flow statements for 2022, prepared in accordance with Accounting Standards for Business Enterprises.

II. Basis for Audit Opinion

We have conducted our audit in accordance with the Auditing Standards for Chinese Certified Public Accountants. The section in the Auditor's Report titled "CPAs' Responsibilities for the Audit of the Financial Statements" further describes our responsibilities under these standards. We are independent of Hundsun Technologies in accordance with the Code of Ethics for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities of the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, we consider to be most significant to the audit of the financial statements for the period. These matters are addressed in the context of the audit of the financial statements as a whole and the formation of an audit opinion, and we do not express an opinion on these matters individually.

(I) Revenue Recognition

1. Introduction

The revenue of Hundsun Technologies mainly comes from the provision of overall software solutions and network services for securities, futures, funds, trusts, insurance, banks, exchanges, private equity firms and other institutions. Hundsun Technologies recorded revenue of RMB6,502,387,100 in 2022, of which revenue from software product sales and services accounted for 99.72%. As disclosed in the significant accounting policies and accounting estimates (XXVI) set out in Note III to the financial statements, Hundsun Technologies applies different revenue recognition methods to revenue from sales of self-

developed software products, revenue from sales of customized software and revenue from software services. Revenue is one of the key performance indicators of Hundsun Technologies and involves significant judgment of Hundsun Technologies' management (hereinafter referred to as Management), and revenue may be recognized in inappropriate accounting periods, thus we considered revenue recognition as a key audit matter.

2. Audit Response

The audit procedures we implement for revenue recognition mainly include:

(1) Understanding the key internal controls related to revenue recognition, evaluating the design of these controls, determining whether these controls are implemented, and testing the implementation effectiveness of related internal controls;

(2) Obtaining Company's sales revenue account, analyzing the growth rate of revenue over the same period, identifying whether there are major or abnormal fluctuations at the overall level based on monthly and product type analysis procedures, and finding out the causes of fluctuations;

(3) Sampling sales contracts and related completion orders for which revenues are recognized during the period, and checking whether projects are completed and whether the service term is consistent according to the completion conditions and service term agreed in the contracts;

(4) Sampling projects for on-the-spot inspection to understand the progress of project implementation;

(5) Implementing confirmation procedures for key customers to confirm information such as accounts receivable, contract assets and debt balances, sales revenue for the period, project progress and service terms;

(6) Performing cut-off tests for revenues recognized before and after the balance sheet date to evaluate whether revenues are recognized in the appropriate period;

(7) Checking whether the information relating to revenue has been properly presented in the financial statements.

(II) Goodwill Impairment Test

1. Introduction

As of December 31, 2022, Hundsun Technologies recorded the original carrying value of goodwill of RMB888,619,700 and the provision for impairment of RMB210,171,200, resulting in a carrying value of RMB678,448,500. As described in the significant accounting policies and accounting estimates (XIX) in Note III to the financial statements, the Management is required to perform annual impairment tests on goodwill resulting from business combinations, regardless of whether impairment exists, and to adjust the carrying value of goodwill based on the test results. The Management tests goodwill for impairment in conjunction with the asset group or combination of asset groups related thereto, and the recoverable amount of the related asset group or combination of asset groups is determined based on the present value of projected future cash flows. Significant judgments and assumptions made by the Management, such as the estimation of the revenue growth rate, profit margin, appropriate discount rate and other indicators, are considered in the determination of the present value of future cash flows and therefore we considered

the goodwill impairment test as a key audit matter.

2. Audit Response

The audit procedures we implement for goodwill impairment tests mainly include:

(1) Understanding the key internal controls related to goodwill impairment tests, evaluating the design of these controls, determining whether these controls are implemented, and testing the implementation effectiveness of related internal controls;

(2) Reviewing the Management's projections of the present value of future cash flows and actual results of operations for prior years and evaluating the accuracy of the Management's historical projections;

(3) Understanding the historical performance and development plans for each asset group, as well as the macroeconomic and development trends of the industries to which they belong;

(4) Understanding and evaluating the competency, professionalism and objectivity of the external valuation experts engaged by the Management;

(5) Evaluating the reasonableness and consistency of the methods used by Management in the impairment test;

(6) Reviewing the reasonableness of the level of cash flow projections and the discount rate adopted, including the growth rate of future sales revenue, projected profit margin and related expenses of the corresponding asset group, and conducting a comparative analysis with the historical data of the corresponding asset group and future market trends;

(7) Testing the accuracy of the Management's calculation of the present value of projected future cash flows;

(8) Checking whether the information relating to goodwill impairment has been properly presented in the financial statements.

IV. Other Information

The Management is responsible for other information. Other information includes the information covered in the Annual Report but excludes the financial statements and our auditor's report.

Our audit opinion on the financial statements does not cover other information, and we do not express an assurance conclusion of any kind on other information

In conjunction with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with, or appears to be materially misstated in, the financial statements or what we have learned during the audit.

Based on the work we have performed, if we determine that other information is materially misstated, we should report that fact. We do not have any matters to report in this regard.

V. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Management shall be responsible for preparing financial statements that present fairly the data in accordance with the Accounting Standards for Business Enterprises, and for designing, implementing

and maintaining the internal controls as the Management deems necessary to enable the preparation of financial statements free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the Management is responsible for assessing Hundsun Technologies' continuing operating capacity, disclosing matters relating to continuing operations (if applicable) and applying the continuing operating assumptions unless there are plans to liquidate Hundsun Technologies and cease to operate or no realistic alternative is available.

Those charged with governance of Hundsun Technologies (hereinafter referred to as the Governance) is responsible for overseeing the financial reporting process of Hundsun Technologies.

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

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement caused by fraud or error, and to issue an Auditor's Report containing our opinions. Reasonable assurance is high-level assurance, but it does not guarantee that a material misstatement will always be detected in an audit performed in accordance with auditing standards when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users would take on the basis of the financial statements.

We exercise professional judgment and maintain professional skepticism in carrying out our audit in accordance with the Auditing Standards. At the same time, we also:

(I) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our audit. The risk of failing to detect a material misstatement due to fraud is higher than that due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or overriding internal controls.

(II) Understand the internal controls related to the audit to formulate appropriate audit procedures.

(III) Evaluate the appropriateness of accounting policies adopted by and the reasonableness of accounting estimates and related disclosures made by the Management.

(IV) Draw a conclusion about the appropriateness of the going concern assumption used by the Management, and conclude, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on Hundsun Technologies' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to pay attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause Hundsun Technologies to cease.

(V) Evaluate the overall presentation, structure and content of the financial statements, and also whether the financial statements fairly present the underlying transactions and events.

(VI) Obtain sufficient and appropriate audit evidence about the financial information of the entities or operations in Hundsun Technologies to express our audit opinion on the financial statements. We are

responsible for guiding, supervising and performing the audit of the Group, and assume all responsibilities for our opinion.

We communicate with the Governance regarding, among other matters, the planned scope and schedule of the audit and significant audit findings, including any internal control deficiencies of concern that we found during our audit.

We also provide the Governance with a statement regarding compliance with ethical requirements related to independence and communicate with the Governance about all relationships and other matters that could reasonably be considered to affect our independence, as well as related precautions (if applicable).

Among matters about which we had communicated with the Governance, we determined which matters are the most important to audit the current period's financial statements, therefore, such matters are key audit matters. We described these matters in our auditor's report, except in those cases where public disclosure of such matters is prohibited by law or regulation, or in those rare cases where we determine not to communicate with the Governance about a matter in our auditor's report if we reasonably expect that the adverse consequences of communicating about such matter in our auditor's report would outweigh the benefits in the public interest.

Pan-China Certified Public Accountants LLP

Hangzhou, China

CPA of China:
(Engagement Partner)

CPA of China:

March 30, 2023

II. Financial Statements

Consolidated Balance Sheet

December 31, 2022

Prepared by: Hundsun Technologies Inc.

Unit: Yuan Currency: RMB

Item	Notes	December 31, 2022	December 31, 2021
Current assets:			
Cash and bank balances	VII.1	2,872,634,365.36	1,727,704,846.60
Balances with clearing companies			
Placements with banks and other financial institutions			
Held-for-trading financial assets	VII.2	1,497,708,252.01	1,991,523,094.74
Derivative financial assets			
Notes receivable	VII.4	297,600.00	636,600.00
Accounts receivable	VII.5	922,538,606.59	762,916,207.50
Receivables financing			
Prepayments	VII.7	13,812,398.21	11,856,440.88
Premium receivables			
Reinsurance account receivables			
Deposit receivables from reinsurance contracts			
Other receivables	VII.8	36,136,948.65	30,706,405.33
Including: Interest receivables			
Dividend receivables			
Financial assets held under resale agreements			
Inventories	VII.9	541,390,396.07	466,992,190.19
Contract assets	VII.10	47,104,124.57	33,668,468.37
Held-for-sale assets			
Current portion of non-current assets			
Other current assets	VII.13	21,921,311.73	8,672,321.71
Total current assets		5,953,544,003.19	5,034,676,575.32
Non-current assets:			
Loans and advances			
Creditor's right investment			
Other debt investments	VII.15	35,020,859.58	65,681,018.23
Long-term receivables			
Long-term equity investments	VII.17	1,270,543,073.31	1,110,946,777.17
Other equity instrument investments			
Other non-current financial assets	VII.19	2,532,458,912.37	2,981,720,276.86
Investment properties	VII.20	139,546,030.07	127,524,968.93
Fixed assets	VII.21	1,617,839,116.41	1,679,515,491.95
Construction in progress	VII.22	124,123,757.95	26,357,513.90
Bearer biological assets			
Oil and gas assets			
Right-of-use assets	VII.25	49,359,468.89	32,023,105.44
Intangible assets	VII.26	404,431,043.56	376,460,020.43
Development expenditures			
Goodwill	VII.28	678,448,513.59	367,492,126.98

Long-term prepaid expense	VII.29	6,141,932.91	1,257,776.43
Deferred income tax assets	VII.30	193,121,586.84	163,436,491.51
Other non-current assets	VII.31		112,816,169.61
Total non-current assets		7,051,034,295.48	7,045,231,737.44
Total assets		13,004,578,298.67	12,079,908,312.76
Current liabilities:			
Short-term borrowings	VII.32	54,993,749.99	178,028,314.11
Borrowings from the central bank			
Placements from banks and other financial institutions			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	VII.36	556,386,054.84	503,758,715.18
Advances from customers	VII.37	3,982,203.88	2,283,715.48
Contract liabilities	VII.38	3,022,756,428.02	3,203,414,609.69
Financial assets sold under repurchase agreements			
Deposits from banks and other financial institutions			
Customer deposits for securities trading			
Customer deposits for securities underwriting			
Employee compensation payable	VII.39	871,800,229.81	774,996,501.71
Taxes payable	VII.40	235,335,318.28	196,064,942.41
Other payables	VII.41	177,670,629.68	170,804,176.79
Including: interests payable			
Dividends payable			
Handling charges and commission payable			
Reinsurance accounts payable			
Held-for-sale liabilities			
Current portion of non-current liabilities	VII.43	17,061,706.54	154,496,614.61
Other current liabilities	VII.44	305,258,151.46	305,258,151.46
Total current liabilities		5,245,244,472.50	5,489,105,741.44
Non-current liabilities:			
Deposits for insurance contracts			
Long-term borrowings	VII.45	115,834,519.89	228,454,065.70
Bonds payable			
Including: preference shares			
Perpetual bonds			
Lease liabilities	VII.47	34,984,527.44	23,298,204.05
Long-term payables		38,189,757.11	
Long-term employee benefits payable			
Provision for liabilities	VII.50	20,206,269.80	17,316,775.77
Deferred income	VII.51	29,760,409.18	38,210,906.29
Deferred income tax liabilities	VII.30	45,897,128.03	68,201,491.05
Other non-current liabilities	VII.52		
Total non-current liabilities		284,872,611.45	375,481,442.86

Total liabilities		5,530,117,083.95	5,864,587,184.30
Owners' equity (or shareholders' equity):			
Paid-up capital (or share capital)	VII.53	1,900,006,442.00	1,461,560,480.00
Other equity instruments			
Including: preference shares			
Perpetual bonds			
Capital reserve	VII.55	442,297,657.05	272,730,547.65
Less: Treasury stocks	VII.56	79,864,266.65	39,676,146.96
Other comprehensive income	VII.57	23,348,050.30	-19,063,233.86
Special reserves			
Surplus reserves	VII.59	425,444,965.19	322,432,343.76
General risk provision			
Undistributed profits	VII.60	4,100,528,202.61	3,697,047,060.46
Total equity attributable to owners (or shareholders) of the parent company		6,811,761,050.50	5,695,031,051.05
Minority interests		662,700,164.22	520,290,077.41
Total owners' equity (or shareholders' equity)		7,474,461,214.72	6,215,321,128.46
Total liabilities and owners' equity (or shareholders' equity)		13,004,578,298.67	12,079,908,312.76

Head of the Company: Liu Shufeng
supervisor: Yao Manying

Financial Controller: Yao Manying

Accounting

Balance Sheet of Parent Company

December 31, 2022

Prepared by: Hundsun Technologies Inc.

Unit: Yuan Currency: RMB

Item	Notes	December 31, 2022	December 31, 2021
Current assets:			
Cash and bank balances		1,884,253,410.16	908,419,084.93
Held-for-trading financial assets		407,461,821.88	1,012,890,244.13
Derivative financial assets			
Notes receivable		297,600.00	636,600.00
Accounts receivable	XVII.1	649,825,192.71	557,715,998.70
Receivables financing			
Prepayments		7,854,190.25	8,933,838.72
Other receivables	XVII.2	37,275,271.21	66,212,431.56
Including: Interest receivables			
Dividend receivables			
Inventories		508,302,377.13	427,163,074.94
Contract assets		43,832,862.58	27,841,320.54
Held-for-sale assets			
Current portion of non-current assets			
Other current assets			
Total current assets		3,539,102,725.92	3,009,812,593.52
Non-current assets:			
Creditor's right investment			
Other debt investments			
Long-term receivables			

Long-term equity investments	XVII.3	3,637,931,321.50	3,230,955,642.19
Other equity instrument investments			
Other non-current financial assets		2,321,911,227.12	2,740,664,539.46
Investment properties		24,840,766.52	7,736,779.02
Fixed assets		1,271,042,044.65	1,354,919,216.28
Construction in progress		124,123,757.95	25,139,995.40
Bearer biological assets			
Oil and gas assets			
Right-of-use assets		19,511,617.52	24,756,019.73
Intangible assets		212,267,650.21	237,628,836.54
Development expenditures			
Goodwill			
Long-term prepaid expense		2,264,055.86	131,567.10
Deferred income tax assets		216,601,869.67	187,252,839.81
Other non-current assets			
Total non-current assets		7,830,494,311.00	7,809,185,435.53
Total assets		11,369,597,036.92	10,818,998,029.05
Current liabilities:			
Short-term borrowings		50,000,000.00	150,862,784.72
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable		520,233,488.82	528,701,393.13
Advances from customers			
Contract liabilities		2,700,142,546.33	2,844,015,508.61
Employee compensation payable		694,835,629.04	606,636,561.56
Taxes payable		168,924,134.63	146,989,441.53
Other payables		84,669,139.93	89,229,544.02
Including: interests payable			
Dividends payable			
Held-for-sale liabilities			
Current portion of non-current liabilities		6,689,092.45	149,878,491.45
Other current liabilities			
Total current liabilities		4,225,494,031.20	4,516,313,725.02
Non-current liabilities:			
Long-term borrowings		32,334,094.44	148,159,511.11
Bonds payable			
Including: preference shares			
Perpetual bonds			
Lease liabilities		15,965,211.45	21,129,263.20
Long-term payables			
Long-term employee benefits payable			
Provision for liabilities		18,175,644.42	16,258,263.99
Deferred income		29,722,089.63	38,094,994.90
Deferred income tax liabilities		43,569,707.24	65,662,318.43
Other non-current liabilities			
Total non-current liabilities		139,766,747.18	289,304,351.63
Total liabilities		4,365,260,778.38	4,805,618,076.65
Owners' equity (or shareholders' equity):			

Paid-up capital (or share capital)		1,900,006,442.00	1,461,560,480.00
Other equity instruments			
Including: preference shares			
Perpetual bonds			
Capital reserve		132,247,680.40	16,659,761.86
Less: Treasury stocks		48,285,319.65	39,676,146.96
Other comprehensive income		346,075.73	346,075.73
Special reserves			
Surplus reserves		774,513,545.63	671,500,924.20
Undistributed profits		4,245,507,834.43	3,902,988,857.57
Total owners' equity (or shareholders' equity)		7,004,336,258.54	6,013,379,952.40
Total liabilities and owners' equity (or shareholders' equity)		11,369,597,036.92	10,818,998,029.05

Head of the Company: Liu Shufeng
supervisor: Yao Manying

Financial Controller: Yao Manying

Accounting

Consolidated Income Statement

January to December 2022

Unit: Yuan

Currency: RMB

Item	Notes	FY 2022	2021
I. Total revenue	VII.61	6,502,387,143.49	5,496,578,624.88
Including: Revenue	VII.61	6,502,387,143.49	5,496,578,624.88
Interest income			
Premiums earned			
Handling charges and commission income			
II. Total cost of sales		5,643,782,118.49	4,922,774,631.17
Including: Cost of sales	VII.61	1,718,949,583.55	1,484,602,486.66
Interest expenses			
Handling charges and commission expenses			
Payments on surrender			
Net claim expenses			
Net provision for insurance contract reserves			
Policyholder dividend expenses			
Reinsurance costs			
Taxes and surcharges	VII.62	75,337,767.41	60,393,388.78
Selling and distribution expenses	VII.63	617,092,825.41	557,934,967.43
General and administrative expenses	VII.64	870,226,221.15	681,453,467.57
R&D expenses	VII.65	2,346,280,973.22	2,139,296,366.07
Finance costs	VII.66	15,894,747.75	-906,045.34
Including: Interest expenses		20,893,866.14	10,507,675.01
Interest income		-27,850,713.32	-17,150,371.61
Add: Other incomes	VII.67	288,989,181.59	289,880,269.30
Investment income (loss denoted by "-")	VII.68	258,537,504.13	275,837,269.79
Including: Share of results of associates and joint ventures		116,485,385.92	91,328,055.87

Revenue from derecognize of financial assets at amortized cost			
Exchange gains (loss denoted by "-")			
Gains from net exposure to hedging (loss denoted by "-")			
Gain from changes in fair value (loss expressed with "-")	VII.70	-165,741,099.23	414,401,157.02
Credit impairment Losses (loss denoted by "-")	VII.71	-55,156,430.17	-30,961,258.63
Impairment of assets (loss denoted by "-")	VII.72	-58,752,135.68	-11,858,839.61
Gains from the disposal of assets (loss to be listed with "-")	VII.73	-2,510,482.51	-552,528.07
III. Operating profit (loss denoted by "-")		1,123,971,563.13	1,510,550,063.51
Add: Non-operating income	VII.74	2,509,413.82	2,491,487.26
Less: Non-operating expenses	VII.75	1,904,838.34	3,318,935.14
IV. Total profit (total loss denoted by "-")		1,124,576,138.61	1,509,722,615.63
Less: Income tax expenses	VII.76	4,756,341.46	19,593,930.63
V. Net profit (net loss denoted by "-")		1,119,819,797.15	1,490,128,685.00
(I) Classified by the continuity of operations			
1. Net profit from continuing operations (net loss denoted by "-")		1,119,819,797.15	1,490,128,685.00
2. Net profit from discontinued operations (net loss denoted by "-")			
(II) Classified by attribution of ownership			
1. Net profit attributable to shareholders of the parent company (net loss denoted by "-")		1,091,088,379.58	1,463,538,930.14
2. Profit and loss of minority shareholders (net loss denoted by "-")		28,731,417.57	26,589,754.86
VI. Other comprehensive income, net of tax		44,256,526.96	-13,786,289.23
(I) Other comprehensive income attributable to owners of the parent company, net of tax		42,411,284.16	-11,419,570.51
1. Other comprehensive income not to be subsequently reclassified to profit or loss			
(1) Amount of change arising from remeasurement of the defined benefit plan			
(2) Other comprehensive income not to be reclassified to profit or loss under the equity method			
(3) Changes in fair value of other equity instrument investments			
(4) Changes in fair value attributable to changes in credit risk			
2. Other comprehensive income to be subsequently reclassified to profit or loss		42,411,284.16	-11,419,570.51
(1) Other comprehensive income to be reclassified to profit or loss under the equity method			
(2) Changes in fair value of other debt investments		-2,558,936.35	-25,707.87

(3) Amount of financial assets reclassified and charged to other comprehensive incomes			
(4) Credit loss impairment of other debt investments			
(5) Cash flow hedge reserve			
(6) Foreign currency translation difference in the statements		44,970,220.51	-11,393,862.64
(7) Others			
(II) Other comprehensive income attributable to minority shareholders, net of tax		1,845,242.80	-2,366,718.72
VII. Total comprehensive income		1,164,076,324.11	1,476,342,395.77
(I) Total comprehensive income attributable to the owners of the parent company		1,133,499,663.74	1,452,119,359.63
(II) Total comprehensive income attributable to minority shareholders		30,576,660.37	24,223,036.14
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.57	0.77
(II) Diluted earnings per share (RMB/share)		0.57	0.77

Head of the Company: Liu Shufeng
supervisor: Yao Manying

Financial Controller: Yao Manying

Accounting

Income Statement of the Parent Company

January to December 2022

Unit: Yuan

Currency: RMB

Item	Notes	FY 2022	2021
I. Revenue	XVII.4	5,312,062,236.34	4,540,414,080.82
Less: Cost of sales	XVII.4	1,420,172,411.43	1,281,192,903.55
Taxes and surcharges		63,807,317.43	48,187,613.26
Selling and distribution expenses		441,564,598.80	401,894,792.45
General and administrative expenses		708,798,954.38	502,017,276.69
R&D expenses		2,004,931,415.46	1,811,641,736.55
Finance costs		-390,536.15	2,316,928.82
Including: Interest expenses		15,772,001.77	9,835,206.38
Interest income		-21,614,598.07	-13,406,287.93
Add: Other incomes		262,883,932.41	271,497,389.32
Investment income (loss denoted by "-")	XVII.5	263,511,325.27	265,504,833.35
Including: Share of results of associates and joint ventures		107,589,749.47	90,518,351.65
Revenue from derecognize of financial assets at amortized cost			
Gains from net exposure to hedging (loss denoted by "-")			
Gain from changes in fair value (loss expressed with "-")		-98,723,815.42	419,730,141.73
Credit impairment Losses (loss denoted by "-")		-31,982,856.62	-20,000,010.63

Impairment of assets (loss denoted by "-")		-66,138,362.21	-52,631,912.66
Gains from the disposal of assets (loss to be listed with "-")		-2,539,690.93	-517,980.17
II. Operating profits (loss denoted by "-")		1,000,188,607.49	1,376,745,290.44
Add: Non-operating income		1,145,070.88	1,727,963.18
Less: Non-operating expenses		1,602,493.80	2,578,075.83
III. Total profit (total loss denoted by "-")		999,731,184.57	1,375,895,177.79
Less: Income tax expenses		-30,395,029.72	-3,989,324.37
IV. Net profit (net loss denoted by "-")		1,030,126,214.29	1,379,884,502.16
(I) Net profit from continuing operations (net loss denoted by "-")		1,030,126,214.29	1,379,884,502.16
(II) Net profit from discontinued operations (net loss denoted by "-")			
V. Other comprehensive income, net of tax			
(I) Other comprehensive income not to be subsequently reclassified to profit or loss			
1. Amount of change arising from remeasurement of the defined benefit plan			
2. Other comprehensive income not to be reclassified to profit or loss under the equity method			
3. Changes in fair value of other equity instruments investments			
4. Changes in fair value attributable to changes in credit risk			
(II) Other comprehensive income to be subsequently reclassified to profit or loss			
1. Other comprehensive income to be reclassified to profit or loss under the equity method			
2. Changes in fair value of other debt investment			
3. Amount of financial assets reclassified and charged to other comprehensive income			
4. Credit loss impairment of other debt investments			
5. Cash flow hedge reserve			
6. Foreign currency translation difference in the statements			
7. Others			
VI. Total comprehensive income		1,030,126,214.29	1,379,884,502.16
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Head of the Company: Liu Shufeng
supervisor: Yao Manying

Financial Controller: Yao Manying

Accounting

Consolidated Cash Flow Statement
January to December 2022

Unit: Yuan Currency: RMB

Item	Notes	FY 2022	2021
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		6,678,651,178.15	5,844,844,692.26
Net increase in deposits from customers and placements from banks and other financial institutions			
Net increase in borrowings from the central bank			
Net increase in placements from other financial institutions			
Cash received from premiums of original insurance contracts			
Net cash received from reinsurance operations			
Net increase in policyholders' deposits and investments			
Cash received from interest, handling charges and commission			
Net increase in placements from banks and other financial institutions			
Net increase in capital for repurchase			
Net cash received from securities trading agency services			
Tax refunds received		234,613,134.19	227,091,597.48
Other cash received relating to operating activities	VII.78	142,505,741.89	121,077,790.55
Sub-total of cash inflows from operating activities		7,055,770,054.23	6,193,014,080.29
Cash paid for goods and services		429,889,620.45	429,996,599.28
Net increase in loans and advances to customers			
Net increase in deposits in the central bank and other financial institutions			
Cash paid for claims on original insurance contracts			
Net increase in placements with banks and other financial institutions			
Cash paid for interest, handling charges and commission			
Cash paid for policyholders' dividend			
Cash paid to and on behalf of employees		4,200,921,341.88	3,523,292,673.44
Cash paid for taxes and dues		623,615,479.40	573,426,098.40
Cash paid for other operating activities	VII.78	663,150,832.54	709,509,403.03
Sub-total of cash outflows for operating activities		5,917,577,274.27	5,236,224,774.15

Net cash flows from operating activities		1,138,192,779.96	956,789,306.14
II. Cash flows from investing activities:			
Cash received from recouping investment		2,792,999,159.88	5,671,375,826.88
Cash received from investment income		106,669,985.53	91,272,753.60
Net cash received from the disposal of fixed assets, intangible assets, and other long-term assets		180,713.22	335,745.57
Net cash received from the disposal of subsidiaries and other operating entities			
Cash received from other investment activities			
Sub-total of cash inflows from investing activities		2,899,849,858.63	5,762,984,326.05
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets		293,696,769.67	684,126,691.10
Cash paid for investments		2,154,837,977.09	5,354,401,853.32
Net increase in pledged loans			
Net cash paid for acquisition of subsidiaries and other operating entities			147,881,750.76
Cash paid for other investing activities	VII.78	165,088,117.47	
Sub-total of cash outflows for investing activities		2,613,622,864.23	6,186,410,295.18
Net cash flows from investing activities		286,226,994.40	-423,425,969.13
III. Cash flow from financing activities:			
Cash received from capital contributions		220,999,701.72	104,148,194.52
Including: Cash received by subsidiaries from capital contributions of minority shareholders		219,618,947.00	92,113,044.45
Cash received from borrowings		657,478,926.10	1,457,773,551.92
Cash received from other financing activities	VII.78	35,313,750.00	361,621,876.00
Sub-total of cash inflows from financing activities		913,792,377.82	1,923,543,622.44
Cash paid for repayment of debts		1,046,495,271.75	1,154,950,725.42
Cash paid for distribution of dividends or profits or settlement of interest		189,152,523.05	165,693,795.60
Including: Dividends and profits paid by the subsidiaries to non-controlling interests		23,848,176.00	40,942,500.00
Cash paid for other financing activities	VII.78	159,665,202.53	776,982,025.33
Sub-total of cash outflows for financing activities		1,395,312,997.33	2,097,626,546.35

Net cash flows from financing activities		-481,520,619.51	-174,082,923.91
IV. Effect of changes in exchange rates on cash and cash equivalents		-5,021,281.09	-5,874,876.16
V. Net increase in cash and cash equivalents		937,877,873.76	353,405,536.94
Add: Opening balance of cash and cash equivalents		1,723,434,091.60	1,370,028,554.66
VI. Closing balance of cash and cash equivalents		2,661,311,965.36	1,723,434,091.60

Head of the Company: Liu Shufeng
supervisor: Yao Manying

Financial Controller: Yao Manying

Accounting

Cash Flow Statement of the Parent Company

January to December 2022

Unit: Yuan

Currency: RMB

Item	Notes	FY 2022	2021
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		5,560,534,292.06	4,888,058,491.22
Tax refunds received		224,934,490.05	215,981,764.66
Other cash received relating to operating activities		191,779,838.34	182,379,629.26
Sub-total of cash inflows from operating activities		5,977,248,620.45	5,286,419,885.14
Cash paid for goods and services		702,574,499.52	712,654,259.84
Cash paid to and on behalf of employees		2,950,582,059.86	2,507,969,694.70
Cash paid for taxes and dues		503,808,482.94	474,127,303.70
Cash paid for other operating activities		753,936,649.10	687,191,064.00
Sub-total of cash outflows for operating activities		4,910,901,691.42	4,381,942,322.24
Net cash flows from operating activities		1,066,346,929.03	904,477,562.90
II. Cash flows from investing activities:			
Cash received from recouping investment		1,932,154,035.93	3,446,679,775.75
Cash received from investment income		127,089,105.61	125,221,208.23
Net cash received from the disposal of fixed assets, intangible assets, and other long-term assets		103,871.30	281,848.77
Net cash received from the disposal of subsidiaries and other operating entities			
Cash received from other investment activities		35,982,027.39	189,562,371.40
Sub-total of cash inflows from investing activities		2,095,329,040.23	3,761,745,204.15
Cash paid for acquisition and construction of fixed assets,		226,907,197.08	474,359,557.11

intangible assets and other long-term assets			
Cash paid for investments		1,299,130,845.23	3,579,910,798.63
Net cash paid for acquisition of subsidiaries and other operating entities			
Cash paid for other investing activities		10,000,000.00	206,222,100.00
Sub-total of cash outflows for investing activities		1,536,038,042.31	4,260,492,455.74
Net cash flows from investing activities		559,290,997.92	-498,747,251.59
III. Cash flow from financing activities:			
Cash received from capital contributions			
Cash received from borrowings		367,300,000.00	1,338,000,000.00
Cash received from other financing activities		35,313,750.00	561,621,876.00
Sub-total of cash inflows from financing activities		402,613,750.00	1,899,621,876.00
Cash paid for repayment of debts		779,140,000.00	1,016,260,000.00
Cash paid for distribution of dividends or profits or settlement of interest		163,023,851.38	123,094,675.57
Cash paid for other financing activities		102,573,085.38	885,804,607.30
Sub-total of cash outflows for financing activities		1,044,736,936.76	2,025,159,282.87
Net cash flows from financing activities		-642,123,186.76	-125,537,406.87
IV. Effect of changes in exchange rates on cash and cash equivalents		-8,838,059.96	-265,047.73
V. Net increase in cash and cash equivalents		974,676,680.23	279,927,856.71
Add: Opening balance of cash and cash equivalents		905,600,929.93	625,673,073.22
VI. Closing balance of cash and cash equivalents		1,880,277,610.16	905,600,929.93

Head of the Company: Liu Shufeng
Accounting supervisor: Yao Manying

Financial Controller: Yao Manying

Consolidated Statement of Retained Earnings
January to December 2022

Unit: Yuan Currency: RMB

Item	FY 2022													Minority interests	Total owners' equity
	Owners' equity attributable to the parent company											Sub-total			
	Paid-up capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Undistributed profits		Others		
	Preference shares	Perpetual bonds	Others												
I. Closing balance of the previous year	1,461,560,480.00				272,730,547.65	39,676,146.96	-19,063,233.86		322,432,343.76		3,697,047,060.46		5,695,031,051.05	520,290,077.41	6,215,321,128.46
Add: Changes in accounting policies															
Correction of prior period errors															
Business combination under common control															
Others															
II. Opening balance of the current year	1,461,560,480.00				272,730,547.65	39,676,146.96	-19,063,233.86		322,432,343.76		3,697,047,060.46		5,695,031,051.05	520,290,077.41	6,215,321,128.46
III. Increases/decreases in the current period (decreases denoted by "-")	438,445,962.00				169,567,109.40	40,188,119.69	42,411,284.16		103,012,621.43		403,481,142.15		1,116,729,999.45	142,410,086.81	1,259,140,086.26
(I) Total comprehensive income							42,411,284.16				1,091,088,379.58		1,133,499,663.74	30,576,660.37	1,164,076,324.11
(II) Capital contributed and reduced by owners					169,567,109.40	40,188,119.69							129,378,989.71	135,681,602.44	265,060,592.15
1. Ordinary shares contributed by owners														219,618,947.00	219,618,947.00
2. Capital contributed by the holders of other equity instruments															
3. Amount of share-based payments charged to owners' equity					103,381,645.79	8,609,172.69							94,772,473.10		94,772,473.10
4. Others					66,185,463.61	31,578,947.00							34,606,516.61	-83,937,344.56	-49,330,827.95
(III) Profit distribution	438,445,962.00								103,012,621.43		-687,607,237.43		-146,148,654.00	-23,848,176.00	-169,996,830.00
1. Appropriation to surplus reserve									103,012,621.43		-103,012,621.43				
2. Appropriation to general risk provision															

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II. Opening balance of the current year	1,044,090,754.00				545,385,635.52	117,376,268.28	-7,643,663.35		195,942,797.49		2,893,333,737.94		4,553,732,993.32	483,597,609.88	5,037,330,603.20
III. Increases/decreases in the current period (decreases denoted by "-")	417,469,726.00				-272,655,087.87	-77,700,121.32	-11,419,570.51		126,489,546.27		803,713,322.52		1,141,298,057.73	36,692,467.53	1,177,990,525.26
(I) Total comprehensive income							-11,419,570.51				1,463,538,930.14		1,452,119,359.63	24,223,036.14	1,476,342,395.77
(II) Capital contributed and reduced by owners					-272,655,087.87	-77,700,121.32			-11,498,903.95				-206,453,870.50	53,411,931.39	-153,041,939.11
1. Ordinary shares contributed by owners														28,188,068.18	28,188,068.18
2. Capital contributed by the holders of other equity instruments															
3. Amount of share-based payments charged to owners' equity					-289,923,619.47	-77,700,121.32							-212,223,498.15		-212,223,498.15
4. Others					17,268,531.60				-11,498,903.95				5,769,627.65	25,223,863.21	30,993,490.86
(III) Profit distribution	417,469,726.00								137,988,450.22		-659,825,607.62		-104,367,431.40	-40,942,500.00	-145,309,931.40
1. Appropriation to surplus reserve									137,988,450.22		-137,988,450.22				
2. Appropriation to general risk provision															
3. Distribution to owners (or shareholders)	417,469,726.00										-521,837,157.40		-104,367,431.40	-40,942,500.00	-145,309,931.40
4. Others															
(IV) Internal transfers of owners' equity															
1. Capital (or share capital) transferred from capital reserve															
2. Capital (or share capital) transferred from surplus reserve															
3. Recovery of losses by surplus reserve															
4. Retained earnings transferred from changes in defined benefit plans															
5. Retained earnings transferred from other comprehensive income															
6. Others															
(V) Special reserve															
1. Appropriation in the current period															
2. Utilized in the current period															

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(VI) Others															
IV. Closing balance in the current period	1,461,560,480.00				272,730,547.65	39,676,146.96	-19,063,233.86		322,432,343.76		3,697,047,060.46		5,695,031,051.05	520,290,077.41	6,215,321,128.46

Head of the Company: Liu Shufeng

Financial Controller: Yao Manying

Accounting supervisor: Yao Manying

Statement of Retained Earnings of the Parent Company
January to December 2022

Unit: Yuan Currency: RMB

Item	FY 2022										
	Paid-up capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
		Preference shares	Perpetual bonds	Others							
I. Closing balance of the previous year	1,461,560,480.00				16,659,761.86	39,676,146.96	346,075.73		671,500,924.20	3,902,988,857.57	6,013,379,952.40
Add: Changes in accounting policies											
Correction of prior period errors											
Others											
II. Opening balance of the current year	1,461,560,480.00				16,659,761.86	39,676,146.96	346,075.73		671,500,924.20	3,902,988,857.57	6,013,379,952.40
III. Increases/decreases in the current period (decreases denoted by "-")	438,445,962.00				115,587,918.54	8,609,172.69			103,012,621.43	342,518,976.86	990,956,306.14
(I) Total comprehensive income										1,030,126,214.29	1,030,126,214.29
(II) Capital contributed and reduced by owners					115,587,918.54	8,609,172.69					106,978,745.85
1. Ordinary shares contributed by owners											
2. Capital contributed by the holders of other equity instruments											
3. Amount of share-based payments charged to owners' equity					102,284,242.13	8,609,172.69					93,675,069.44
4. Others					13,303,676.41						13,303,676.41

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(III) Profit distribution	438,445,962.00								103,012,621.43	-687,607,237.43	-146,148,654.00
1. Appropriation to surplus reserve									103,012,621.43	-103,012,621.43	
2. Distribution to owners (or shareholders)	438,445,962.00									-584,594,616.00	-146,148,654.00
3. Others											
(IV) Internal transfers of owners' equity											
1. Capital (or share capital) transferred from capital reserve											
2. Capital (or share capital) transferred from surplus reserve											
3. Recovery of losses by surplus reserve											
4. Retained earnings transferred from changes in defined benefit plans											
5. Retained earnings transferred from other comprehensive income											
6. Others											
(V) Special reserve											
1. Appropriation in the current period											
2. Utilized in the current period											
(VI) Others											
IV. Closing balance in the current period	1,900,006,442.00				132,247,680.40	48,285,319.65	346,075.73		774,513,545.63	4,245,507,834.43	7,004,336,258.54

Item	2021										
	Paid-up capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
		Preference shares	Perpetual bonds	Others							
I. Closing balance of the previous year	1,044,090,754.00				284,304,968.23	117,376,268.28	346,075.73		533,516,976.26	3,182,970,483.59	4,927,852,989.53
Add: Changes in accounting policies									-4,502.28	-40,520.56	-45,022.84
Correction of prior period errors											
Others											
II. Opening balance of the current year	1,044,090,754.00				284,304,968.23	117,376,268.28	346,075.73		533,512,473.98	3,182,929,963.03	4,927,807,966.69
III. Increases/decreases in the current period (decreases denoted by "-")	417,469,726.00				-267,645,206.37	-77,700,121.32			137,988,450.22	720,058,894.54	1,085,571,985.71
(I) Total comprehensive income										1,379,884,502.16	1,379,884,502.16
(II) Capital contributed and reduced by owners					-267,645,206.37	-77,700,121.32					-189,945,085.05
1. Ordinary shares contributed by owners											
2. Capital contributed by the holders of other equity instruments											
3. Amount of share-based payments charged to owners' equity					-289,477,689.92	-77,700,121.32					-211,777,568.60
4. Others					21,832,483.55						21,832,483.55
(III) Profit distribution	417,469,726.00								137,988,450.22	-659,825,607.62	-104,367,431.40

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1. Appropriation to surplus reserve									137,988,450.22	-137,988,450.22	
2. Distribution to owners (or shareholders)	417,469,726.00									-521,837,157.40	-104,367,431.40
3. Others											
(IV) Internal transfers of owners' equity											
1. Capital (or share capital) transferred from capital reserve											
2. Capital (or share capital) transferred from surplus reserve											
3. Recovery of losses by surplus reserve											
4. Retained earnings transferred from changes in defined benefit plans											
5. Retained earnings transferred from other comprehensive income											
6. Others											
(V) Special reserve											
1. Appropriation in the current period											
2. Utilized in the current period											
(VI) Others											
IV. Closing balance in the current period	1,461,560,480.00				16,659,761.86	39,676,146.96	346,075.73		671,500,924.20	3,902,988,857.57	6,013,379,952.40

Head of the Company: Liu Shufeng
 supervisor: Yao Manying

Financial Controller: Yao Manying

Accounting

III. General Information of the Company

1. Company Profile

√Applicable □Not Applicable

Hundsun Technologies Inc. (hereafter referred to as the “Company”) is a joint-stock limited company established by 15 individual shareholders, including Hangzhou Hundsun Electronics Group Co., Ltd., China National Investment & Guaranty Co., Ltd. and Huang Dacheng, on the basis of the original Hundsun Technologies Inc., which was registered with the Industrial and Commercial Administration of Zhejiang Province on December 13, 2000, with the approval of the Listing Affair Team of the People’s Government of Zhejiang Province through the document (ZSS [2000] 48). The Company now holds a business license with USCI: 913300002539329145, and the registered capital of RMB1,900,006,442 divided into a total of 1,900,006,442 shares (RMB1 for each share), all of which are outstanding shares without selling restrictions. The Company's shares were listed on The Shanghai Stock Exchange on December 16, 2003.

The Company operates in the software and information technology service industry. The Company's business covers technology development, consultancy, services and results transfer of computer software; computer systems integration; design, contracting and installation of automation and control engineering; sales of computers and accessories; production and sales of electronic equipment, communication equipment, computer hardware and external devices; leases of self-owned premises; import and export business. Main products or services provided by the Company cover development and sales of computer software products and system integration for securities, finance, transportation and other industries; and sales of computers and accessories.

The financial statements have been approved for publication at the seventh meeting of the Eighth Session of the Board of the Company on March 30, 2023.

2. Scope of the Consolidated Financial Statements

√Applicable □Not Applicable

The subsidiaries included in the Company’s consolidated financial statements for the current period are shown below, please refer to Notes VIII and IX to these financial statements for details.

S/N	Full company name	Abbreviation	Remark
1	Hangzhou Hundsun Cloud Investment Holding Co., Ltd.	Cloud Investment	Holding subsidiary
1-1	Hangzhou Hundsun Science Park Development Co., Ltd.	Hundsun Science Park	Subsidiary of Cloud Investment
1-1-1	Nanjing Hundsun Science Park Operation Management Co., Ltd.	Nanjing Hundsun	Subsidiary of Hundsun Science Park
1-1-2	Shaoxing Keqiao Henghui Phoenix Science Park Operation Management Co., Ltd.	Shaoxing Henghui	Subsidiary of Hundsun Science Park
2	Wuxi Henghua Technology Development Co., Ltd.	Wuxi Henghua	Wholly-owned subsidiary
3	Hangzhou Hundsun Data Security Technology Co., Ltd.	Data Security	Holding subsidiary
4	Jinrui Software Technology (Hangzhou) Co., Ltd.	Jinrui Software	Wholly-owned subsidiary
5	Beijing Qiantang Hundsun Technology Co., Ltd.	Beijing Qiantang	Wholly-owned subsidiary
6	Shanghai Yirui Management Consulting Co., Ltd.	Shanghai Yirui	Holding subsidiary
7	Japan Hundsun Software Inc.	Japan Hundsun	Holding subsidiary
7-1	Hangzhou Beiying Technology Co., Ltd.	Hangzhou Beiying	Subsidiary of Japan

			Hundsun
8	Hundsun International Technologies Holding Limited	Hundsun International Technologies	Holding subsidiary
9	Hundsun Holdings Limited	Hundsun Holdings	Holding subsidiary
9-1	Hundsun Ayers Technologies Limited	Hundsun Ayers	Subsidiary of Hundsun Holdings
9-2	Ayers Technologies(Singapore) Private Limited	Ayers Technologies (Singapore)	Subsidiary of Hundsun Ayers
9-3	Hundsun.Com Co., Limited	Hundsun HK	Subsidiary of Hundsun Ayers
9-4	Shenzhen Yungang Technology Co., Ltd.	Shenzhen Yungang	Subsidiary of Hundsun Ayers
10	Shanghai Liming Technology Co., Ltd.	Shanghai Liming	Wholly-owned subsidiary
11	Shanghai Gildata Inc.	Shanghai Gildata	Holding subsidiary
11-1	Hangzhou Gildata Information Technology Co., Ltd.	Hangzhou Gildata	Subsidiary of Shanghai Gildata
11-2	Changsha Hundsun Gildata Information Technology Co., Ltd.	Changsha Gildata	Subsidiary of Shanghai Gildata
11-3	Shanghai Dworld AI Tech Co., Ltd.	Shanghai Dworld	Subsidiary of Shanghai Gildata
11-4	Changsha Dworld AI Technology Co., Ltd.	Changsha Dworld	Subsidiary of Shanghai Dworld
12	Hangzhou Yunhui Investment Management Co., Ltd.	Hangzhou Yunhui	Wholly-owned subsidiary
13	Hangzhou Cloudwing Network Technology Co., Ltd.	Cloudwing Network	Holding subsidiary
13-1	Hangzhou Hundsun Lirong Software Co., Ltd.	Hundsun Lirong	Subsidiary of Cloudwing Network
13-2	Beijing Hengying Yunchuang Technology Co., Ltd.	Beijing Hengying	Subsidiary of Cloudwing Network
13-3	Shanghai Cloudwing Zhichuang Technology Co., Ltd.	Shanghai Cloudwing	Subsidiary of Cloudwing Network
14	Hangzhou Securities Investment Network Technology Co., Ltd.	Securities Investment Network	Holding subsidiary
15	Hangzhou Cloudyee Network Technology Co., Ltd.	Cloudyee Network	Holding subsidiary
16	Hangzhou Yunyong Network Technology Co., Ltd.	Yunyong Network	Holding subsidiary
17	Hangzhou Cloudbroker Network Technology Co., Ltd.	Cloudbroker Network	Holding subsidiary
18	Hangzhou Yunlian Network Technology Co., Ltd.	Yunlian Network	Holding subsidiary
19	Hangzhou Shanshang Network Technology Co., Ltd. [Note 1]	Shanshang Network	Holding subsidiary
20	Hangzhou Yima Investment Management Co., Ltd.	Hangzhou Yima	Wholly-owned subsidiary
20-1	Hangzhou Yihe Management Consulting Partnership (Limited Partnership)	Hangzhou Yihe	Subsidiary of Hangzhou Yima
21	Hangzhou Hundsun Wengine Network Technology Co., Ltd.	Wengine Network	Holding subsidiary
22	Hundsun Intercontinental Holdings (HK) Limited	Intercontinental Holdings	Wholly-owned subsidiary
22-1	Hundsun Global Services Inc.	Hundsun U.S.	Subsidiary of Intercontinental Holdings
22-2	Chain Next Technologies Limited	Chain Next	Subsidiary of Intercontinental Holdings
22-3	Hundsun International (PTC) Ltd	Hundsun International	Subsidiary of

			Intercontinental Holdings
23	Guangdong Yuecai Greater Bay Area Financial Research Institute [Note 2]	Guangdong Institute of Finance	Holding subsidiary
24	Hangzhou Xinglu Equity Investment Partnership (L.P.)	Hangzhou Xinglu	Holding subsidiary
25	Business Intelligence Info. Tech. (Hangzhou) Co., Ltd.	Hangzhou Business Intelligence	Holding subsidiary
26	Shanghai Hundsun Shengtian Network Technology Co., Ltd.	Shengtian Network	Wholly-owned subsidiary
27	Hangzhou Zhigu Network Technology Co., Ltd.	Zhigu Network	Holding subsidiary
28	Zhejiang Jingteng Network Technology Co., Ltd.	Jingteng Network	Holding subsidiary
29	Wuxi Xinglu Tiancheng Investment Management Partnership (L.P.)	Wuxi Xinglu	Holding subsidiary
30	Hundsun IHS Markit China Technologies Co., Ltd.	IHS Markit	Holding subsidiary
30-1	Hundsun IHS Markit China (Hong Kong) Technologies Limited	IHS Markit (Hong Kong)	Subsidiary of IHS Markit
31	BusinessMatrix Software Technology Ltd.	BusinessMatrix	Holding subsidiary
32	Nanjing Xingcheng Equity Investment Partnership (L.P.)	Nanjing Xingcheng	Holding subsidiary
33	Shanghai Genus-Finance Information Technology Co., Ltd.	Shanghai Genus	Holding subsidiary
33-1	GenSys Technology (International) Limited	GenSys Technology	Subsidiary of Shanghai Genus
34	Hundsun iBontal (Guangdong) Technology Co., Ltd.	Hundsun iBontal	Holding subsidiary
35	Zhejiang Xunchang Wendao Network Information Technology Co., Ltd.	Xunchang Wendao	Holding subsidiary
36	Nanjing Xingding Equity Investment Partnership (L.P.)	Nanjing Xingding	Holding subsidiary
37	Hangzhou Hengshu Jinrencai Technology Co., Ltd.	Hangzhou Hengshu	Holding subsidiary
38	Hangzhou Hundsun Digital Intelligence Qiyuan Equity Investment Partnership (Limited Partnership)	Digital Intelligence Qiyuan	Holding subsidiary
39	Nanjing Hundsun Jiaocha Information Technology Co., Ltd.	Jiaocha Information	Holding subsidiary

[Note 1] Shanshang Network completed the deregistration procedures with the industrial and commercial authority on May 31, 2022

[Note 2] Guangdong Institute of Finance has not been included in the consolidation scope since December 27, 2022

IV. Basis of Preparation of Financial Statements

1. Basis of Preparation

The financial statements of the Company are presented on a continuing operation basis.

2. Continuing Operation

Applicable Not Applicable

There were no events or circumstances that would give rise to material doubt about the Company's ability to continue as a going concern during 12 months from the Reporting Period.

V. Major Accounting Policies and Accounting Estimates

Notes to specific accounting policies and accounting estimates:

Applicable Not Applicable

The Company has formulated specific accounting policies and accounting estimates for transactions or events such as impairment of financial instruments, depreciation of fixed assets, depreciation of right-to-use assets, amortization of intangible assets and recognition of income according to the actual production and operation characteristics.

1. Statement of Compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company are prepared in accordance with the requirements of the Accounting Standards for Business Enterprises, and truly and fully present the information such as the financial position, business performance, changes in shareholders' equity and cash flows of the Company.

2. Accounting Period

The accounting year of the Company is from January 1 to December 31.

3. Operating Cycle

Applicable Not Applicable

The Company adopts 12 months to identify the current nature of assets and liabilities since the operating cycle is too short for the Company's business.

4. Functional Currency

The Company and its domestic subsidiaries adopt RMB as their functional currency, and its overseas subsidiaries such as Japan Hundsun, Hundsun International Technologies, Hundsun Holdings, Hundsun Ayers, Hundsun HK, Ayers Technologies (Singapore), Intercontinental Holdings, Hundsun U.S., Chain Next, Hundsun International, Hundsun Holdings, IHS Markit (Hong Kong) and GenSys Technology, which engaged in overseas operations, adopt the currency of their specific economic environments as their functional currency.

5. Accounting Methods for Business Combination under and Not under Common Control

Applicable Not Applicable

(1) Accounting method for business combination under common control

Assets and liabilities obtained by the Company in the business combination are recognized at their carrying amounts at the combination date as recorded by the acquiree. The Company adjusts its capital reserves by the difference between the carrying amount of the owners' equity in the acquiree accounted for in the consolidated financial statements of the ultimate controlling party and the carrying amount of the consideration paid for the business combination (or aggregate carrying amount of the shares issued). If the balance of the capital reserve is insufficient for the written-off, the retained profits will be adjusted accordingly.

(2) Accounting method for business combination not under common control

Where the combination cost exceeds the fair value of the acquirees' identifiable net assets on the combination date in the business combination, the difference is recognized as goodwill. Where the combination cost is less than the fair value of the acquiree's identifiable net assets in the business combination, the measurement of the fair value of various identifiable assets, liabilities and contingent liabilities acquired from the acquirees and the combination cost will be reviewed first and the difference is charged to the current profit or loss in the event the combination cost by the acquirer is still less than the fair value of the acquiree's identifiable net assets in the business combination after review.

6. Preparation of Consolidated Financial Statements

Applicable Not Applicable

The parent company shall include all of its subsidiaries in the consolidation scope of consolidated financial statements. Consolidated financial statements are prepared in accordance with *Accounting*

Standard for Business Enterprise No. 33-Consolidated Financial Statements and based on financial statements of the parent Company and its subsidiaries and other related information.

7. Classification of Joint Arrangement and Accounting Method for Joint Operation

Applicable Not Applicable

(1) A joint arrangement is divided into joint operation and joint venture.

(2) When the Company is a party of a joint operation, the following items associated with the interest share of the joint operation will be recognized:

- 1) Recognizing the assets held solely and the assets held jointly identified as per its shares;
- 2) Recognizing the liabilities borne solely and the liabilities borne jointly identified as per its shares;
- 3) The Company shall identify the income generated from the sale of shares in joint operation;
- 4) The revenue arising from the disposal of assets of the joint operation recognized according to the holding shares of the Company;
- 5) The Company shall identify the expenses incurred alone and the expenses incurred from joint operation according to the Company's share.

8. Recognition Standards for Cash and Cash Equivalents

Cash equivalents represent the enterprises' short-term (generally maturing within three months from the date of purchase) and highly liquid investments that are readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value.

9. Translation of Foreign Currency Operations and Foreign Currency Statements

Applicable Not Applicable

(1) Foreign currency transaction conversion

Upon initial recognition, foreign currency transactions are translated into amounts in RMB at exchange rates that approximate the spot exchange rates on the dates of transactions. On the balance sheet date, foreign currency monetary items are translated at the spot exchange rate on the balance sheet date. The translation differences arising from different exchange rates, except those relating to the principle of and interests on the foreign currency borrowings for the acquisition, construction or production of assets eligible for capitalization, are charged to the current profit or loss. Also on the balance sheet date, foreign currency non-monetary items measured at historical cost continue to be translated at the rates that approximate the spot exchange rates on the dates of transactions and it does not change its carrying amount in RMB. Foreign currency non-monetary items measured at fair value are translated at the spot exchange rate on the fair value recognition date. The differences arising from the above translations are charged to the current profit or loss or other comprehensive income for the current period.

(2) Foreign currency translation in the statements

The asset and liability items in the balance sheet shall be translated at the spot exchange rate on the balance sheet date; the owner's equity items, except for the items of "undistributed profit", shall be translated at the spot exchange rate on the transaction date; the income and expenditure items in the profit statement shall be translated at the similar rate of the spot exchange rate on the transaction date. The foreign currency translation differences in the statements arising from the above translations are charged to other comprehensive income.

10. Financial Instruments

Applicable Not Applicable

(1) Classification of financial assets and financial liabilities

The Company classifies its financial assets into the following three categories at initial recognition:

- 1) financial assets at amortized cost; 2) financial assets at fair value through other comprehensive income;
- 3) financial assets at fair value through profit or loss (FVTPL).

The Company classifies its financial liabilities into the following four categories at initial recognition:

- 1) financial liabilities at FVTPL; 2) financial liabilities arising from the transfer of financial assets which did not qualify for derecognition or continuing involvement in the transferred financial assets; 3) financial guarantee contracts not classified as those specified in the above item 1) or 2), and loan commitment for loans to be granted at an interest rate below the market rate which is not classified as those specified in the above item 1); 4) financial liabilities at amortized cost.

(2) Recognition, measurement and derecognition of financial assets and financial liabilities

1) Basis of recognition and initial measurement method of financial assets and financial liabilities

The Company recognizes a financial asset or a financial liability when being one party to a financial instrument contract. Financial assets or financial liabilities are initially recognized at fair value. For financial assets or financial liabilities at FVTPL, the relevant transaction costs are directly recognized in profit or loss for the period; for other financial assets or financial liabilities, the relevant transaction costs are recognized in their initial recognition amount. However, accounts receivable without a significant financing component initially recognized by the Company, or financing components not considered by the Company in a contract valid for less than one year, are initially measured at transaction price as defined in the *Accounting Standards for Business Enterprises No.14 - Revenue*.

2) Subsequent measurement of financial assets

① Financial assets at amortized cost

These financial assets are subsequently measured at amortized cost, using the effective interest method. Any gains or losses on financial assets at amortized cost which are not part of the hedging relationship are charged to the current profit or loss at derecognition, reclassification, amortization using the effective interest method, or recognition of impairment.

② Debt instrument investments at fair value through other comprehensive income

These debt instrument investments are subsequently measured at fair value. Interest, impairment losses or gains and exchange gains or losses calculated using the effective interest method are charged to the current profit or loss, while other gains or losses are charged to other comprehensive income. At derecognition, cumulative gains or losses previously charged to other comprehensive income are transferred from other comprehensive income and charged to the current profit or loss.

③ Equity instrument investments at fair value through other comprehensive income

These debt instrument investments are subsequently measured at fair value. Dividends obtained (excluding those obtained as investment costs recovered) are charged to the current profit or loss, while other gains or losses are charged to other comprehensive income. At derecognition, cumulative gains or losses previously charged to other comprehensive income are transferred from other comprehensive income and charged to retained earnings.

④ Financial assets at FVTPL

These financial assets are subsequently measured at fair value, and any gains or losses therefrom (including interest and dividend incomes) are charged to the current profit or loss unless such financial assets are part of the hedging relationship

3) Subsequent measurement of financial liabilities

① Financial liabilities at FVTPL

These financial liabilities include held-for-trading liabilities (including derivative instruments classified as financial liabilities) and financial liabilities designated as at FVTPL. Such financial liabilities are subsequently measured at fair value. Changes in the fair value of financial liabilities designated at FVTPL as a result of changes in the Company's own credit risk are charged to other comprehensive income unless this approach creates or enlarges an accounting mismatch in the profit or loss. Other gains or losses on such financial liabilities (including interest expenses and changes in fair value other than as a result of changes in the Company's own credit risk) are charged to the current profit or loss unless such financial liabilities are part of the hedging relationship. At derecognition, cumulative gains or losses previously charged to other comprehensive income are transferred from other comprehensive income and charged to retained earnings.

② Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition or continuing involvement in the transferred financial assets are measured in accordance with the *Accounting Standards for Business Enterprises No. 23 -Transfer of Financial Assets*.

③ Financial guarantee contracts not classified as those specified in the above item ① or ②, and loan commitment for loans to be granted at an interest rate below the market rate which is not classified as those specified in the above item ①

After initial recognition, the amounts in the above two cases are subsequently measured at the higher of I) provisions for losses determined according to requirements on the impairment of financial instruments; II) the initially recognized amount less accumulated amortization determined according to *Accounting Standards for Business Enterprises No. 14 - Revenue*.

④ Financial liabilities at amortized cost

These financial liabilities are measured at amortized cost, using the effective interest method. Any gains or losses on financial liabilities at amortized cost and not part of any hedging relationship are charged to the current profit or loss at derecognition, or amortization using the effective interest method.

4) Derecognition of financial assets and financial liabilities

① Financial assets are derecognized when:

I) the contractual rights to the cash flows from the financial assets expire;

II) the financial assets have been transferred, and such transfer meets the requirements of the *Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets* on the derecognition of financial assets.

② Financial liabilities (or part thereof) are derecognized if present obligations for the financial liabilities (or part thereof) are released.

(3) Recognition basis and measurement for transfer of financial assets

When transferring substantially all the risks and rewards of ownership of the financial assets, the Company shall derecognize the financial assets and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer. When retaining substantially all the risks and rewards of ownership of the financial assets, the Company shall continue to recognize the financial assets. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and (1) if the Company has not retained control of the financial asset, it shall derecognize the financial assets and recognize any rights and obligations created or retained in the transfer separately as assets or liabilities; (2) if the Company has retained control of the financial asset, it shall continue to recognize the financial asset to the extent of its continuing involvement in the financial asset, and relevant liabilities accordingly.

If a transfer of financial assets in their entirety qualifies for derecognition, the difference between the following two items shall be charged to the current profit or loss: (1) the carrying amount of the transferred financial assets at the date of derecognition; (2) the sum of the consideration received for the transfer of financial assets and the portion of accumulated fair value adjustments previously charged to other comprehensive income which is derecognized (with the transferred assets being debt instrument investments at fair value through other comprehensive income). If a part of the financial assets is transferred, and such transferred portion qualifies for derecognition in its entirety, the carrying amount of the financial asset prior to the transfer is allocated between the portion derecognized and the portion retained, at their respective relative fair values on the date of transfer, and the difference between the following two items is charged to the current profit or loss: (1) the carrying amount of the portion derecognized; (2) the sum of the consideration of the portion derecognized, and the portion of accumulated fair value adjustments previously charged to other comprehensive income which is derecognized (with the transferred assets being debt instrument investments at fair value through other comprehensive income).

(4) Determination of fair value of financial assets and financial liabilities

The Company recognizes the fair values of relevant financial assets and financial liabilities by adopting valuation techniques that are currently applicable and have sufficient data available and other information support. The Company categorizes inputs of the valuation techniques into the following levels:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities available for entities on the measurement date;

2) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the relevant asset or liability, either directly or indirectly; including similar quoted prices of assets and liabilities in active markets, the same or similar quoted prices of assets and liabilities in non-active markets, other significant inputs other than quoted prices such as observable interest rate curves and return curves in the normal quoting intervals, and the inputs verified by the markets;

3) Level 3 inputs are unobservable inputs for the relevant asset or liability, including interest rate, volatility in equity prices, future cash flows in respect of the abandoned obligations committed in the business combination, and financial predictions using own data, which cannot be directly observed or verified by observable market data.

(5) Impairment of financial instruments

1) Measurement of and accounting for impairment of financial instruments

Based on expected credit losses, the Company accounts for the impairment of, and recognizes provisions for losses on, financial assets at amortized cost, debt instrument investments at fair value through other comprehensive income, contract assets, lease receivables, loan commitment not classified as financial liabilities at fair value through profit or loss, and financial guarantee contracts not classified

as financial liabilities at fair value through profit or loss or financial liabilities arising from the transfer of financial assets not qualify for derecognition or continuing involvement in the transferred financial assets.

The expected credit loss refers to the weighted average of the credit losses of financial instruments that are weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows receivable from the contract and all cash flows expected to be received by the Company at the original effective interest rate, namely, the present value of all cash shortages. Among them, purchased or originated credit-impaired financial assets shall be discounted at the adjusted effective interest rate of the financial assets.

For purchased or originated credit-impaired financial assets, the Company recognizes as loss reserves on the balance sheet date, only the cumulative changes in lifetime expected credit losses from initial recognition.

For lease receivables, and receivables and contract assets arising from a transaction under the *Accounting Standards for Business Enterprises No. 14 - Revenue*, the Company calculates the loss reserves based on the lifetime expected credit loss using a simplified measurement method.

In addition to financial assets in respect of which the aforesaid measurement approaches are adopted, the Company assesses whether there has been a significant increase in its credit risk, on each balance sheet date. If there has been a significant increase in the credit risk since initial recognition, the loss reserves are measured at the lifetime expected credit loss. If there has not been a significant increase in the credit risk since initial recognition, the loss reserves are measured at the 12-month expected credit loss.

Whether there has been a significant increase in the credit risk on a financial instrument since initial recognition is determined, using available, reasonable and supportable information including forward-looking information, and by comparing the risk of default on the financial instrument on the balance sheet date with that on the date of initial recognition.

The Company assumes that there has not been a significant increase in the credit risk if a financial instrument is determined to have a low credit risk on the balance sheet date.

The Company assesses the expected credit risk and measures the expected credit losses on the basis of an individual financial instrument or a portfolio of financial instruments. When conducting an assessment and measurement based on a portfolio of financial instruments, the Company categorizes financial instruments into various groups based on common characteristics of risks.

Expected credit losses are remeasured on each balance sheet date, and any increase or reversal of loss reserves arising therefrom is charged to the current profit or loss as impairment losses or gains. For a financial asset at amortized cost, the loss reserve reduces the carrying amount of the financial asset as presented in the balance sheet. For a debt instrument investment at fair value through other comprehensive income, the loss reverse is recognized in other comprehensive income without reducing the carrying amount of the financial asset.

(6) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are presented separately from each other in the balance sheet and are not offset. However, financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when both of the following conditions are met: 1) the Company has a legal right to set off the recognized amounts and the legal right is currently enforceable; 2) the Company intends either to settle on a net basis or to realize the financial assets and settle the financial liabilities simultaneously.

When the transfer of financial assets fails to meet the derecognition conditions, the Company shall not offset such transferred financial assets with the relevant liabilities.

11. Notes receivable

Determination Method and Accounting Method of Expected Credit Loss of Bills Receivable

Applicable Not Applicable

Item	Grouping basis	Expected credit loss calculation method
Bank acceptance bill receivable	Bill Type	The expected credit loss is calculated, with reference to historical credit loss experience, in consideration of current conditions and expectation of future economic conditions, and based on the default risk exposure and
Commercial acceptance bill receivable		

		lifetime expected credit loss rate.
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12. Accounts receivable**Determination Method and Accounting Method of Expected Credit Loss of Accounts Receivable**√Applicable Not Applicable

Item	Grouping basis	Expected credit loss calculation method
Accounts receivable - grouped by aging	Aging	A table of aging of accounts receivable and lifetime expected credit loss rates is prepared, and the expected credit loss is calculated, with reference to historical credit loss experience, in consideration of current conditions and expectations of future economic conditions.
Accounts receivable - grouped by related party transactions in the consolidation scope	Nature	The expected credit loss is calculated, with reference to historical credit loss experience, in consideration of current conditions and expectation of future economic conditions, and based on the default risk exposure and lifetime expected credit loss rate.

Accounts Receivable - A Table of Aging of Accounts Receivable and Lifetime Expected Credit Loss Rates Grouped by Aging

Aging	Expected credit loss rate of accounts receivable (%)
Within 1 year (inclusive, the same below)	5.00
1-2 years	10.00
2-3 years	30.00
Over 3 years	100.00

13. Receivables financingApplicable √Not Applicable**14. Other receivables****Determination Method and Accounting Method of Expected Credit Loss of Other Receivables**√Applicable Not Applicable

Item	Grouping basis	Expected credit loss calculation method
Other receivables - grouped by related party transactions in the consolidation scope	Nature	The expected credit loss is calculated, with reference to historical credit loss experience, in consideration of current conditions and expectation of future economic conditions, and based on the default risk exposure and 12-month or lifetime expected credit loss rate.
Other receivables - grouped by aging	Aging	

15. Inventories√Applicable Not Applicable

(1) Classification

Inventories are finished goods or merchandise held for sale in the ordinary course of business, products in production, or materials or supplies to be consumed in production or in the rendering of services.

(2) Valuation method for dispatched inventories

The cost of inventories transferred out is determined using the individual pricing method.

(3) Basis for determining the net realizable value of inventories

On the balance sheet date, inventories are carried at the cost or net realizable value (whichever is lower). Any excess of the cost over the net realizable value of each item/class of inventories is recognized as a provision for diminution in the value of inventories. For inventories directly for sale, net realizable value is determined based on the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale and relevant taxes. For inventories that need processing, net realizable value is determined based on the estimated selling price of finished goods in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. On the balance sheet date, for an item of inventories where a portion is subject to contractual price while the remainder is not, their net realizable values are determined and compared with their corresponding costs respectively to recognize the amount of provision, or reversal of provision, for diminution in the value of inventories.

(4) Inventory system

The Company maintains a perpetual inventory system.

(5) Amortization method of low value consumables and packaging materials

1) Low-value consumables

Low-value consumables are amortized in full when received for use.

2) Packing materials

Low-value consumables are amortized in full when received for use.

16. Contract assets

(1). Recognition methods and standards of contract assets

Applicable Not Applicable

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The Company will present the net amount after offsetting the contract assets with the contract liabilities under the same contract.

The Company presents its right to receive consideration from customers unconditionally (i.e. only depending on the passage of time) as receivables and the right to receive consideration for the transfer of goods to customers (which depends on other factors other than the passage of time) as a contract asset.

(2). Determination method and accounting method of expected credit loss of contract assets

Applicable Not Applicable

Item	Grouping basis	Expected credit loss calculation method
Contract assets – grouped by aging	Aging	The expected credit loss is calculated, with reference to historical credit loss experience, in consideration of current conditions and expectation of future economic conditions, and based on the default risk exposure and lifetime expected credit loss rate.
Contract assets – grouped by related party transactions in the consolidation scope	Nature	The expected credit loss is calculated, with reference to historical credit loss experience, in consideration of current conditions and expectation of future economic conditions, and based on the default risk exposure and lifetime expected credit loss rate.

17. Held-for-sale assets

Applicable Not Applicable

18. Creditor's right investment**(1). Determination method and accounting method of expected credit loss of debt investments**

Applicable Not Applicable

19. Other debt investments**(1). Recognition method and accounting method of expected credit losses of other debt investments**

Applicable Not Applicable

Item	Grouping basis	Expected credit loss calculation method
Other debt investments - grouped by government debts	Type of debts	The expected credit loss is calculated, with reference to historical credit loss experience, in consideration of current conditions and expectation of future economic conditions, and based on the default risk exposure and 12-month or lifetime expected credit loss rate.
Other debt investments - grouped by financial debts		
Other debt investments - grouped by enterprise debts		

20. Long-term receivables**(1). Recognition method and accounting method of expected credit losses of long-term receivables**

Applicable Not Applicable

21. Long-term equity investments

Applicable Not Applicable

(1) Judgement on joint control and significant influence

Joint control is recognized as control held for a certain arrangement under the relevant agreement, the relevant activity of which should be unanimously agreed by the parties sharing the control. The influence is deemed as significant if there involves the power of participating in decision-making on the financial and operational policies of the investee, but the power cannot control or jointly control with other parties the formulation of the policies.

(2) Recognition of investment costs

1) If formed through a business combination under joint control, and the consideration for such combination is settled by cash payment, transfer of non-cash assets, debt obligation and issuance of equity securities by the acquirer, the initial investment cost shall be the Company's share of the carrying amount of shareholders' equity of the acquiree presented in the consolidated financial statement of the equities under common control on the combination date. The difference between the initial investment cost of long-term equity investment and the carrying value of the paid combination consideration or total par value of issued shares adjusts the capital reserve. Retained earnings shall be adjusted if the capital reserve is not sufficient for offset.

The Company realizes long-term equity investment formed through business combination under joint control by trading step by step and judges whether the transaction is categorized as a "package deal" or not. If so, all transactions will be treated as control transactions in accounting. If not, the initial investment cost shall be the share of the carrying amount presented in the consolidated financial statement of the equities under common control based on the net assets of the acquiree after combination on the combination date. The difference between the initial investment cost of long-term equity investment on the combination date and the carrying amount of the long-term equity investment before combination plus the carrying amount of new share consideration further obtained on the combination date shall be adjusted to capital reserve. Retained earnings shall be adjusted if the capital reserve is not sufficient for offset.

2) If formed through a business combination under common control, the initial investment cost is the fair value of the consideration given for combination at the combination date.

As for business combinations that involve enterprises not under common control and are carried out in stages, the separate financial statements and the consolidated financial statements shall be treated separately in accounting:

① In the separate financial statements, the initial investment cost accounted for using the newly adopted cost method is the sum of the carrying value of equity investment originally held and the addition of investment cost.

② The Company judges whether the transaction is categorized as a "package deal" for the purpose of the consolidated financial statements. If so, all transactions will be treated as control transactions in accounting. If it is not "A Package Deal", acquiree's equity held before the acquisition date shall be re-measured at its fair value at the acquisition date, and the balance between fair value and book value shall be included in investment income of current period. For acquiree's equity held before the acquisition date involving other comprehensive income calculated by the equity method, the related other comprehensive income shall be converted into income on investment at the acquisition date. However, other comprehensive benefits arising from the re-measurement of the net liabilities or net assets of the defined benefit plan by the investee are excluded.

3) The initial investment cost acquired otherwise than through a business combination is initially recognized at the actual consideration paid if the investment is acquired by cash, or at the fair value of the equity securities issued if the investment is acquired by issuing equity securities. The initial investment costs acquired through debt restructuring are recognized pursuant to the *Accounting Standard for Business Enterprises No.12 - Debt Restructuring*. The initial investment costs acquired through the exchange of non-monetary assets are recognized pursuant to the *Accounting Standard for Business Enterprises No. 7 - Exchange of Non-monetary Assets*.

(3) Subsequent measurement and determining method of profit or loss

When the Company controls the investee, the cost method is adopted for long-term equity investment while the equity method is adopted for long-term equity investment of associates and joint ventures in accounting.

(4) Step-by-step disposal of investment in subsidiaries through a series of transactions to loss of control

1) Separate financial statements

For the disposal of equity, the difference between the carrying amount and the actual consideration obtained is charged to the current profit or loss. The equity method is adopted for the remaining equities that have a significant influence on the investee or perform joint control with other parties in accounting. The remaining equities that do not control, jointly control or have a significant influence on the investee shall be calculated according to the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*.

2) Consolidated financial statements

① For the disposal of investment in a subsidiary to loss of its right to control in stages through a series of transactions that are not categorized as a "package deal"

Prior to the loss of the right to control, the capital reserve (capital premium) is adjusted with the difference between the consideration of the disposal and the entitled share of the net assets of the subsidiary that would have been entitled to by the disposal of long-term equity investment and continuously accounted for from the acquisition date or combination date. If the balance of the capital premium is insufficient for the written-off, then the retained earnings will be written off accordingly.

When the right to control the former subsidiary is lost, the remaining equities are re-measured at fair value on the date when the right to control is lost. The sum of the consideration obtained from disposal and the fair value of the remaining equities less the share of the net assets of the subsidiary that would have been entitled to and continuously accounted for according to the original shareholding percentage from the acquisition date or combination date is charged to the investment income for the period covering the date of loss of control, offsetting the goodwill at the same time. Other comprehensive income related to the equity investment in the former subsidiary shall be transferred to the investment income for the period covering the date of loss of control.

② For the disposal of investment in a subsidiary to loss of its right to control in stages through various transactions that are categorized as a "package deal"

The transactions are treated as one single transaction of disposal of a subsidiary and loss of the right to control. However, prior to the loss of the right to control, the difference between each of the consideration of disposal and the share of net assets of that subsidiary that would have been entitled to by the disposal of investment is recognized in other comprehensive income in the consolidated financial statements and transferred to profit or loss for the period covering the date of loss of control.

22. Investment properties**(1). If the cost method is adopted:**

Depreciation or amortization method

Investment properties are depreciated or amortized, using a method similar to that for fixed assets and intangible assets.

23. Fixed assets**(1). Recognition condition**

Applicable Not Applicable

Fixed assets refer to tangible assets held for the purpose of producing commodities, providing labor services, leasing or operation, and management, with an age exceeding one fiscal year. Fixed assets are recognized when economic benefits are likely to flow in and costs can be measured reliably.

(2). Depreciation method

Applicable Not Applicable

Class	Depreciation method	Depreciable life (years)	Residual ratio	Annual depreciation rate
Buildings	Straight-line depreciation	5-50	5.00%	1.90%-19.00%
Electronic equipment	Straight-line depreciation	3-5	5.00%	19.00%-31.67%
Vehicles	Straight-line depreciation	5	5.00%	19.00%
Other equipment	Straight-line depreciation	3-12	5.00%	7.92%-31.67%

(3). Appraisal Basis, Pricing and Depreciation Method of the Financing Leased Fixed Assets

Applicable Not Applicable

24. Construction in progress

Applicable Not Applicable

(1) Construction in progress is recognized when economic benefits are likely to flow in and costs can be measured reliably. The construction in progress shall be measured at the actual cost incurred before the assets under construction become ready for intended use.

(2) Construction-in-progress is transferred into fixed assets at the actual cost when it is ready for its intended use. For a completed project ready for its intended use but the final accounts for completion have not been made, the asset is transferred into fixed assets at an estimated value. After the final accounts for completion have been made, the previously estimated value is adjusted at the actual cost, but there is no need to adjust the depreciation retrospectively.

25. Borrowing Costs

Applicable Not Applicable

(1) Recognition principle for capitalization of borrowing costs

The borrowing costs of the Company which can be assigned to acquisition and construction or production of assets in compliance with capitalization conditions shall be capitalized and charged to relevant asset costs; other borrowing costs shall be recognized as expenses when they are incurred and shall be charged to current profits and losses.

(2) Capitalization period of borrowing costs

1) Borrowing costs shall be capitalized when: ① capital expenditures have been incurred; ② borrowing costs have been incurred; ③ activities relating to the acquisition, construction or origination of assets necessary to make the asset ready for its intended use or sale have commenced.

2) Capitalization of borrowing costs should be suspended during periods in which abnormal interruption has lasted for more than three months in the acquisition, construction or origination of assets

qualified for capitalization. The borrowing costs incurred during interruption are recognized as current expenses until the acquisition, construction or origination activities resume.

3) The capitalization of borrowing costs ceases when the acquired, constructed or originated assets qualified for capitalization are ready for their intended use or sale.

(3) Capitalization rate and amount of borrowing costs

For specific borrowings used to acquire, construct or originate assets qualified for capitalization, the amount of interest costs (including amortization of discount or premium determined by the effective interest method) actually incurred on such borrowings for the period shall be capitalized after deducting any interest earned from depositing the unused borrowings in the bank or any investment income arising from the temporary investment of those borrowings. For general borrowings used to acquire, construct or originate assets qualified for capitalization, the capitalized amount of interests on general borrowings shall be determined by multiplying the weighted average (of the excess of cumulative assets expenditures over the specific borrowings) by the capitalization rate (of used general borrowings).

26. Biological assets

Applicable Not Applicable

27. Oil and gas assets

Applicable Not Applicable

28. Right-of-use assets

Applicable Not Applicable

The right-of-use shall be initially measured at costs, including 1) the initial measured amount of lease liabilities; 2) the lease amount paid on or before the commencement date of the lease term (in case of lease incentives, the amount related to the lease incentives already enjoyed shall be deducted); 3) the initial and direct costs borne by the lessee; 4) costs expected to incur from the lessee's dismantling and removing the leased assets, recovering the original site of the leased assets, or restoring the leased assets to the state as specified in the lease provisions.

The Company depreciates the right-to-use assets by the straight-line method. Where the ownership of the leased assets can be reasonably determined at the end of the lease term, the Company shall depreciate the leased assets during the remaining life of such assets. In case of a failure to determine the ownership of the leased assets reasonably at the end of the lease term, the Company shall depreciate the leased assets within the lease term or the remaining life of such assets, whichever is shorter.

29. Intangible assets

(1). Pricing method, life and impairment test

Applicable Not Applicable

1) Intangible assets, including land use rights, patent rights and non-patented technologies, are initially measured at cost.

2) Intangible assets with a definite life are systematically and reasonably amortized during the life in accordance with the expected realization of economic benefits related to the intangible assets. Intangible assets whose economic benefits realization cannot be reliably determined are amortized on a straight-line basis during the following life: The specific period is shown as follows:

Item	Amortization life (years)
Land use rights	40-50
Trademark rights	10
Management software and copyright	5-10
Patent technology and non-patent technology	5-10
Product management right	20

(2). Accounting policy of internal research and development expenditure

Applicable Not Applicable

Expenditures for internal research and development activities are charged to the current profit and loss when incurred. The expenditures in development stage of the internal research & development project can be recognized as intangible assets, if they satisfy all the conditions below: (1) it is technically feasible to make the intangible assets available for use or sale; (2) it is intended to finish and use or sell the intangible assets; (3) the model of economic benefits generated by operating the intangible assets can demonstrate that there is a market for the products manufactured with the intangible assets or for the assets themselves, and the assets used internally can prove serviceable; (4) there are sufficient technical, financial and other resources to support the development and usage or sale of the intangible assets; (5) the expenditures in development stage of the intangible assets can be reliably measured.

Specific criteria for the Company to distinguish the expenditures in the research stage from the development stage of a research and development project: the research stage involves activities carried out for planned investigation for acquiring new technology and knowledge, and the preparation of information and related aspects for further development activities, with great uncertainty about whether it will be transferred to development in the future and whether it will form intangible assets after development. The development stage, as opposed to the research stage, involves activities completed in the research stage, to a large extent that the basic conditions for the formation of a new product or technology are in place.

30. Long-term asset impairment

Applicable Not Applicable

The recoverable amount of long-term assets, such as long-term equity investments, investment property measured at cost, fixed assets, construction in progress, and intangible assets with a finite life, is estimated where there is evidence of impairment on the balance sheet date. An annual impairment test shall be carried out on goodwill arising from business combination and intangible assets with an indefinite life, whether where there is evidence of impairment. An impairment test is carried out on goodwill together with its relevant asset group or portfolio of asset groups.

When the recoverable amount of such long-term assets is less than the carrying amount thereof, the difference is recognized as the asset impairment reserve and charged to the current profit or loss.

31. Long-term prepaid expense

Applicable Not Applicable

Long-term deferred expenses are expenses that have been recognized with an amortization period over one year (excluding one year). These expenses are recorded as actually incurred, and amortized evenly over the benefit period or specified period. If the long-term deferred expenses fail to benefit the future accounting period, their amortized values are all included in the current profit or loss.

32. Contract liabilities

(1). Recognition method of contract liabilities

Applicable Not Applicable

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The Company will present the net amount after offsetting the contract assets with the contract liabilities under the same contract.

The Company presents as a contract liability the obligation to transfer goods to customers for consideration received or receivable from customers.

33. Employee compensation

(1). Accounting method for short-term remuneration

Applicable Not Applicable

During the accounting period when employees provide services to the Company, the actual short-term remuneration is recognized as liabilities and charged to the current profit or loss or the cost of related assets.

(2). Accounting method for post-employment benefits

Applicable Not Applicable

Post-employment benefits are divided into the defined contribution plan and the defined benefit plan.

1) During the accounting period when an employee provides services for the Company, the Company should recognize the amount payable to a defined contribution plan as a liability, and include it in current profit or loss or relevant asset cost.

2) The accounting method in the defined benefit plan generally includes the following procedures:

① According to the projected unit credit method, the unbiased and mutually agreed actuarial assumptions are adopted by the Company to estimate the relevant demographic variables and financial variables, calculate the obligations arising from the defined benefit plan and determine the period of relevant obligations belonging thereto. Meanwhile, the obligation arising from the defined benefit plan is discounted to determine the present value of such obligation under the defined benefit plan and the service cost for the current period;

② Where there are assets in the defined benefit plan, the deficit or surplus from the present value of the defined benefit plan less the fair value of the defined benefit plan is recognized as a net debt or asset of a defined benefit plan. Where there is a surplus in the defined benefit plan, the surplus of the defined benefit plan and the upper limit of the assets (whichever is lower) will be adopted to calculate the net assets of the defined benefit plan;

③ At the end of the period, the cost of employee compensation under the defined benefit plan will be recognized as the service cost, the net interest on the net assets or net debts under the defined benefit plan and the changes arising from the remeasurement of the net assets or net debts under the defined benefit plan. The service cost and the net interest on the net assets or net debts under the defined benefit plan will be recognized in the current profit or loss or relevant assets cost. The changes arising from the remeasurement of the net assets or net debts under the defined benefit plan will be recognized in other comprehensive income and shall not be reversed to the profit or less in subsequent accounting periods, but the amounts recognized in other comprehensive income can be transferred within the scope of interests.

(3). Accounting method for dismissal benefits

Applicable Not Applicable

When there is a plan to provide dismissal benefits to employees, the employee compensation debts arising from the recognition of dismissal benefits will be recognized in the current profit or loss at the earlier of: (1) when the Company cannot unilaterally withdraw the dismissal benefits for the release of the labor relationship or the dismissal proposal; (2) when the Company recognized relevant costs or expenses associated with the reorganization of the payment of the dismissal benefits.

(4). Accounting method for other long-term benefits

Applicable Not Applicable

Other long-term benefits provided by the Company to employees, when meeting the conditions of the defined contribution plan, will be subjected to accounting under the defined contribution plan. Other long-term benefits other than the above benefits will be subjected to accounting under the defined benefit plan. To simplify corresponding accounting methods, the employee compensation costs incurred are recognized as the service cost and the total net amount of the components such as net interest amount of net liabilities or net assets in terms of other long-term employees' benefits, and changes arising from re-measuring the net liabilities or net assets in terms of other long-term employees' benefits are recognized in the current profit or loss or relevant cost of assets.

34. Lease liabilities

Applicable Not Applicable

On the inception date of the lease term, the Company will recognize the present value of the outstanding lease payments as lease liabilities. In the process of calculating the present value of lease payments, the interest rate set out in the lease contract is taken as the discount rate. If such an interest rate is not available, the incremental borrowing rate shall be adopted. The difference between the lease payments and their present value is recognized as an unrecognized financing expense, and the interest expense is recognized at the discount rate of the present value of the recognized lease payments during each period of the lease term and is charged to the current profit or loss. Variable lease payments not considered in the measurement of lease liabilities are charged to the current profit or loss when actually incurred.

In case of any changes in the amount of substantive fixed payments, the amount expected to be payable for the residual guarantee, the index or rate used to determine the lease payments, or the evaluation result or actual exercise of the call option, renewal option or termination option after the inception date of the lease term, the Company will remeasure the lease liabilities at the present value of the changed lease payments and adjust the carrying amount of the right-of-use assets accordingly. If the carrying amount of the right-of-use assets is reduced to zero but the lease liabilities still need to be further reduced, the remaining amount is recognized in the current profit or loss.

35. Provision for liabilities

Applicable Not Applicable

(1) Where the Company has a present obligation as a result of contingencies such as the provision of external guarantee, litigation, product quality warranty, and loss-making contract, the performance of the obligations may result in the outflow of economic benefits, and the amount of the obligations can be measured reliably, such obligation is recognized as the provisions for liabilities.

(2) Provisions are initially measured at the best estimate of the expenditure required for performing the present obligation. Carrying amounts of all provisions for liabilities will be reviewed on the balance sheet date.

36. Share-based payment

Applicable Not Applicable

(1) Types of share-based payment

The share-based payments shall consist of equity-settled share-based payments and cash-settled share-based payments.

(2) Accounting method for implementation, modification and termination of share-based payment

1) Equity-settled share-based payment

As to an equity-settled share-based payment in return for services of employees, if the right may be exercised immediately after the grant, the fair value of the equity instruments shall, on the date of the grant, be charged to the relevant cost or expense and the capital reserves shall be adjusted accordingly. As to an equity-settled share-based payment in return for employee services, if the right cannot be exercised until the vesting period comes to an end or until the prescribed performance conditions are met, then on each balance sheet date within the vesting period, the services obtained in the current period shall, based on the best estimate of the number of vested equity instruments, be charged to the relevant costs or expenses at the fair value of the equities instruments on the date of the grant, and the capital reserves shall be adjusted accordingly.

Equity-settled share-based payments in return for services rendered by other parties are measured at the fair value of the services rendered by other parties on the receiving date if such fair value can be reliably measured. If the fair value of the services rendered by other parties cannot be reliably measured, equity-settled share-based payments in return for services rendered by other parties are measured at the fair value of equity instruments on the date of receiving services and charged to relevant costs or expenses and shareholders' equity is credited accordingly, provided that the fair value of equity instruments can be reliably measured.

2) Cash-settled share-based payments

As to a cash-settled share-based payment instruments in return for services of employee, if the right may be exercised immediately after the grant, the fair value of the liability undertaken by the Company shall, on the date of the grant, be charged to the relevant costs or expenses, and the liabilities shall be increased accordingly. As to a cash-settled share-based payment in return for services of employee, if the right may not be exercised until the vesting period comes to an end or until the specified performance conditions are met, on each balance sheet date with in the vesting period, the services obtained in the current period shall, based on the best estimate of the information about the vesting conditions, be charged to the relevant costs or expenses and the corresponding liabilities at the fair value of the liability undertaken by the Company.

3) Share-based payment plan modification and termination

When the Company modifies the share-based payment plan, if the fair value of the distributed equity instrument is increased due to the modification, the increment of the obtained services shall be recognized accordingly; if the quantity of the distributed equity instrument is increased due to the modification, the increment of obtained services shall be recognized accordingly. If the Company modifies the vesting

conditions on terms favorable to its employees, it will consider the vesting conditions after modification when dealing with the conditions.

If the modification decreases the fair value of equity instruments granted, the Company continues to recognize the value of service obtained based on the equity instruments' fair value on the grant date without any consideration of the decrease on equity instrument's fair value. If the modification decreases the quantity of equity instruments, the Company records the decrease in conformity with the cancellation of equity instruments granted. If the Company modifies the vesting conditions on terms not favorable to its employees, it will not consider the vesting conditions after modification when dealing with the conditions.

If the granted equity instruments are canceled or settled within the vesting period (except that canceled due to failure to meet the vesting conditions), the Company shall regard the canceling or settlement as acceleration of the vest, and immediately recognize the amount supposed to be recognized within the residual vesting period.

37. Other financial instruments including preferred shares and perpetual bonds

Applicable Not Applicable

38. Revenue

(1). Accounting policies for revenue recognition and measurement

Applicable Not Applicable

1) Revenue recognition principles

The Company will evaluate a contract on the effective date of the contract, identify all performance obligations contained in the contract and determine whether the performance obligations are to be performed within a certain period of time or at a certain time point.

A performance obligation is satisfied within a certain period of time if one of the following criteria is met, otherwise it is satisfied at a certain time point: ① the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; ② the Company's performance creates goods or services that the customer controls as the goods are created; ③ the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date during the term of the contract.

In the case of an obligation satisfied within a certain period of time, the Company shall recognize revenue the revenue within that period according to the performance progress. If the Company fails to do so reasonably and expects to recover the costs incurred, the revenue is recognized in line with cost incurred, until the performance progress can be reasonably determined. In the case of a performance obligation satisfied at a certain time point, the revenue is recognized at a certain time point when a customer obtains control of relevant goods or services. To determine the time point at which a customer obtains control of goods, the Company considers the following indicators: ① the Company has a present right to payment for the goods, or the customer has the present obligation to pay for the goods; ② the Company has transferred the legal title to the goods to the customer, or the customer has legal title to the goods; ③ the Company has transferred physical possession of the goods to the customer, or the customer has physical possession of the goods; ④ the Company has transferred the significant risks and rewards of ownership of the goods to the customer, or the customer has the significant risks and rewards of ownership of the asset; ⑤ the customer has accepted the goods; ⑥ other indicators that the customer obtains control of the goods.

2) Revenue measurement principles

① The Company recognizes revenue at the transaction price apportioned to each individual performance obligation. Transaction price is the amount of consideration in a contract to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties or expected to be refunded to a customer.

② If a contract has variable consideration, the Company determines the appropriate estimate based on the expected value or the most likely amount, provided that a transaction price including variable consideration shall not exceed the amount of cumulative revenue recognized which is highly unlikely to be subject to significant reversal when the uncertainty associated with the variable consideration is subsequently resolved.

③ If a contract contains a significant financing component, the Company determines the transaction price based on the amount that a customer would have paid when it obtains control of goods or services. The difference between the transaction price and the contract consideration is amortized during the term of the contract using the effective interest method. By the commence date of the contract, if the Company estimates that the interval between customer's control rights of goods or services and the payments of the customer is not more than one year, the significant financing components existing in the contract shall not be considered.

④ If there are two or more performance obligations under a contract, the Company shall, at contract inception, apportion the transaction price to each performance obligation in proportion to the stand-alone selling prices of goods underlying each performance obligation.

3) Specific methods for revenue recognition

① Revenue from sales of self-developed software products

The Company recognizes revenue when the software product is delivered to the customer and the customer obtains control over the product as a performance obligation to be performed at a certain time point, usually after taking into account the following factors: I) the Company has a present right to payment for the goods; II) the Company has transferred the significant risks and rewards of ownership of the goods to the customer; III) the Company has transferred the legal title to the goods to the customer; IV) the Company has transferred physical possession of the goods to the customer; V) the customer has accepted the goods.

For the software products within the warranty period stipulated in the contract, the Company shall accrue the software maintenance cost at 0.5% of revenue while recognizing revenue.

② Revenue from sales of customized software

The Company recognizes revenue when the software product is delivered to the customer and the customer obtains control over the product as a performance obligation to be performed at a certain time point, usually after taking into account the following factors: I) the Company has a present right to payment for the goods; II) the Company has transferred the significant risks and rewards of ownership of the goods to the customer; III) the Company has transferred the legal title to the goods to the customer; IV) the Company has transferred physical possession of the goods to the customer; V) the customer has accepted the goods.

For the software products within the warranty period stipulated in the contract, the Company shall accrue the software maintenance cost at 0.5% of revenue while recognizing revenue.

③ Revenue from software services

For software service contracts where I) the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; II) or the customer can control the goods or services in progress during the Company's performance; III) or the software services provided by the Company during the Company's performance have alternative use, and the Company has an enforceable right to payment for performance completed to date, the Company recognizes revenue as a performance obligation to be performed within a period of time in accordance with the progress of performance, except when the progress of the performance cannot be reasonably determined. The Company determines the progress of the performance of services provided in accordance with the input method, based on the costs incurred or the time schedule. When the progress of the performance cannot be reasonably determined, and the costs incurred by the Company are expected to be compensated, the revenue will be recognized based on the amount of costs incurred, until the progress of the performance can be reasonably determined. For services that do not meet the above requirements for revenue recognition according to the performance progress, the Company recognizes revenue when the services have been provided, the price has been received or evidence of collection has been obtained.

④ Revenue from sales of outsourced goods

Outsourced goods include outsourced software and hardware goods. The Company recognizes revenue as a performance obligation to be performed at a certain time point, usually when the outsourced goods are delivered to the customer and the customer obtains control over the goods, taking into account the following factors: I) the Company has a present right to payment for the goods; II) the Company has transferred the significant risks and rewards of ownership of the goods to the customer; III) the Company has transferred the legal title to the goods to the customer; IV) the Company has transferred physical possession of the goods to the customer; V) the customer has accepted the goods.

⑤ Revenue from property management of science park

The Company's provision of property management services is a performance obligation to be performed within a certain period of time. The Company determines the progress of the performance of the service provided based on the proportion of costs incurred to the estimated total costs and recognizes revenue based on the progress of the performance. When the progress of the performance cannot be reasonably determined, and the costs incurred by the Company are expected to be compensated, the revenue will be recognized based on the amount of costs incurred, until the progress of the performance can be reasonably determined.

⑥ Revenue from property rental

The Company's principles for recognizing the revenue from property rental are detailed in Note V.42 to the financial statements.

⑦ Revenue from other businesses

The performance obligations under contracts are fulfilled in accordance with the relevant contracts and agreements, i.e., revenue is recognized when the customer obtains the right to control the relevant goods.

(2). Differences in accounting policies for revenue recognition due to different business models for the same type of business

Applicable Not Applicable

39. Contract costs

Applicable Not Applicable

Assets related to contract costs include contract acquisition costs and contract performance costs.

If the incremental cost incurred by the Company in obtaining the contract can be expected to be recovered, the contract acquisition cost shall be recognized as an asset. The contract acquisition cost with an amortization period not exceeding one year is directly charged to the current profit or loss when incurred.

The costs incurred by the Company for the performance of the contract which does not fall under the scope of the standards relating to inventories, fixed assets and intangible assets are recognized as an asset as contract performance costs when the following conditions are met:

(1) Such cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing costs (or similar costs), costs clearly borne by the customer and other costs incurred solely due to the contract;

(2) Such cost increases the resources of the Company to fulfill its performance obligations in the future;

(3) Such cost is expected to be recovered.

The Company will amortize assets related to the cost of the contract are amortized on the same basis as the revenue recognition of the goods or services related to the asset, and charged the cost to the current profit or loss when incurred.

If the fair value of assets related to contract costs exceeds the remaining consideration expected to be obtained due to the transfer of goods or services related to the assets less estimated costs to be incurred, a provision for impairment is made for the excess, which is recognized as impairment losses on assets. If the remaining consideration expected to be obtained due to the transfer of goods or services related to the assets less estimated costs to be incurred exceeds the fair value of assets, due to subsequent changes in impairment conditions existing in prior periods, the provision previously made for impairment of the assets is reversed and recorded in the current profit or loss, provided that the carrying amount of the assets after the reversal is not more than the carrying amount of the assets which would have been recorded at the date of reversal if the provision for impairment had not been made.

40. Government grants

Applicable Not Applicable

(1) The government grants are recognized when 1) the Company is able to comply with the conditions attaching to the government grants; 2) the Company is able to receive the government grants. Government grants which are monetary assets are measured at the amount received or receivable. Government grants which are non-monetary assets are measured at fair value, or at nominal amount if the fair value cannot be reliably measured.

(2) Judgment basis and accounting methods for government grants related to assets

Government grants which shall be used for constructing or otherwise forming long-term assets as specified in government documents are classified as government grants related to assets. In the absence of specific requirements in government documents, the determination is made according to basic conditions for obtaining the grants; if constructing or otherwise forming long-term assets is treated as a basic condition, the grants are classified as government grants related to assets. Government grants relating to assets are offset against the carrying amount of such assets or recognized as deferred income. Government grants relating to assets recognized as deferred income are charged to the profit or loss on a reasonable and systematic basis over the useful lives of the relevant assets. Government grants measured at notional amount are directly charged to the current profit or loss. For assets sold, transferred, disposed or damaged prior to the end of their useful lives, balance of undistributed deferred income is transferred to the current profit or loss from asset disposal.

(3) Judgment basis and accounting methods for the government grants related to revenue

Other than government grants related to assets, other government grants are government grants related to revenue. The Company classifies government grants that contain both assets-related and revenue-related portion or those that are difficult to distinguish as the ones related to revenue on an entire basis. Government grants related to revenue and applied to the reimbursement of related costs or losses in subsequent periods are recognized as deferred income and charged to the current profit or loss or offset against the related costs for the period in which the related costs or losses are recognized. Government grants, applied to the reimbursement of related costs or losses already incurred, are directly charged to the current profit or loss or offset against the related costs.

(4) Government grants related to the Company's daily operations are charged to other income or offset against relevant expenses according to the economic nature of the business. Government grants not related to the Company's daily operations are charged to the non-operating income or expenses.

(5) Accounting treatment of policy-based loans with favorable terms and discounted interest

Where the finance directly allocates the discount fund to the Company, the Company will use the corresponding discount to offset relevant borrowing costs.

41. Deferred tax assets / deferred tax liabilities

Applicable Not Applicable

(1) Deferred tax assets or deferred tax liabilities are recognized based on the difference between the carrying amounts of the assets or liabilities and their tax bases (or, for an item not recognized as assets or liabilities but whose tax base can be determined under tax laws, the difference between the tax base and the carrying amount), and are calculated at the tax rates expected to apply to the period in which the assets are recovered or the liabilities are settled.

(2) Deferred tax assets are recognized for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. On the balance sheet date, deferred tax assets unrecognized in prior periods are recognized to the extent that there is obvious evidence that it has become probable that sufficient taxable profit will be available in subsequent periods against which the deductible temporary differences can be utilized.

(3) The carrying amount of deferred tax assets is reviewed on the balance sheet date and written down to the extent that it is no longer probable that sufficient taxable profit will be available against which the deferred tax asset can be utilized. Such amount is written back to the extent that it has become probable that sufficient taxable profit will be available.

(4) The Company's current and deferred income taxes are charged to the current profit or loss as tax expense or profit, excluding income tax arising from 1) the business combination, and 2) transactions or items directly recognized in equity.

42. Leases

(1). Accounting method for operating leases

Applicable Not Applicable

(2). Accounting method for finance leases

Applicable Not Applicable

(3). Lease recognition and accounting methods under the new lease standards

√Applicable Not Applicable

1) The Company as the lessee

On the commencement date of the lease term, the Company recognizes leases with a lease term of not more than 12 months and without a purchase option as short-term leases and leases with a lower value when the single leased asset is a brand-new asset as leases of low-value assets. Where the Company subleases or intends to sublease the leased asset, the original lease shall not be recognized as a lease of low-value assets.

For all short-term leases and leases of low-value assets, the Company charges lease payments on a straight-line basis over the respective periods of the lease term to the cost of the related assets or to the current profit or loss.

Except for the above short-term leases and leases of low-value assets that are simplified, the Company recognizes right-of-use assets and lease liabilities for leases at the beginning of the lease term.

① Right-of-use assets

The right-of-use shall be initially measured at costs, including I) the initial measured amount of lease liabilities; II) the lease amount paid on or before the commencement date of the lease term (in case of lease incentives, the amount related to the lease incentives already enjoyed shall be deducted); III) the initial and direct costs borne by the lessee; IV) costs expected to incur from the lessee's dismantling and removing the leased assets, recovering the original site of the leased assets, or restoring the leased assets to the state as specified in the lease provisions.

The Company depreciates the right-to-use assets by the straight-line method. Where the ownership of the leased assets can be reasonably determined at the end of the lease term, the Company shall depreciate the leased assets during the remaining life of such assets. In case of a failure to determine the ownership of the leased assets reasonably at the end of the lease term, the Company shall depreciate the leased assets within the lease term or the remaining life of such assets, whichever is shorter.

② Lease liabilities

On the inception date of the lease term, the Company will recognize the present value of the outstanding lease payments as lease liabilities. In the process of calculating the present value of lease payments, the interest rate set out in the lease contract is taken as the discount rate. If such an interest rate is not available, the incremental borrowing rate shall be adopted. The difference between the lease payments and their present value is recognized as an unrecognized financing expense, and the interest expense is recognized at the discount rate of the present value of the recognized lease payments during each period of the lease term and is charged to the current profit or loss. Variable lease payments not considered in the measurement of lease liabilities are charged to the current profit or loss when actually incurred.

In case of any changes in the amount of substantive fixed payments, the amount expected to be payable for the residual guarantee, the index or rate used to determine the lease payments, or the evaluation result or actual exercise of the call option, renewal option or termination option after the inception date of the lease term, the Company will remeasure the lease liabilities at the present value of the changed lease payments and adjust the carrying amount of the right-of-use assets accordingly. If the carrying amount of the right-of-use assets is reduced to zero but the lease liabilities still need to be further reduced, the remaining amount is recognized in the current profit or loss.

2) The Company as the leaser

On the commencement date of the lease term, the Company recognizes a lease that transfers substantially all the risks and rewards associated with the ownership of the leased asset as a finance lease, except for those that are recognized as operating leases.

① Operating leases

During each period of the lease term, the Company recognizes lease receipts as rental income on a straight-line basis, and capitalizes and apportions the initial direct costs incurred on the same basis as rental income, which shall be charged to the current profit or loss. The variable lease receipts obtained by the Company related to operating leases and not charged to the lease receipts shall be charged to the current profit and loss when actually incurred.

② Finance leases

On the commencement date of the lease term, the Company recognizes finance lease receipts at the net lease investment (the sum of the unguaranteed residual value and the present value of the lease receipts not yet received on the commencement date of the lease term discounted at the interest rate of the lease)

and derecognizes the finance lease assets. During each period of the lease term, the Company calculates and recognizes interest income at the interest rate of the lease.

Variable lease payments obtained by the Company but not considered in the measurement of net investment in leases are recognized in the current profit or loss when actually incurred.

3) Leaseback

① The Company as the lessee

The Company assesses and determines whether the transfer of assets in leaseback transactions can be recognized as sales in accordance with the provisions of the *Accounting Standards for Business Enterprises No. 14 - Revenue*.

If so, the Company measures the right-of-use assets from the leaseback at the portion of the original asset's carrying amount related to the right of use acquired by the leaseback and recognizes gains or losses related to the right transferred to the lessor only.

If not, the Company continues to recognize the transferred assets as well as a financial liability equal to the transfer proceeds and carries out accounting on the financial liability in accordance with the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*.

② The Company as the leaser

The Company assesses and determines whether the transfer of assets in leaseback transactions can be recognized as sales in accordance with the provisions of the *Accounting Standards for Business Enterprises No. 14 - Revenue*.

If so, the Company carries out accounting on the purchase of assets in accordance with other applicable ASBEs and on the lease of assets in accordance with the *Accounting Standards for Business Enterprises No. 21 - Leases*.

If not, the Company does not recognize the transferred assets but recognizes a financial asset equal to the transfer proceeds and carries out accounting on the financial asset in accordance with the ASBE No. 22 - Recognition and Measurement of Financial Instruments.

43. Other significant accounting policies and accounting estimates

Applicable Not Applicable

(1) Accounting method for maintenance funds

According to the relevant provisions at the location of the developed projects, the maintenance funds should be withdrawn from the purchaser and stated by the Company as development costs of relevant developed projects at the time of sale (presale) of the developed projects and uniformly turned in to the maintenance fund management department.

(2) Accounting method for quality assurance funds

The quality assurance funds should be deducted from the project funds for the construction contractor according to the construction contracts. Maintenance expenses incurred in the warranty period of the developed projects should be written down by the quality assurance funds. The balance of the quality assurance funds should be returned to the construction contractor upon the expiry of the specified warranty period in the development of products.

(3) Segment reporting

The Company determines the operating segments on the basis of the internal organizational structure, management requirements and internal reporting system. The operating segment of the Company refers to the component that meets all of the following conditions:

- 1) The component can generate incomes and incur expenses in daily activities;
- 2) The management can regularly evaluate the operating results of the component to determine the allocation of resources and assess its performance;
- 3) The financial position, operating results, cash flow and other relevant accounting information of the component can be obtained through analysis.

(4) Accounting method related to repurchase of the Company's shares

If the Company's shares are repurchased due to a reduction in registered capital or reward for employees, the amount actually paid should be regarded as treasury shares and registered for reference. If the shares repurchased are canceled, the capital reserve will be written down by the difference between the total par value of shares calculated from the par value and the number of the canceled shares and the amount actually paid for repurchase. If the capital reserve is insufficient to be written down, retained

earnings shall be written down. If the repurchased shares are awarded to the Company's employees as equity-settled share payment, the cost of treasury shares delivered to the employees and the accumulative amount of capital reserve (other capital reserves) during the vesting period should be written off when the employees receive the payment for purchasing the shares of the Company through the exercise of their rights. Meanwhile, the capital reserve (equity premium) is adjusted based on the difference.

44. Changes in significant accounting policies and accounting estimates

(1). Changes in significant accounting policies

Applicable Not Applicable

(2). Changes in significant accounting estimates

Applicable Not Applicable

(3). The initial application of new accounting standards or their interpretations in 2022 involves the adjustments to the financial statements at the beginning of the year of such application

Applicable Not Applicable

45. Others

Applicable Not Applicable

Change of accounting policy resulting from change of accounting standard for enterprises

(1) Since January 1, 2022, the Company has applied the provisions on "Accounting for the Sales of Products or By-products Produced by Enterprises before the Fixed Assets Reach the Intended Usable State or in the Process of Research and Development" of the *Interpretation No. 15 of the Accounting Standards for Business Enterprises* issued by the Ministry of Finance. Such an accounting policy change has no impact on the Company's financial statements.

(2) Since January 1, 2022, the Company has applied the provisions on "Judgment on Loss-making Contracts" of the *Interpretation No. 15 of the Accounting Standards for Business Enterprises* issued by the Ministry of Finance to any contracts in which all obligations had not been fulfilled by January 1, 2022. Such an accounting policy change has no impact on the Company's financial statements.

(3) Since November 30, 2022, the Company has applied the provisions on "Accounting for the Income Tax Effect of Dividends from Financial Instruments Classified as Equity Instruments by Issuers" in the *Interpretation No. 16 of the Accounting Standards for Business Enterprises* issued by the Ministry of Finance. In accordance with such provisions, the Company made adjustments to recognized dividends payable for financial instruments classified as equity instruments under such provisions arising between January 1, 2022 and November 30, 2022. In accordance with such provisions, the Company made retrospective adjustments to recognized dividends payable for financial instruments classified as equity instruments under such provisions arising before January 1, 2022 when relevant financial instruments were not derecognized on January 1, 2022. Such an accounting policy change has no impact on the Company's financial statements.

(4) Since November 30, 2022, the Company has applied the provisions on "Accounting for Equity-settled Share-based Payments Enterprises Use to Replace Cash-settled Share-based Payments" in the *Interpretation No. 16 of the Accounting Standards for Business Enterprises* issued by the Ministry of Finance. In accordance with such provisions, the Company made adjustments to new transactions arising between January 1, 2022 and November 30, 2022. In accordance with such provisions, the Company made adjustments to transactions arising before January 1, 2022 by adjusting retained earnings and other related financial statement items as of January 1, 2022 according to cumulative effects and not adjusting information for comparable periods. The changes in this accounting policy have no effect on the Company's statements.

VI. Taxes

1. Main taxes and rates

Main taxes and rates

Applicable Not Applicable

Tax category	Taxation basis	Tax rate
Value-added tax (VAT)	The output VAT is calculated from the revenue from sales of goods or rendering of services in accordance with the tax law, net of the input VAT that is allowed to be deducted in the current period, the difference is VAT payable	1%, 3%, 5%, 6%, 9%, 13%
Urban maintenance and construction tax	Turnover tax actually paid	1%, 5%, 7%
Educational surcharge	Turnover tax actually paid	3%
Local educational surcharges	Turnover tax actually paid	2%
Enterprise income tax	Taxable income	For details, please refer to the description of income tax rates for taxpayers subject to different corporate income tax rates
Land appreciation tax	Appreciation tax resulting from the paid transfer of use right of state-owned land, and property right of above-ground structures and other attachments	According to the document GSF [2010] No. 53 issued by the State Taxation Administration and the relevant regulations of local tax bureaus where real estate projects are developed, subsidiaries engaged in real estate development accrue and prepay land appreciation tax based on a certain percentage of real estate sales revenue and advance receipts and apply to the tax authorities for liquidation after the projects are fully completed and sales target is achieved.
Property tax	For ad valorem collection, 1.2% of the remaining value after 30% of the original value of the property is deducted by lump sum; for rent-based collection, 12% of the rental income	1.2%, 12%

Disclosure statement of taxable entities with different corporate income tax rates

Applicable Not Applicable

Name of taxable entity	Income tax rate (%)
The Company	10%
Shaoxing Henghui, Wuxi Henghua, Shanghai Yirui, Shanghai Liming, Hangzhou Yunhui, Yunlian Network, and Guangdong Institute of Finance	Subject to prescribed tax rate for small and micro enterprises
Data Security, Shanghai Gildata, Hangzhou Gildata, Yunyong Network, Cloudbroker Network, Jingteng Network, Shanghai Genus, Hundsun iBontal, Hangzhou Business Intelligence, and Changsha Dworld	15%
Cloudyee Network, and Wengine Network	12.5%
Hangzhou Yihe, Hangzhou Xinglu, Wuxi Xinglu, Nanjing Xingcheng, Nanjing Xingding, and Digital Intelligence Qiyuan	These subsidiaries are partnership enterprises not subject to any income tax rate.
Overseas subsidiaries Japan Hundsun, Hundsun International Technologies, Hundsun Ayers, Hundsun	Subject to tax rates prescribed by the jurisdictions in which they operate

HK, Ayers Technologies (Singapore), Hundsun U.S., Intercontinental Holdings, Chain Next, Hundsun International, Hundsun Holdings, Hundsun IHS Markit (Hong Kong), and GenSys	
Other taxable entities other than the above	25%

2. Tax preferences

Applicable Not Applicable

(1) In accordance with the requirements of the document (CS [2011] No. 100) issued by the Ministry of Finance and the State Taxation Administration, the taxes of sales of software products (sales of self-developed and produced software products and not accompanied by a transfer of copyrights and ownership) of the Company and its subsidiaries and software service revenue (version upgrade services) shall be paid at a rate of 13%, and the refund policies will be applied for the excess of the actual tax burden over 3% upon verification by the competent tax authorities.

(2) As certified by Zhejiang Provincial Development and Reform Commission, the Company is a key software enterprise within the national planning layout. In accordance with the relevant provisions of the *Notice on Issues Concerning Preferential Policies on Corporate Income Tax for Software and Integrated Circuit Industry* (CS [2016] No. 49) issued by the Ministry of Finance and the State Taxation Administration, the Company is entitled to the preferential income tax policy for key software and integrated circuit design enterprises within the national planning layout. The corporate income tax was paid at a rate of 10% in the current period.

(3) In accordance with the relevant provisions of the *Measures for the Administration of the Identification of High-tech Enterprises* (GKFH [2016] No. 32) and the *Guidelines for the Identification and Management of High-tech Enterprises* (GKFH [2016] No. 195) issued by the Ministry of Science and Technology, the Ministry of Finance and the State Taxation Administration, Data Security, Yunyong Network, Cloudbroker Network and Hangzhou Business Intelligence had been identified as high-tech enterprises since 2018 for a period of three years, the Company's application for the review of their status was approved in 2021 and thus these subsidiaries paid their corporate income taxes at a rate of 15% during the Reporting Period; Shanghai Gildata and Shanghai Genus had been identified as high-tech enterprises since 2019 for a period of three years, the Company's application for the review of their status was approved in 2022 and thus these subsidiaries paid their corporate income taxes at a rate of 15% during the Reporting Period; Hangzhou Gildata and Jingteng Network have been identified as high-tech enterprises since 2020 for a period of three years and thus paid their corporate income taxes at a rate of 15% during the Reporting Period; Changsha Dworld has been identified as a high-tech enterprise since 2021 for a period of three years and thus paid its corporate income tax at a rate of 15% during the Reporting Period.

(4) In accordance with the *Notice on the Implementation of Preferential Income Tax Policies for Small and Micro Enterprises* (CS[2019] No. 13), the *Announcement on Matters Relating to the Implementation of Preferential Income Tax Policies to Support the Development of Small Low-profit Enterprises and Self-employed Individuals* (SAT Announcement 2021 No. 8), and the *Announcement on Further Implementing Preferential Income Tax Policies for Small and Micro Enterprises* (SAT

Announcement 2022 No.13) issued by the Ministry of Finance and the State Administration of Taxation, Shaoxing Henghui, Wuxi Henghua, Shanghai Yirui, Shanghai Liming, Hangzhou Yunhui, Yunlian Network and Guangdong Institute of Finance qualified as small low-profit enterprises during the Reporting Period. Small low-profit enterprises with an annual taxable income not exceeding RMB1 million shall reduce their taxable income by 12.5% and be subject to a corporate income tax at a rate of 20%. Those with an annual taxable income exceeding RMB1 million but not exceeding RMB3 million shall reduce their taxable income by 50% and be subject to a corporate income tax at a rate of 20%.

(5) In accordance with the provisions of the Announcement on Corporate Income Tax Policies for Integrated Circuit Design and Software Industries [2019 No. 68] issued by the Ministry of Finance and State Taxation Administration, software enterprises, established in accordance with the law and eligible for the preferential period calculated from the profit-making year before December 31, 2018, shall be exempt from corporate income tax from the first year to the second year and pay corporate income tax at a reduced statutory tax rate of 25% from the third year to the fifth year. The current period is the fourth profit-making year of Wengine Network, so this subsidiary pays half of its income tax. The current period is the fifth profit-making year of Cloudyee Network, so this subsidiary pays half of its income tax.

(6) The *Notice on Continuing the Preferential Income Tax Policies for Enterprises in Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone* (CS [2021] No. 30) issued by the Ministry of Finance and the State Administration of Taxation requires corporate income tax to be imposed on qualified enterprises in Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone at a reduced rate of 15% from January 1, 2021 to December 31, 2025. Therefore, Hundsun iBontal were entitled to a 10% tax credit and paid its corporate income tax at a reduced rate of 15% during the Reporting Period.

3. Others

Applicable Not Applicable

VII. Notes on the Main Items in the Consolidated Financial Statements

1. Cash and bank balances

Applicable Not Applicable

Item	Closing balance	Unit: Yuan	Currency: RMB
		Opening balance	
Cash on hand	310,575.66		365,020.30
Bank deposits	2,801,114,991.80		1,707,660,259.64
Other cash and bank balances	71,208,797.90		19,679,566.66
Total	2,872,634,365.36		1,727,704,846.60
Including: total amount deposited abroad	172,022,885.49		112,690,519.32

Other Description

Of other cash and bank balances at the end of the Reporting Period, funds subject to use restrictions included RMB5,622,400.00 in guarantee deposits and RMB205,700,000.00 in fixed certificates of deposits and interest accrued thereon.

2. Held-for-trading financial assets√Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	1,497,708,252.01	1,991,523,094.74
Including:		
Equity instrument investment	12,030,217.80	23,523,040.35
Short-term bank wealth management products and fund trust etc.	1,485,678,034.21	1,968,000,054.39
Total	1,497,708,252.01	1,991,523,094.74

Other notes:

Applicable Not Applicable**3. Derivative financial assets**Applicable Not Applicable**4. Notes receivable****(1). Bills receivable by category**√Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Commercial acceptance bills	297,600.00	636,600.00
Total	297,600.00	636,600.00

(2). Pledged bills receivable by the Company as at the end of the periodApplicable Not Applicable**(3). Bills receivable endorsed or discounted by the Company at the end of the period and not yet due on the balance sheet date**Applicable Not Applicable**(4). Bills receivable transferred to accounts receivable by the Company due to non-performance by the drawer at the end of the period**Applicable Not Applicable**(5). Disclosure by categories by means of allowance for bad debts**√Applicable Not Applicable

Unit: Yuan Currency: RMB

Class	Closing balance					Opening balance				
	Book balance		Allowance for bad debts		Carrying value	Book balance		Allowance for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Allowance for bad debts made on a collective basis	297,600.00	100.00			297,600.00	636,600.00	100.00			636,600.00
Including:										
Commercial acceptance bill receivable	297,600.00	100.00			297,600.00	636,600.00	100.00			636,600.00

Total	297,600.00	/		/	297,600.00	636,600.00	/		/	636,600.00
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Provision for bad debts is accrued on an individual basis:

Applicable Not Applicable

Allowance for bad debts made on a collective basis:

Applicable Not Applicable

Item for which allowance was made on a collective basis: commercial acceptance bills receivable

Unit: Yuan Currency: RMB

Name	Closing balance		
	Notes receivable	Allowance for bad debts	Provision (%)
Commercial acceptance bill receivable	297,600.00		
Total	297,600.00		

Recognition criteria and description of allowance for bad debts made on a collective basis

Applicable Not Applicable

The expected credit loss is calculated, with reference to historical credit loss experience, in consideration of current conditions and expectation of future economic conditions, and based on the default risk exposure and lifetime expected credit loss rate.

If bad debt reserves are accrued according to the general model of expected credit losses, please refer to other receivables for disclosure:

Applicable Not Applicable

(6). Allowance for bad debts

Applicable Not Applicable

(7). Actual write-off of bills receivable in the current period

Applicable Not Applicable

Other Description

Applicable Not Applicable

5. Accounts receivable

(1). Disclosure by aging

Applicable Not Applicable

Unit: Yuan Currency: RMB

Aging	Closing book balance
Within 1 year	
Including: Sub-items within 1 year	
Within 1 year	722,053,319.54
Sub-total within 1 year	722,053,319.54
1-2 years	206,520,060.37
2-3 years	83,511,732.29
Over 3 years	150,028,945.72
Total	1,162,114,057.92

(2). Disclosure by category by means of allowance for bad debts

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Class	Closing balance					Opening balance				
	Book balance		Allowance for bad debts		Carrying value	Book balance		Allowance for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Allowance for bad debts made on an individual basis	62,162,700.40	5.35	62,162,700.40	100.00		52,964,932.39	5.60	52,964,932.39	100.00	
Including:										
Amount of other software services	62,162,700.40	5.35	62,162,700.40	100.00		52,964,932.39	5.60	52,964,932.39	100.00	
Allowance for bad debts made on a collective basis	1,099,951,357.52	94.65	177,412,750.93	16.13	922,538,606.59	892,755,469.63	94.40	129,839,262.13	14.54	762,916,207.50
Including:										
Aging portfolio	1,099,951,357.52	94.65	177,412,750.93	16.13	922,538,606.59	892,755,469.63	94.40	129,839,262.13	14.54	762,916,207.50
Total	1,162,114,057.92	/	239,575,451.33	/	922,538,606.59	945,720,402.02	/	182,804,194.52	/	762,916,207.50

Provision for bad debts is accrued on an individual basis:

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Name	Closing balance			Reasons
	Book balance	Allowance for bad debts	Provision (%)	
Amount of other software services	62,162,700.40	62,162,700.40	100	Expected difficulty in collection
Total	62,162,700.40	62,162,700.40	100	/

Allowance for bad debts made on an individual basis:

□Applicable √Not Applicable

Allowance for bad debts made on a collective basis:

Applicable Not Applicable

Item for which allowance was made on a collective basis: grouped by aging

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Allowance for bad debts	Provision (%)
Within 1 year	722,008,425.10	36,099,766.29	5.00
1-2 years	204,431,683.03	20,443,168.31	10.00
2-3 years	75,202,047.25	22,560,614.19	30.00
Over 3 years	98,309,202.14	98,309,202.14	100.00
Total	1,099,951,357.52	177,412,750.93	16.13

Recognition criteria and description of allowance for bad debts made on a collective basis:

Applicable Not Applicable

A table of aging of accounts receivable and lifetime expected credit loss rates is prepared, and the expected credit loss is calculated, with reference to historical credit loss experience, in consideration of current conditions and expectations of future economic conditions.

If bad debt reserves are accrued according to the general model of expected credit losses, please refer to other receivables for disclosure:

Applicable Not Applicable

(3). Allowance for bad debts

Applicable Not Applicable

Unit: Yuan Currency: RMB

Class	Opening balance	Change during the current period				Closing balance
		Provision	Recovered or reversed	Write-off or cancellation	Other changes	
Allowance for bad debts made on an individual basis	52,964,932.39	11,443,462.01	-2,245,694.00			62,162,700.40
Allowance for bad debts made on a collective basis	129,839,262.13	47,784,299.62		-210,810.82		177,412,750.93
Total	182,804,194.52	59,227,761.63	-2,245,694.00	-210,810.82		239,575,451.33

The significant amount of provision reversal and recovery of bad debts in the current period:

Applicable Not Applicable

(4). Actual accounts receivable written off in the current period

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Write-off
Actual accounts receivable written off	210,810.82

Write-off of significant account receivables

Applicable Not Applicable

Notes on write-off of accounts receivable:

Applicable Not Applicable

(5). Top five account receivables according to closing balances grouped by the debtor

Applicable Not Applicable

Unit: Yuan Currency: RMB

Company name	Closing balance	Proportion in the total closing balance of accounts receivable (%)	Closing balance of allowance for bad debts
Customer 1	21,816,554.23	1.88	2,433,843.40
Customer 2	20,235,305.95	1.74	2,182,008.84
Customer 3	17,868,443.96	1.54	918,845.93
Customer 4	15,277,013.63	1.31	2,183,572.19
Customer 5	13,880,742.50	1.19	694,037.13
Total	89,078,060.27	7.66	8,412,307.49

(6). Accounts receivable derecognized due to the transfer of financial assets

Applicable Not Applicable

(7). Amount of assets or liabilities due to the transfer of accounts receivable and continuing involvement

Applicable Not Applicable

Other notes:

Applicable Not Applicable

6. Receivables financing

Applicable Not Applicable

7. Prepayments

(1). Disclosure by aging

Applicable Not Applicable

Unit: Yuan Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	13,398,180.42	97.00	11,098,252.30	93.61
1-2 years	389,785.93	2.82	747,155.77	6.30
2-3 years	13,399.05	0.10	11,032.81	0.09
Over 3 years	11,032.81	0.08		
Total	13,812,398.21	100.00	11,856,440.88	100.00

(2). Top five prepayments according to closing balances grouped by preparers

Applicable Not Applicable

Company name	Closing balance	Proportion in the total closing balance of prepayments (%)
Entity 1	2,594,339.64	18.78
Entity 2	2,139,499.59	15.49
Entity 3	745,283.02	5.40
Entity 4	575,221.28	4.16
Entity 5	457,840.00	3.31
Total	6,512,183.53	47.14

Other Description

Applicable Not Applicable**8. Other receivables****Items**Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Other receivables	36,136,948.65	30,706,405.33
Total	36,136,948.65	30,706,405.33

Other notes:

Applicable Not Applicable**Interest receivable****(1). Classification of interest receivable**Applicable Not Applicable**(2). Significant overdue interest**Applicable Not Applicable**(3). Allowance for bad debts**Applicable Not Applicable

Other notes:

Applicable Not Applicable**Dividend receivables****(1). Dividend receivables**Applicable Not Applicable**(2). Significant dividends receivable with the aging over 1 year**Applicable Not Applicable**(3). Allowance for bad debts**Applicable Not Applicable

Other notes:

Applicable Not Applicable**Other receivables****(1). Disclosure by aging**Applicable Not Applicable

Unit: Yuan Currency: RMB

Aging	Closing book balance
Within 1 year	
Including: Sub-items within 1 year	
Within 1 year	30,343,192.27
Sub-total within 1 year	30,343,192.27
1-2 years	6,933,696.11

2-3 years	1,629,427.51
Over 3 years	16,253,041.12
Total	55,159,357.01

(2). Other receivables by nature

√Applicable □Not Applicable

Unit: Yuan Currency:

RMB

Nature	Closing book balance	Opening book balance
Deposits	39,149,535.32	35,970,661.72
Imprest fund	12,447,838.97	13,371,823.96
Others	3,561,982.72	1,239,032.93
Total	55,159,357.01	50,581,518.61

(3). Allowance for bad debts

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Allowance for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit loss within the whole duration (not credit-impaired)	Expected credit loss within the whole duration (credit-impaired)	
Balance on January 1, 2022	1,240,744.26	435,932.72	18,198,436.30	19,875,113.28
Balance as at January 1, 2022 is in the current period.				
- Be transferred to Stage 2	-346,684.81	346,684.81		
- Be transferred to Stage 3		-252,942.75	252,942.75	
- Be transferred back to Stage 2				
- Be transferred back to Stage 1				
Provision in the current period	623,100.92	163,703.83	-2,612,442.21	-1,825,637.46
Reversal in the current period				
Write-off in the current period				
Cancellation in the current period			57,333.33	57,333.33
Other changes			-1,030,265.87	-1,030,265.87
Balance as at December 31, 2022	1,517,160.37	693,378.61	16,811,869.38	19,022,408.36

Notes on significant changes in the carrying amount of other receivables for which changes in the allowance for losses occurred during the current period:

□Applicable √Not Applicable

Amount of allowance for bad debts for the current period and basis for evaluating whether the credit risk of financial instruments increases significantly:

□Applicable √Not Applicable

(4). Allowance for bad debts

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Class	Opening balance	Change during the current period				Closing balance
		Provision	Recovered or reversed	Write-off or cancellation	Other changes	
Allowance for bad debts made on an individual basis	483,333.33					483,333.33
Allowance for bad debts made on a collective basis	19,391,779.95	-1,825,637.46		-57,333.33	1,030,265.87	18,539,075.03
Total	19,875,113.28	-1,825,637.46		-57,333.33	1,030,265.87	19,022,408.36

The significant transfers or reversals with allowance for bad debts during the current period:

□Applicable √Not Applicable

(5). Other receivables actually written off in the period

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Write-off
Other receivables actually written off	57,333.33

Write-off of significant other receivables:

□Applicable √Not Applicable

Notes on write-off of other receivables:

□Applicable √Not Applicable

(6). Top five other receivables according to closing balances grouped by the debtor

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Company name	Nature	Closing balance	Aging	Proportion in the total closing balance of other receivables (%)	Closing balance of allowance for bad debts
Entity 1	Deposits	7,771,000.00	Over 3 years	14.09	7,771,000.00
Entity 2	Deposits	1,711,300.41	1-2 years	3.10	171,130.04
Entity 3	Deposits	1,595,431.41	Within 1 year	2.89	79,771.57
Entity 4	Deposits	1,250,000.00	Within 1 year	2.27	62,500.00
Entity 5	Deposits	673,000.00	Including RMB415,000.00 with an age of 1 year and RMB258,000.00 within an age of 1-2 years	1.22	46,550.00
Total	/	13,000,731.82	/	23.57	8,130,951.61

(7). Receivables involving government grants

Applicable Not Applicable

(8). Other receivables derecognized due to the transfer of financial assets

Applicable Not Applicable

(9). Amount of assets or liabilities due to the transfer of other receivables and continuing involvement

Applicable Not Applicable

Other notes:

Applicable Not Applicable

9. Inventories**(1). Classification of inventories**

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for price reduction of inventories/impairment provision for contract performance cost	Carrying value	Book balance	Provision for price reduction of inventories/impairment provision for contract performance cost	Carrying value
Raw materials	29,080.18	5,816.03	23,264.15	52,630.18	14,565.00	38,065.18
Finished goods	28,574,007.47	2,282,710.82	26,291,296.65	46,678,737.87	2,307,524.53	44,371,213.34
Contract performance costs	529,789,710.29	14,793,122.70	514,996,587.59	425,709,305.22	3,236,969.83	422,472,335.39
Consigned processing materials	99,059.60	19,811.92	79,247.68	124,488.30	13,912.02	110,576.28
Total	558,491,857.54	17,101,461.47	541,390,396.07	472,565,161.57	5,572,971.38	466,992,190.19

(2). Provision for price reduction of inventories and impairment provision for contract performance cost

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
		Provision	Reversal or write-off	
Raw materials	14,565.00	1,777.08	10,526.05	5,816.03
Finished goods	2,307,524.53	380,596.77	405,410.48	2,282,710.82
Contract performance costs	3,236,969.83	15,507,202.68	3,951,049.81	14,793,122.70

Consigned processing materials	13,912.02	30,797.56	24,897.66	19,811.92
Total	5,572,971.38	15,920,374.09	4,391,884.00	17,101,461.47

(3). Amount of capitalized borrowing costs included in the closing balance of inventories

□Applicable √Not Applicable

(4). Amortization amount of contract performance cost in the current period

√Applicable □Not Applicable

Item	Opening balance	Increase in the current period	Amortization in the period	Unit: Yuan	Currency: RMB
				Impairment provision in the period [Note 3]	Closing balance
Employee compensation	263,570,284.94	937,994,815.74	855,713,858.61	11,556,152.87	334,295,089.20
Travel expenses	62,460,425.85	127,806,980.25	107,690,988.58		82,576,417.52
Consulting fee for special items	93,460,544.84	60,837,393.06	59,698,160.74		94,599,777.16
Others	2,981,079.76	5,534,673.85	4,990,449.90		3,525,303.71
Sub-total	422,472,335.39	1,132,173,862.90	1,028,093,457.83	11,556,152.87	514,996,587.59

[Note 3] It is the amount of impairment provision for each item of contract performance cost

Other Description

□Applicable √Not Applicable

10. Contract assets**(1). Contract assets**

√Applicable □Not Applicable

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Carrying value	Book balance	Impairment provision	Carrying value
Retention receivables	51,369,546.21	4,265,421.64	47,104,124.57	36,392,215.79	2,723,747.42	33,668,468.37
Total	51,369,546.21	4,265,421.64	47,104,124.57	36,392,215.79	2,723,747.42	33,668,468.37

(2). Amount and reasons for significant changes in carrying value during the Reporting Period

□Applicable √Not Applicable

(3). Provision for impairment of contract assets in the current period

√Applicable □Not Applicable

Item	Provision in the current period	Reversal in the current period	Unit: Yuan	Currency: RMB
			Cancellation /write-off in the current period	Reason
Provision for impairment made on a collective basis	1,541,674.22			
Total	1,541,674.22			/

If bad debt reserves are accrued according to the general model of expected credit losses, please refer to other receivables for disclosure:

Applicable Not Applicable

Other notes:

Applicable Not Applicable

Contract assets with impairment provision made on a collective basis:

Unit: Yuan Currency: RMB

Item	Closing balance		
	Book balance	Impairment provision	Proportion (%)
Aging portfolio			
Including: within 1 year	34,536,310.42	1,726,815.52	5.00
1-2 years	12,640,823.09	1,264,082.31	10.00
2-3 years	4,168,412.70	1,250,523.81	30.00
Over 3 years	24,000.00	24,000.00	100.00
Sub-total	51,369,546.21	4,265,421.64	8.30

11. Held-for-sale assets

Applicable Not Applicable

12. Current portion of non-current assets

Applicable Not Applicable

Significant debt investments and other debt investments as at the end of the period:

Applicable Not Applicable

13. Other current assets

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Prepaid taxes	1,370,571.90	2,194,044.75
Input VAT to be deducted	20,550,739.83	6,478,276.96
Total	21,921,311.73	8,672,321.71

14. Creditor's right investment

(1). Debt investments

Applicable Not Applicable

(2). Significant debt investments at the end of the period

Applicable Not Applicable

(3). Provision for impairment

Applicable Not Applicable

Amount of provision for impairment for the current period and basis for evaluating whether credit risk of financial instruments increase significantly

Applicable Not Applicable

Other Description

Applicable Not Applicable

15. Other debt investments**(1). Other debt investments**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Interest adjustment	Accrued interest	Changes in fair value in the current period	Closing balance	Cost	Accumulated changes in fair value	Accumulated allowance for losses recognized in other comprehensive income	Remark
Financial bonds	65,681,018.23	-4,257.15	341,624.35	-2,897,944.85	35,020,859.58	35,394,930.48	-711,438.10		
Total	65,681,018.23	-4,257.15	341,624.35	-2,897,944.85	35,020,859.58	35,394,930.48	-711,438.10		/

All other debt investments in the current period are financial bonds purchased from UBS Switzerland AG (UBS) by Hundsun Ayers. As of December 31, 2022, the carrying value of bonds held by Hundsun Ayers in a leased status amounted to RMB5,483,229.58.

(2). Significant other debt investments at the end of the period

□Applicable √Not Applicable

(3). Provision for impairment

□Applicable √Not Applicable

Amount of provision for impairment for the current period and basis for evaluating whether credit risk of financial instruments increase significantly

□Applicable √Not Applicable

Other notes:

□Applicable √Not Applicable

16. Long-term receivables**(1). Long-term receivables**

□Applicable √Not Applicable

(2). Allowance for bad debts

□Applicable √Not Applicable

Amount of allowance for bad debts for the current period and basis for evaluating whether the credit risk of financial instruments increases significantly

□Applicable √Not Applicable

(3). Long-term receivables derecognized due to the transfer of financial assets

□Applicable √Not Applicable

(4). Amount of assets or liabilities due to the transfer of long-term receivables

□Applicable √Not Applicable

Other Description

□Applicable √Not Applicable

17. Long-term equity investments

√Applicable □Not Applicable

Unit: 10,000 yuan Currency: RMB

Investee	Opening balance	Changes in the current period								Closing balance	Closing balance of impairment provision
		Increase in investment	Decrease in investment	Investment profit or loss recognized by equity method	Other comprehensive income adjustments	Other changes in equity	Cash dividends and profits declared	Impairment provision	Others		
I. Joint ventures											
Sub-total											
II. Associates											
Ant (Hangzhou) Funds Sales Co., Ltd.	25,650.66			13,219.53		20.24				38,890.43	
Hangzhou Baiyong Shiji Technology Co., Ltd.	3,554.16		2,450.00	310.10						1,414.26	
Shenzhen Tradeblazer Technology Co., Ltd.	4,582.84			194.33			448.32			4,328.85	4,132.51
Hangzhou Rongdu Science & Technology Co., Ltd.	698.02			-242.79		-6.28				448.95	1,647.27
Zhejiang Santan Technology Co., Ltd.	1,324.75			-1,102.50		-59.99				162.26	
Hangzhou Hundsun Yuntai Network Technology Co., Ltd.	2,194.45			-1,882.63		933.24				1,245.06	
Guangdong Yuecai Internet Finance Co., Ltd.	471.30			6.42						477.72	
Beijing Hongtian Rongda Information Technology Co., Ltd.											235.09

Golden State Investment Services Co., Ltd.	3,168.81			197.81						3,366.62	
Shenzhen Ricequant Technology Co., Ltd.	1,823.20			-59.59						1,763.61	4,765.12
Fujian Trading Market Registration and Settlement Center Co., Ltd.	733.36			-36.35						697.01	
Hundsun Cloud Financing Network Technology Co., Ltd.	2,398.77			189.42		733.86				3,322.05	
Hangzhou Fupu Gongjin Investment Partnership (L.P.)	2,742.64			-22.31						2,720.33	
Hangzhou HISOME Digital Equipment Technology Co., Ltd.	3,050.08			642.64		-15.46	314.20			3,363.06	
Jiangxi Lianjiaoyun Registration and Settlement Center Co., Ltd.	174.47			-0.33			54.00			120.14	
Guangdong Yuecai Net Small Loan Microfinance Co., Ltd.	2,195.60			99.22						2,294.82	
Shanghai Leanwork Financial Information Service Co., Ltd.	635.48		1,275.00					-1,148.60	-509.08		
Hangzhou Wanming Digital Technology Co., Ltd.	488.05		375.00	2.02					-115.07		
Beijing Hezhi Xingtu Technology Co., Ltd.	5,669.29									5,669.29	
Hangzhou Eceyes Internet Financial Co., Ltd.	6,653.11			411.69						7,064.80	

Zhejiang Xinzhi Management Co., Ltd.	Zhongjin Investment	605.81			574.38			395.82			784.37	
Beijing Yuntu Information Co., Ltd.	Hanxing Technology	404.56			-1.98						402.58	661.00
Zhejiang Technology Co., Ltd.	Baiying	2,562.10			259.64						2,821.74	
Hangzhou Software Co., Ltd.	National Industry Base	231.96			-23.65						208.31	
Zhejiang Institute of Modern Industry	Capital and	2.89									2.89	
Beijing Yongyi Development Co., Ltd.	Tongchuang Technology	4,613.39			-229.17						4,384.22	
Shanghai Information Co., Ltd.	Qianyun Technology	2,790.07			-88.07						2,702.00	
Databaker Technology Co., Ltd.	(Beijing)	3,195.85			-324.38		420.44				3,291.91	
N2N CONNECT BERHAD		15,499.46			137.84			198.82		1,431.80	16,870.28	
Shanghai Technology Co., Ltd.	Yitongtou	1,311.13			-319.93		3.18				994.38	
Nanjing Pengxi Investment Center (L.P.)	Equity	11,668.43			-397.80		126.77				11,397.40	
Hangzhou Yiyun Park Management Co., Ltd.	Hundsun		210.00		134.97						344.97	
Hangzhou Co., Ltd.	PQCTECH		1,000.00								1,000.00	
Hangzhou Technology Co., Ltd.	AlphaFlow		4,500.00								4,500.00	

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Sub-total	111,094.69	5,710.00	4,100.00	11,648.53		2,156.00	1,411.16	-1,148.60	807.65	127,054.31	11,440.99
Total	111,094.69	5,710.00	4,100.00	11,648.53		2,156.00	1,411.16	-1,148.60	807.65	127,054.31	11,440.99

18. Other equity instrument investments**(1). Investments in other equity instruments**

□Applicable √Not Applicable

(2). Investments in non-trading equity instruments

□Applicable √Not Applicable

Other notes:

□Applicable √Not Applicable

19. Other non-current financial assets

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Financial assets at FVTPL	2,532,458,912.37	2,981,720,276.86
Including: Investments in equity instruments	1,603,469,382.79	1,740,015,513.31
Trust plans, other funds, etc.	928,989,529.58	1,241,704,763.55
Total	2,532,458,912.37	2,981,720,276.86

Other notes:

□Applicable √Not Applicable

20. Investment properties

Measurement model of investment properties

(1). Investment properties measured at cost

Unit: Yuan Currency: RMB

Item	Houses and buildings	Land use rights	Total
I. Original carrying value			
1. Opening balance	146,988,660.48	213,096.60	147,201,757.08
2. Increase in the current period	26,893,383.72	2,577,604.16	29,470,987.88
(1) Transferred from intangible assets/fixed assets/construction in progress	26,893,383.72	2,577,604.16	29,470,987.88
3. Decrease in the current period	1,690,637.18		1,690,637.18
(1) Transferred to fixed assets/intangible assets	1,690,637.18		1,690,637.18
4. Closing balance	172,191,407.02	2,790,700.76	174,982,107.78
II. Accumulated depreciation and accumulated amortization			
1. Opening balance	19,592,817.60	83,970.55	19,676,788.15
2. Increase in the current period	15,478,868.97	733,005.06	16,211,874.03
(1) Provision or amortization	2,927,014.03	733,005.06	3,660,019.09
(2) Transferred from intangible assets/fixed assets/construction in progress	12,551,854.94		12,551,854.94
3. Decrease in the current period	452,584.47		452,584.47
(1) Transferred to fixed assets/intangible assets	452,584.47		452,584.47
4. Closing balance	34,619,102.10	816,975.61	35,436,077.71
IV. Carrying value			
1. Ending carrying amount	137,572,304.92	1,973,725.15	139,546,030.07
2. Opening carrying value	127,395,842.88	129,126.05	127,524,968.93

[Note 4] Houses and buildings include land use rights that have been leased but cannot be measured separately

(2). Investment properties without the title certificates

□Applicable √Not Applicable

Other Description

□Applicable √Not Applicable

21. Fixed assets**Items**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	1,617,839,116.41	1,679,515,491.95
Total	1,617,839,116.41	1,679,515,491.95

Other notes:

□Applicable √Not Applicable

Fixed assets**(1). Fixed assets**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Buildings	Electronic equipment	Vehicles	Other equipment	Total
I. Original carrying value:					
1. Opening balance	1,536,833,995.60	329,366,436.72	12,529,498.61	160,245,519.21	2,038,975,450.14
2. Increase in the current period	28,244,501.15	44,087,994.28		1,002,725.98	73,335,221.41
(1) Purchase		43,336,895.42		700,187.98	44,037,083.40
(2) Transferred from construction in progress/investment properties	2,927,491.43				2,927,491.43
(3) Effects from translation of financial statements in foreign currency	25,317,009.72	751,098.86		302,538.00	26,370,646.58
3. Decrease in the current period	35,452,317.61	18,201,015.25		7,571,804.43	61,225,137.29
(1) Disposal or retirement	7,980,082.21	18,201,015.25		7,571,804.43	33,752,901.89
(2) Transferred to investment properties\long-term prepaid expense	26,797,516.08				26,797,516.08
(3) Effects from translation of financial statements in foreign currency	674,719.32				674,719.32
4. Closing balance	1,529,626,179.14	355,253,415.75	12,529,498.61	153,676,440.76	2,051,085,534.26
II. Accumulated depreciation					

1. Opening balance	108,673,230.66	193,570,996.13	7,905,473.00	49,310,004.39	359,459,704.18
2. Increase in the current period	51,283,631.24	48,546,251.22	1,058,053.50	15,036,941.14	115,924,877.10
(1) Provision	48,507,540.07	47,937,616.55	1,058,053.50	14,957,010.06	112,460,220.18
(2) Transfer from investment properties	452,584.47				452,584.47
(3) Effects from translation of financial statements in foreign currency	2,323,506.70	608,634.67		79,931.08	3,012,072.45
3. Decrease in the current period	18,743,975.92	17,395,984.95		5,998,456.57	42,138,417.44
(1) Disposal or retirement	6,192,120.98	17,395,984.95		5,998,456.57	29,586,562.50
(2) Transfer to investment properties	12,551,854.94				12,551,854.94
4. Closing balance	141,212,885.98	224,721,262.40	8,963,526.50	58,348,488.96	433,246,163.84
III. Provision for impairment					
1. Opening balance				254.01	254.01
2. Increase in the current period					
(1) Provision					
3. Decrease in the current period					
(1) Disposal or retirement					
4. Closing balance				254.01	254.01
IV. Carrying value					
1. Ending carrying amount	1,388,413,293.16	130,532,153.35	3,565,972.11	95,327,697.79	1,617,839,116.41
2. Opening carrying value	1,428,160,764.94	135,795,440.59	4,624,025.61	110,935,260.81	1,679,515,491.95

[Note 5] Houses and buildings include land use rights that cannot be measured separately

(2). Temporary idle fixed assets

Applicable Not Applicable

(3). Fixed assets rented in through financing lease

Applicable Not Applicable

(4). Fixed assets rented out through operating lease

Applicable Not Applicable

(5). Fixed assets without the title certificate

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Carrying value	Reason
Hundsun Cloud Production Base (Phase I)	817,478,368.23	Phase II project is still under construction

Sub-total	817,478,368.23
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Other notes:

Applicable Not Applicable**Disposal of fixed assets**Applicable Not Applicable**22. Construction in progress****Items**Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	124,123,757.95	26,357,513.90
Total	124,123,757.95	26,357,513.90

Other notes:

Applicable Not Applicable**Construction in progress****(1). Construction in progress**Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Carrying value	Book balance	Impairment provision	Carrying value
Hundsun Cloud Production Base (Phase II)	124,123,757.95		124,123,757.95	25,139,995.40		25,139,995.40
Sporadic projects				1,217,518.50		1,217,518.50
Total	124,123,757.95		124,123,757.95	26,357,513.90		26,357,513.90

(2). Significant changes in CIP during the periodApplicable Not Applicable

Unit: 10,000 yuan Currency: RMB

Item	Budget	Opening balance	Increase in the current period	Fixed assets transferred into the current period	Other decreases during the period	Closing balance	Proportion of cumulative project investment in budget (%)	Construction progress	Accumulated amount of interest capitalization	Including: Amount of capitalized interest in the current period	Capitalization rate of interest in the current period (%)	Source of funds
Hundsun Cloud Production Base (Phase II)	79,930.00	2,514.00	9,898.38			12,412.38	15.53	15.53%	45.00	45.00	3.82	Own funds and loans from financial institutions

Sporadic projects		121.75	121.33	148.44	94.64							
Total	79,930.00	2,635.75	10,019.71	148.44	94.64	12,412.38	/	/	45.00	45.00	/	/

(3). Provision for impairment of CIP during the period

Applicable Not Applicable

Other Description

Applicable Not Applicable

Construction materials**(1). Construction materials**

Applicable Not Applicable

23. Bearer biological assets**(1). Productive biological assets measured at cost**

Applicable Not Applicable

(2). Productive biological assets measured at fair value

Applicable Not Applicable

Other Description

Applicable Not Applicable

24. Oil and gas assets

Applicable Not Applicable

25. Right-of-use assets

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Buildings	Total
I. Original carrying value		
1. Opening balance	55,368,124.28	55,368,124.28
2. Increase in the current period	35,239,626.23	35,239,626.23
(1) Rent	35,239,626.23	35,239,626.23
3. Decrease in the current period	16,665,902.19	16,665,902.19
(1) Disposal	16,665,902.19	16,665,902.19
4. Closing balance	73,941,848.32	73,941,848.32
II. Accumulated depreciation		
1. Opening balance	23,345,018.84	23,345,018.84
2. Increase in the current period	17,593,002.69	17,593,002.69
(1) Provision	17,593,002.69	17,593,002.69
3. Decrease in the current period	16,355,642.10	16,355,642.10
(1) Disposal	16,355,642.10	16,355,642.10
4. Closing balance	24,582,379.43	24,582,379.43
III. Provision for impairment		

1. Opening balance		
2. Increase in the current period		
(1) Provision		
3. Decrease in the current period		
(1) Disposal		
4. Closing balance		
IV. Carrying value		
1. Ending carrying amount	49,359,468.89	49,359,468.89
2. Opening carrying value	32,023,105.44	32,023,105.44

26. Intangible assets

(1). Intangible assets

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Land use rights	Trademark rights	Patent technology and non-patent technology	Product management right	Management software and copyright	Total
I. Original carrying value						
1. Opening balance	87,062,404.13	6,946,400.00	7,600,000.00		403,633,609.86	505,242,413.99
2. Increase in the current period	247,509.98	15,389,997.45		49,329,330.15	15,848,585.03	80,815,422.61
(1) Purchase		15,389,997.45		49,329,330.15	12,809,101.55	77,528,429.15
(2) Transfer from investment properties	247,509.98					247,509.98
(3) Effects from translation of financial statements in foreign currency					3,039,483.48	3,039,483.48
3. Decrease in the current period	2,131,965.36					2,131,965.36
(1) Disposal	404,928.00					404,928.00
(2) Transfer to investment properties	1,727,037.36					1,727,037.36
4. Closing balance	85,177,948.75	22,336,397.45	7,600,000.00	49,329,330.15	419,482,194.89	583,925,871.24
II. Accumulated amortization						
1. Opening balance	10,093,498.07	6,946,400.00	4,671,666.53		100,513,807.63	122,225,372.23
2. Increase in the current period	1,189,043.96	1,155,523.37	151,666.64	14,178,825.02	31,224,186.55	47,899,245.54
(1) Provision	1,189,043.96	1,155,523.37	151,666.64	14,178,825.02	29,820,036.42	46,495,095.41
(2) Effects from translation of					1,404,150.13	1,404,150.13

financial statements in foreign currency						
3. Decrease in the current period						
4. Closing balance	11,282,542.03	8,101,923.37	4,823,333.17	14,178,825.02	131,737,994.18	170,124,617.77
III. Provision for impairment						
1. Opening balance			2,776,666.83		3,780,354.50	6,557,021.33
2. Increase in the current period					2,813,188.58	2,813,188.58
(1) Provision					2,813,188.58	2,813,188.58
3. Decrease in the current period						
4. Closing balance			2,776,666.83		6,593,543.08	9,370,209.91
IV. Carrying value						
1. Ending carrying amount	73,895,406.72	14,234,474.08		35,150,505.13	281,150,657.63	404,431,043.56
2. Opening carrying value	76,968,906.06		151,666.64		299,339,447.73	376,460,020.43

(2). Land use rights without the title certificates

□Applicable √Not Applicable

Other notes:

□Applicable √Not Applicable

27. Development expenditures

□Applicable √Not Applicable

28. Goodwill**(1). Original carrying value of goodwill**

√Applicable □Not Applicable

Investees or items that generate goodwill	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
		Arising from business combination	Disposal	
Hundsun Global Services Inc.	1,110,721.19			1,110,721.19
Hangzhou Business Intelligence	14,091,467.31			14,091,467.31
Hundsun Holdings	340,974,202.26			340,974,202.26
Hundsun Baichuan	9,156,921.06			9,156,921.06
BusinessMatrix	67,765,537.97			67,765,537.97
Shanghai Genus	50,754,368.23			50,754,368.23
Hundsun Lirong	12,242,732.96			12,242,732.96
Shanghai Dworld	33,547,864.43			33,547,864.43
Hundsun iBontal	9,542,639.09			9,542,639.09

Unit: Yuan

Currency: RMB

Summit business [Note 6]		349,433,285.40		349,433,285.40
Total	539,186,454.50	349,433,285.40		888,619,739.90

[Note 6] For details, please refer to Note VIII (1) to the financial statements.

(2). Provision for impairment of goodwill

√Applicable □Not Applicable

Investees or items that generate goodwill	Opening balance	Unit: Yuan		Currency: RMB
		Increase in the current period Provision	Decrease in the current period Disposal	Closing balance
Hundsun Global Services Inc.	1,110,721.19			1,110,721.19
Hundsun Holdings	132,138,046.09			132,138,046.09
Hundsun Baichuan	9,156,921.06			9,156,921.06
BusinessMatrix	29,288,639.18	38,476,898.79		67,765,537.97
Total	171,694,327.52	38,476,898.79		210,171,226.31

(3). Information on asset groups or combination of asset groups including goodwill

√Applicable □Not Applicable

1) Combination of asset groups of Hangzhou Business Intelligence

Unit: Yuan		Currency: RMB
Composition of asset groups or combination of asset groups	Goodwill assets and liabilities of Hangzhou Business Intelligence	
Carrying value of asset groups or combination of asset groups	4,229,728.64	
Carrying value and allocation method of goodwill allocated to asset groups or combination of asset groups	45,456,346.15	
Carrying value of asset groups or combination of asset groups including goodwill	49,686,074.79	
Are asset groups or combination of asset groups consistent with those determined in the goodwill impairment test on the acquisition date in the previous year	Yes	

2) Combination of asset groups of Hundsun Holdings

Unit: Yuan		Currency: RMB
Composition of asset groups or combination of asset groups	Goodwill assets and liabilities of Hundsun Holdings	
Carrying value of asset groups or combination of asset groups	330,610,826.09	
Carrying value and allocation method of goodwill allocated to asset groups or combination of asset groups	381,783,721.43	
Carrying value of asset groups or combination of asset groups including goodwill	712,394,547.52	
Are asset groups or combination of asset groups consistent with those determined in the goodwill impairment test on the acquisition date in the previous year	Yes	

3) Combination of asset groups of BusinessMatrix

Unit: Yuan Currency: RMB

Composition of asset groups or combination of asset groups	Goodwill assets and liabilities of BusinessMatrix
Carrying value of asset groups or combination of asset groups	21,910,358.90
Carrying value and allocation method of goodwill allocated to asset groups or combination of asset groups	45,266,939.76
Carrying value of asset groups or combination of asset groups including goodwill	67,177,298.66
Are asset groups or combination of asset groups consistent with those determined in the goodwill impairment test on the acquisition date in the previous year	Yes

4) Combination of asset groups of Shanghai Genus

Unit: Yuan Currency: RMB

Composition of asset groups or combination of asset groups	Goodwill assets and liabilities of Shanghai Genus
Carrying value of asset groups or combination of asset groups	19,555,243.71
Carrying value and allocation method of goodwill allocated to asset groups or combination of asset groups	88,408,241.19
Carrying value of asset groups or combination of asset groups including goodwill	107,963,484.90
Are asset groups or combination of asset groups consistent with those determined in the goodwill impairment test on the acquisition date in the previous year	Yes

5) Combination of asset groups of Hundsun Lirong

Unit: Yuan Currency: RMB

Composition of asset groups or combination of asset groups	Goodwill assets and liabilities of Hundsun Lirong
Carrying value of asset groups or combination of asset groups	85,969,892.96
Carrying value and allocation method of goodwill allocated to asset groups or combination of asset groups	12,242,732.96
Carrying value of asset groups or combination of asset groups including goodwill	98,212,625.92
Are asset groups or combination of asset groups consistent with those determined in the goodwill impairment test on the acquisition date in the previous year	Yes

6) Combination of asset groups of Shanghai Dworld

Unit: Yuan Currency: RMB

Composition of asset groups or combination of asset groups	Goodwill assets and liabilities of Shanghai Dworld
Carrying value of asset groups or combination of asset groups	6,133,284.29
Carrying value and allocation method of goodwill allocated to asset groups or combination of asset groups	51,275,146.70
Carrying value of asset groups or combination of asset groups including goodwill	57,408,430.99

Are asset groups or combination of asset groups consistent with those determined in the goodwill impairment test on the acquisition date in the previous year	Yes
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7) Combination of asset groups of Hundsun iBontal

Unit: Yuan Currency: RMB

Composition of asset groups or combination of asset groups	Goodwill assets and liabilities of Hundsun iBontal
Carrying value of asset groups or combination of asset groups	40,138,477.91
Carrying value and allocation method of goodwill allocated to asset groups or combination of asset groups	10,905,873.25
Carrying value of asset groups or combination of asset groups including goodwill	51,044,351.16
Are asset groups or combination of asset groups consistent with those determined in the goodwill impairment test on the acquisition date in the previous year	Yes

8) Combination of asset groups of Summit business

Unit: Yuan Currency: RMB

Composition of asset groups or combination of asset groups	Goodwill assets and liabilities of Summit business
Carrying value of asset groups or combination of asset groups	87,315,870.03
Carrying value and allocation method of goodwill allocated to asset groups or combination of asset groups	349,433,285.40
Carrying value of asset groups or combination of asset groups including goodwill	436,749,155.43
Are asset groups or combination of asset groups consistent with those determined in the goodwill impairment test on the acquisition date in the previous year	Yes

(4). Note on the process of goodwill impairment test, key parameters (such as forecast growth rate, steady growth rate, profit margin, discount rate, forecast period (if applicable) in estimating the present value of future cash flow) and recognition method of impairment loss on goodwill

√Applicable □Not Applicable

1) Combination of asset groups of Hangzhou Business Intelligence

The recoverable amount of asset groups or combination of asset groups including goodwill is calculated by the present value of the expected future cash flow. The expected cash flows are based on the cash flow forecast for the five-year detailed forecast period approved by the Company. The discount rate used in the cash flow forecast is 11.23%, which is basically approximate to the discount rates adopted by companies in the same industry.

Other key data used in the impairment test include software sales revenue, staff costs and other related expenses. The Company determines the above key data based on historical experience and market

development forecast. The discount rate adopted by the Company is the pretax rate reflecting the time value of the current market currency and the specific risk of the relevant asset group.

The recoverable amount of the asset group or combination of asset groups including goodwill was tested to be higher than the carrying value and there was no impairment loss on goodwill.

2) Combination of asset groups of Hundsun Holdings

The recoverable amount of asset groups or combination of asset groups including goodwill is calculated by the present value of the expected future cash flow. The expected cash flows are based on the cash flow forecast for the five-year detailed forecast period approved by the Company. The discount rate used in the cash flow forecast is 12.86%, which is basically approximate to the discount rates adopted by companies in the same industry.

Other key data used in the impairment test include software sales revenue, staff costs and other related expenses. The Company determines the above key data based on historical experience and market development forecast. The discount rate adopted by the Company is the pretax rate reflecting the time value of the current market currency and the specific risk of the relevant asset group.

The recoverable amount of the asset group or combination of asset groups including goodwill was tested to be higher than the carrying value and there was no impairment loss on goodwill.

3) Combination of asset groups of BusinessMatrix

The recoverable amount of asset groups or combination of asset groups including goodwill is calculated by the present value of the expected future cash flow. The expected cash flows are based on the cash flow forecast for the five-year detailed forecast period approved by the Company. The discount rate used in the cash flow forecast is 12.65%, which is basically approximate to the discount rates adopted by companies in the same industry.

Other key data used in the impairment test include software sales revenue, staff costs and other related expenses. The Company determines the above key data based on historical experience and market development forecast. The discount rate adopted by the Company is the pretax rate reflecting the time value of the current market currency and the specific risk of the relevant asset group.

According to the *Asset Appraisal Report* (KYPB [2023] No. 163) from Canwin Appraisal Co., Ltd. (hereinafter referred to as Canwin Appraisal) engaged by the Company, the recoverable amount of the asset groups or combination of asset groups including goodwill was RMB21,536,100.00, which was RMB67,177,298.66 lower than the carrying amount of the asset groups including goodwill. The Company recognized a goodwill impairment loss of RMB38,476,898.79 based on the share of goodwill attributable to the Company at the time of acquisition.

4) Combination of asset groups of Shanghai Genus

The recoverable amount of asset groups or combination of asset groups including goodwill is calculated by the present value of the expected future cash flow. The expected cash flows are based on the cash flow forecast for the five-year detailed forecast period approved by the Company. The discount rate used in the cash flow forecast is 11.91%, which is basically approximate to the discount rates adopted by companies in the same industry.

Other key data used in the impairment test include software sales revenue, staff costs and other related expenses. The Company determines the above key data based on historical experience and market development forecast. The discount rate adopted by the Company is the pretax rate reflecting the time value of the current market currency and the specific risk of the relevant asset group.

The recoverable amount of the asset group or combination of asset groups including goodwill was tested to be higher than the carrying value and there was no impairment loss on goodwill.

5) Combination of asset groups of Hundsun Lirong

The recoverable amount of asset groups or combination of asset groups including goodwill is calculated by the present value of the expected future cash flow. The expected cash flows are based on the cash flow forecast for the five-year detailed forecast period approved by the Company. The discount rate used in the cash flow forecast is 14.95%, which is basically approximate to the discount rates adopted by companies in the same industry.

Other key data used in the impairment test include software sales revenue, staff costs and other related expenses. The Company determines the above key data based on historical experience and market development forecast. The discount rate adopted by the Company is the pretax rate reflecting the time value of the current market currency and the specific risk of the relevant asset group.

The recoverable amount of the asset group or combination of asset groups including goodwill was tested to be higher than the carrying value and there was no impairment loss on goodwill.

6) Combination of asset groups of Shanghai Dworld

The recoverable amount of asset groups or combination of asset groups including goodwill is calculated by the present value of the expected future cash flow. The expected cash flows are based on the cash flow forecast for the five-year detailed forecast period approved by the Company. The discount rate used in the cash flow forecast is 11.65%, which is basically approximate to the discount rates adopted by companies in the same industry.

Other key data used in the impairment test include software sales revenue, staff costs and other related expenses. The Company determines the above key data based on historical experience and market development forecast. The discount rate adopted by the Company is the pretax rate reflecting the time value of the current market currency and the specific risk of the relevant asset group.

The recoverable amount of the asset group or combination of asset groups including goodwill was tested to be higher than the carrying value and there was no impairment loss on goodwill.

7) Combination of asset groups of Hundsun iBontal

The recoverable amount of asset groups or combination of asset groups including goodwill is calculated by the present value of the expected future cash flow. The expected cash flows are based on the cash flow forecast for the five-year detailed forecast period approved by the Company. The discount rate used in the cash flow forecast is 12.54%, which is basically approximate to the discount rates adopted by companies in the same industry.

Other key data used in the impairment test include software sales revenue, staff costs and other related expenses. The Company determines the above key data based on historical experience and market

development forecast. The discount rate adopted by the Company is the pretax rate reflecting the time value of the current market currency and the specific risk of the relevant asset group.

The recoverable amount of the asset group or combination of asset groups including goodwill was tested to be higher than the carrying value and there was no impairment loss on goodwill.

8) Combination of asset groups of Summit business

The recoverable amount of asset groups or combination of asset groups including goodwill is calculated by the present value of the expected future cash flow. The expected cash flows are based on the cash flow forecast for the five-year detailed forecast period approved by the Company. The discount rate used in the cash flow forecast is 13.20%, which is basically approximate to the discount rates adopted by companies in the same industry.

Other key data used in the impairment test include software sales revenue, staff costs and other related expenses. The Company determines the above key data based on historical experience and market development forecast. The discount rate adopted by the Company is the pretax rate reflecting the time value of the current market currency and the specific risk of the relevant asset group.

The recoverable amount of the asset group or combination of asset groups including goodwill was tested to be higher than the carrying value and there was no impairment loss on goodwill.

(5). Effect of goodwill impairment test

Applicable Not Applicable

Other Description

Applicable Not Applicable

29. Long-term prepaid expense

Applicable Not Applicable

Item	Opening balance	Increase in the current period	Amortization in the current period	Unit: Yuan Currency: RMB	
				Other decreases	Closing balance
Renovation expense of leased fixed assets	1,257,776.43	5,869,368.44	985,211.96		6,141,932.91
Total	1,257,776.43	5,869,368.44	985,211.96		6,141,932.91

30. Deferred tax assets/deferred tax liabilities

(1). Deferred tax assets before offset

Applicable Not Applicable

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for asset impairment	303,253,005.93	31,244,398.95	265,075,656.77	26,992,920.46
Deferred income	29,722,089.63	2,972,208.96	38,094,994.90	3,809,499.49

Accrued expenses	47,901,048.45	4,819,560.66	55,298,353.65	5,588,772.82
Provision for liabilities	18,546,129.30	1,864,119.26	16,523,860.93	1,665,818.79
Share-based payments	128,263,526.86	13,401,587.35	123,794,153.23	12,487,113.82
Software development tax difference [Note 7]	1,360,555,030.05	136,055,503.00	1,122,853,556.52	112,285,355.65
Changes in fair value of held-for-trading financial assets	16,998,769.47	2,764,208.66	3,762,656.15	607,010.48
Total	1,905,239,599.69	193,121,586.84	1,625,403,232.15	163,436,491.51

[Note 7] The difference was due to the fact that the Company's software development projects were performance obligations to be performed at a certain time point in accordance with the new revenue standards. The revenue is recognized upon completion and acceptance of the projects, while the tax revenue is recognized in accordance with the progress of project development, so the difference is the difference in the amount of revenue under the two standards.

(2). Deferred tax liabilities before offset

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Changes in fair value of other debt investments	711,438.10	117,387.28	2,186,506.75	360,773.61
Changes in fair value of held-for-trading financial assets	457,481,062.44	45,779,740.75	678,407,174.31	67,840,717.44
Total	458,192,500.54	45,897,128.03	680,593,681.06	68,201,491.05

(3). Deferred tax assets or liabilities presented in the net amount after offset

Applicable Not Applicable

(4). Breakdown of unrecognized deferred tax assets

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	350,283,264.37	269,295,856.20
Deductible losses	1,156,586,952.80	735,174,456.32
Total	1,506,870,217.17	1,004,470,312.52

(5). Deductible losses of unrecognized deferred income tax assets due in the following year

Applicable Not Applicable

Other notes:

Applicable Not Applicable

31. Other non-current assets

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
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	Book balance	Impairment provision	Carrying value	Book balance	Impairment provision	Carrying value
Prepayment for acquisition				112,816,169.61		112,816,169.61
Total				112,816,169.61		112,816,169.61

32. Short-term borrowings**(1). Classification of short-term borrowings**

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Mortgage loans		27,165,529.39
Loans in credit	54,993,749.99	150,862,784.72
Total	54,993,749.99	178,028,314.11

(2). Short-term loans overdue and outstanding

Applicable Not Applicable

The short-term loans overdue and outstanding are as follows:

Applicable Not Applicable

Other Description

Applicable Not Applicable

33. Trading financial liabilities

Applicable Not Applicable

34. Derivative financial liabilities

Applicable Not Applicable

35. Notes payable**(1). Breakdown of bills payable**

Applicable Not Applicable

36. Accounts payable**(1). Breakdown of accounts payable**

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cost and expense payments	142,923,685.69	169,917,406.73
Accounts payable for long-term asset acquisition	413,462,369.15	333,841,308.45
Total	556,386,054.84	503,758,715.18

(2). Significant accounts payable with the aging over one year

Applicable Not Applicable

Other Description

Applicable Not Applicable

37. Advances from customers**(1). Breakdown of advances from customers**√Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Advances from house leases	3,982,203.88	2,283,715.48
Total	3,982,203.88	2,283,715.48

(2). Significant advances from customers with the aging over one yearApplicable Not Applicable

Other Description

Applicable Not Applicable**38. Contract liabilities****(1). Contract liabilities**√Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Payments for software sales and services	3,022,756,428.02	3,203,414,609.69
Total	3,022,756,428.02	3,203,414,609.69

(2). Amount and reasons for significant changes in carrying value during the Reporting PeriodApplicable Not Applicable

Other notes:

Applicable Not Applicable**39. Employee compensation payable****(1). Breakdown of employee remuneration payable**√Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term compensation	740,254,891.14	4,138,586,164.22	4,059,509,651.24	819,331,404.12
II. Post-employment benefits-defined contribution plans	5,637,458.13	129,591,011.17	122,294,607.15	12,933,862.15
III. Termination benefits		20,759,340.29	20,517,129.21	242,211.08
IV. Share-based payment	29,104,152.44	15,541,197.66	5,376,057.64	39,269,292.46
V. Others		2,163,058.90	2,139,598.90	23,460.00
Total	774,996,501.71	4,306,640,772.24	4,209,837,044.14	871,800,229.81

(2). Breakdown of short-term compensation√Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
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I. Wages, bonuses, allowances and subsidies	608,773,623.14	3,716,427,581.04	3,629,604,385.73	695,596,818.45
II. Employee benefits		39,942,791.41	39,054,465.84	888,325.57
III. Social insurance premiums	3,886,594.68	85,021,292.32	88,222,104.46	685,782.54
Including: Medical insurance	3,806,105.72	82,418,109.79	85,550,115.43	674,100.08
Work-related injury insurance	79,880.00	2,071,718.84	2,140,453.30	11,145.54
Maternity insurance	608.96	531,463.69	531,535.73	536.92
IV. Housing provident fund	451,174.78	283,496,137.47	283,760,046.29	187,265.96
V. Trade union funds and staff education funds	127,143,498.54	13,698,361.98	18,868,648.92	121,973,211.60
Total	740,254,891.14	4,138,586,164.22	4,059,509,651.24	819,331,404.12

(3). Details of defined contribution plan

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Basic endowment insurance	5,445,789.58	125,305,853.58	117,841,509.16	12,910,134.00
2. Unemployment insurance	191,668.55	4,285,157.59	4,453,097.99	23,728.15
Total	5,637,458.13	129,591,011.17	122,294,607.15	12,933,862.15

Other notes:

□Applicable √Not Applicable

40. Taxes payable

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Value-added tax (VAT)	152,209,743.81	119,462,002.58
Enterprise income tax	33,158,279.80	26,806,846.66
Individual income tax	25,274,877.21	18,287,729.35
Urban maintenance and construction tax	6,844,625.74	15,514,925.91
Educational surcharge	2,950,763.38	6,666,440.13
Property tax	10,299,565.29	2,634,194.57
Land use tax	968,527.77	1,192,807.59
Local educational surcharges	1,919,710.24	4,396,774.09
Stamp duty	1,416,520.83	1,098,117.24
Disabled security fund	3,044.75	3,044.75
Local water conservancy fund	6,185.74	2,059.54
Land appreciation tax	203,998.00	
Withholding income tax	79,475.72	
Total	235,335,318.28	196,064,942.41

41. Other payables**Items**√Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Other payables	177,670,629.68	170,804,176.79
Total	177,670,629.68	170,804,176.79

Other notes:

Applicable Not Applicable**Interests payable****(1). Details of classification**Applicable Not Applicable**Dividends payable****(1). Details of classification**Applicable Not Applicable**Other payables****(1). Other accounts payable by nature of payment**√Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Temporary receipts payable	41,509,991.24	21,204,885.84
Deposits and construction quality guarantee deposit	26,872,402.97	41,226,333.93
Outstanding operating expenses settled	50,887,052.42	41,592,644.51
Equity transfer payable [Note 8]	53,437,521.87	60,751,425.87
Others	4,963,661.18	6,028,886.64
Total	177,670,629.68	170,804,176.79

[Note 8] RMB4,875,937.00 represents the outstanding equity transfer from the original shareholders of BusinessMatrix, RMB41,461,706.00 represents the payment for equity acquisition that has not met the delivery conditions, and the remaining RMB7,099,878.87 represents the outstanding equity transfer from the employees of the shareholding platform. The outstanding amount of equity transfer from the employees of the shareholding platform of RMB7,099,878.87 is detailed in Note XIV. 2 (1) to the financial statements.

(2). Other significant accounts payable with the aging over one yearApplicable Not Applicable

Other notes:

Applicable Not Applicable**42. Held-for-sale liabilities**Applicable Not Applicable**43. Current portion of non-current liabilities**√Applicable Not Applicable

Item	Unit: Yuan Currency: RMB	
	Closing balance	Opening balance
Current portion of long-term borrowings		145,804,947.56
Current portion of lease liabilities	17,061,706.54	8,691,667.05
Total	17,061,706.54	154,496,614.61

44. Other current liabilities

Other current liabilities

Applicable Not Applicable

Item	Unit: Yuan Currency: RMB	
	Closing balance	Opening balance
Withholding of land appreciation tax	305,258,151.46	305,258,151.46
Total	305,258,151.46	305,258,151.46

Changes in short-term bonds payable:

Applicable Not Applicable

Other notes:

Applicable Not Applicable**45. Long-term borrowings****(1). Classification of long-term borrowings**Applicable Not Applicable

Item	Unit: Yuan Currency: RMB	
	Closing balance	Opening balance
Mortgage loans	113,216,619.89	77,523,804.59
Guaranteed loan	2,617,900.00	2,770,750.00
Loans in credit		148,159,511.11
Total	115,834,519.89	228,454,065.70

Other notes, including the interest rate collar:

Applicable Not Applicable**46. Bonds payable****(1). Bonds payable**Applicable Not Applicable**(2). Changes in bonds payable: (excluding preference shares, perpetual bonds and other financial instruments classified as financial liabilities)**Applicable Not Applicable**(3). Conditions and timing of conversion for convertible bonds**Applicable Not Applicable**(4). Other financial instruments classified as financial liabilities**

Basic information on preferred shares, perpetual bonds and other financial instruments outstanding at the end of the period

Applicable Not Applicable

Changes in preferred shares, perpetual bonds and other financial instruments outstanding at the end of period

Applicable Not Applicable

Basis for classifying other financial instruments as financial liabilities:

Applicable Not Applicable

Other notes:

Applicable Not Applicable

47. Lease liabilities

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Outstanding lease payments	38,225,299.40	24,699,694.62
Unrecognized financing charges	-3,240,771.96	-1,401,490.57
Total	34,984,527.44	23,298,204.05

48. Long-term payables

Items

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term payables	38,189,757.11	
Total	38,189,757.11	

Other notes:

Applicable Not Applicable

Long-term payables

(1). Long-term accounts payable by nature

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Accounts payable for long-term asset acquisition	5,216,994.87	
Repurchase obligation [Note 9]	32,972,762.24	

[Note 9] For details, please refer to Note VII (56) to the financial statements.

Specific accounts payable

(1). Specific accounts payable by nature

Applicable Not Applicable

49. Long-term employee benefits payable

Applicable Not Applicable

50. Provision for liabilities

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Reason
Product quality assurance	15,685,038.46	18,364,532.49	It is due to the provision of software maintenance expense at 0.5% of software revenue (measured based on actual historical data) in accordance with the terms of the software sales contract signed between the Company and the customer regarding the commitment of free maintenance.
Recovery fee	1,631,737.31	1,841,737.31	
Total	17,316,775.77	20,206,269.80	/

51. Deferred income

Deferred income

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Reason
Government grants	38,210,906.29	5,954,367.84	14,404,864.95	29,760,409.18	
Total	38,210,906.29	5,954,367.84	14,404,864.95	29,760,409.18	/

Items related to government grants:

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Liability item	Opening balance	Increase in grants for the period	Amount charged to other income for the period	Other changes	Closing balance	Asset-related / Revenue-related
Research institute development project of provincial key enterprise	10,000,000.00		8,992,842.53		1,007,157.47	Asset-related
Software development and industrialization project of tool set based on financial industry information knowledge base	187,516.08		187,516.08			Asset-related
Financial cloud computing service platform and financial big data support platform development and application project	407,013.02		291,744.19		115,268.83	Asset-related
Financial big data infrastructure project	840,166.55		567,762.61		272,403.94	Asset-related

Hundsun Cloud Production Base	16,710,000.00	5,954,367.84	566,609.20		22,097,758.64	Asset-related
Crossover service design methods and key technologies	700,000.00		368,890.80		331,109.20	Asset-related
Crossover service integration methods and support carriers	670,000.00		343,577.59		326,422.41	Asset-related
Major big data-based intelligent investment advisory service platform	741,065.53		434,145.16		306,920.37	Asset-related
Intelligent service adaptation theory and key technologies	700,000.00				700,000.00	Asset-related
Full process supply chain and enterprise service platform development and application project	2,780,000.00		1,376,334.51		1,403,665.49	Asset-related
Innovation and application projects of key information infrastructure in securities industry	4,359,233.72		1,197,850.44		3,161,383.28	Asset-related
Support the construction of Lujiazui internet emerging financial gathering platform - Lujiazui hedge fund quantitative algorithmic trading service platform project	115,911.39		77,591.84		38,319.55	Asset-related
Total	38,210,906.29	5,954,367.84	14,404,864.95		29,760,409.18	

Other notes:

Applicable Not Applicable

52. Other non-current liabilities

Applicable Not Applicable

53. Share capital

Applicable Not Applicable

Unit: Yuan Currency: RMB

	Opening balance	Increase (+)/decrease (-) for the period					Closing balance
		Issuance of new shares	Bonus shares	Conversion of the reserve funds into shares	Others	Sub-total	
Total shares	1,461,560,480.00		438,445,962.00			438,445,962.00	1,900,006,442.00

Other notes:

According to the profit distribution plan adopted at the Company's 2021 annual general meeting on June 24, 2022, the Company intends to distribute a cash dividend of RMB1.00 (including tax) for every 10 shares and 3 bonus shares for every 10 shares to all shareholders based on the shares outstanding registered on the date of registration of the implementation of the equity distribution less the number of shares in the special securities repurchase account of the Company. As of August 18, 2022, the Company distributed a cash dividend of RMB1.00 (including tax) for every 10 shares and 3 bonus shares for every 10 shares to all shareholders based on the shares outstanding registered on the date (August 17, 2022) of registration of the implementation of the equity distribution less the number of shares in the special securities repurchase account of the Company, with a total cash dividend of RMB146,156,048.00 (including tax) and 438,445,962 bonus shares distributed. The above transfer was audited by Pan-China Certified Public Accountants LLP, which issued the Capital Verification Report (TJY [2022] No. 440).

54. Other equity instruments

(1). Basic information on preferred shares, perpetual bonds and other financial instruments outstanding at the end of the period

Applicable Not Applicable

(2). Changes in preferred shares, perpetual bonds and other financial instruments outstanding at the end of period

Applicable Not Applicable

Changes in other equity instruments during the period, the reasons for the changes, and the basis for the related accounting:

Applicable Not Applicable

Other notes:

Applicable Not Applicable

55. Capital reserve

Applicable Not Applicable

Item	Opening balance	Unit: Yuan		Closing balance
		Increase in the current period	Decrease in the current period	
Capital premium (share premium)		131,425,939.20		131,425,939.20
Other capital reserves	272,730,547.65	229,445,323.38	191,304,153.18	310,871,717.85
Total	272,730,547.65	360,871,262.58	191,304,153.18	442,297,657.05

Other notes, including changes in the current period and reasons for the changes:

Increase for the period:

(1) Share-based payment:

According to the Investment and Management Measures of Hundsun's Key Employees Subscribing Shares of Hundsun's Innovative Business Subsidiaries adopted through deliberation at the Company's 21st meeting of the Fifth Session of the Board on February 12, 2015, the Company granted the corresponding equity interests in the subsidiary to the key employees of its subsidiaries Shanghai Gildata, Hundsun iBontal and Hundsun Ayers. The above equity-settled share-based payment amounted to

RMB4,531,478.65 calculated in proportion to the Company's shareholding, increasing the capital reserve-other capital reserve.

According to the *Proposal on the 2020 Employee Stock Ownership Scheme (Draft) of Hundsun Technologies Inc. and Its Summary*, the *Proposal on the Management Measures for 2020 Employee Stock Ownership Scheme of Hundsun Technologies Inc.*, the *Proposal on the 2022 Employee Stock Ownership Scheme (Draft) of Hundsun Technologies Inc. and Its Summary*, the *Proposal on the Management Measures for 2022 Employee Stock Ownership Scheme of Hundsun Technologies Inc.*, the *Proposal on the 2022 Stock Option Incentive Plan (Draft) of Hundsun Technologies Inc. and Its Summary*, and the *Proposal on the Management Measures for Performance Evaluation under the 2022 Stock Option Incentive Plan of Hundsun Technologies Inc.* adopted by the Company through deliberation, the above equity-settled share-based payment amounted to RMB152,724,167.14 calculated in proportion to the Company's shareholding, increasing the capital reserve-other capital reserve.

On June 28, 2022, the performance evaluation indicators under the 2020 Employee Stock Ownership Scheme met the conditions for releasing the first restricted shares from restrictions, and the corresponding incentive cost of RMB131,425,939.20 was carried forward to share premium under capital reserve-share premium.

(2) The Company's share of other changes in owners' equity arising from associates other than net profit or loss and profit distribution amounted to RMB20,203,417.71 calculated in proportion to the Company's shareholding, increasing capital reserve - other capital reserve.

3) The Company's share of other changes held by Company's shareholding platform in the ownership interests of subsidiaries within the scope of the Company's consolidation for the period other than net profit or loss and profit distribution amounted to RMB22,202,726.28 in the consolidated statements of income through cross-shareholding in subsidiaries, increasing capital reserve - other capital reserve.

(4) The difference of RMB29,783,533.60 between the purchase cost/disposal consideration and the share of net assets of subsidiaries based on the percentage of shares acquired/disposed due to additional capital contribution, additional investment and purchase of minority interests by external investors of Cloudwing Network, Shanghai Gildata, Hundsun iBontal, Hangzhou Business Intelligence and Shanghai Genus was added to other capital reserve under capital reserve.

Decrease for the period:

(1) Other decrease in capital reserve of RMB53,874,000.00 is described in Note VII. 56 to the financial statements.

(2) The reason for a decrease of RMB6,004,213.98 in others under capital reserve was that other changes in owners' equity originally recognized other than net profit and loss and profit distribution were carried forward to profit and loss when the joint venture was disposed of.

(3) The reason for a decrease of RMB131,425,939.20 in others under capital reserve was that the performance appraisal indicators under the 2020 Employee Stock Ownership Scheme met the conditions for releasing the first restricted shares from restrictions, and the corresponding incentive cost of RMB131,425,939.20 was carried forward to share premium under capital reserve-stock premium.

56. Treasury shares

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Share repurchase	39,676,146.96	97,796,922.69	89,187,750.00	48,285,319.65
Repurchase obligation		31,578,947.00		31,578,947.00
Total	39,676,146.96	129,375,869.69	89,187,750.00	79,864,266.65

Other notes, including changes in the current period and reasons for the changes:

(1) Changes in share repurchase during the Reporting Period:

According to the Company's Employee Stock Ownership Scheme, the Company proposed to repurchase some shares of the public with its own funds through call auction trading for its Employee Stock Ownership Scheme. During the Reporting Period, the Company paid RMB97,796,922.69 for the repurchase of 2,497,957 shares and transferred 1,642,500 repurchased shares other than through trading at a transfer price of RMB21.50 per share to the account under the Employee Stock Ownership Scheme according to grant arrangements under the Employee Stock Ownership Scheme. The Company received a total of RMB35,313,750.00 in share subscription payment from the participants under the Stock Option Incentive Plan, carried forward treasury shares of RMB89,187,750.00 at the average repurchase price before the date of grant, and accordingly decreased other capital reserve under capital reserve by RMB53,874,000.00. As of December 31, 2022, the Company retained 1,271,897 shares in its special securities repurchase account.

(2) Changes in repurchase obligations during the Reporting Period:

According to the *Shareholder Agreement* signed by and between Hundsun iBontal, a subsidiary of the Company, as one party, and Trust Mutual Life Insurance Company, Lingshui (Shanghai) Science and Technology Center (L.P.) and Ningbo High-tech Zone Yunhan Equity Investment Management Partnership (L.P.) as the other party, Hundsun iBontal is not allowed to unconditionally avoid its contractual obligation to repurchase its own equity instruments in cash. Therefore, the additional capital contribution received during the Reporting Period was recognized as treasury shares of RMB31,578,947.00, resulting in an increase of RMB 32,972,762.24 in long-term accounts payable.

57. Other comprehensive income

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Amount incurred in the current period						Closing balance
		Amount incurred before income tax in the current period	Less: Amount included in other comprehensive income in the previous period and transferred to profit and loss in the current period	Less: Amount included in other comprehensive income in the previous period and transferred to retained income in the current period	Less: Income tax expenses	Attributable to the parent company - net of income tax	Attributable to the minority shareholders - net of income tax	
II. Other comprehensive income to be subsequently reclassified into profit or loss	-19,063,233.86	44,256,526.96				42,411,284.16	1,845,242.80	23,348,050.30
Including: Other comprehensive income to be reclassified into profit or loss by the equity method	1,248,972.79							1,248,972.79
Changes in fair value of other debt investments	1,775,888.01	-2,653,122.19				-2,558,936.35	-94,185.84	-783,048.34
Differences arising from translation of foreign currency financial statements	-22,088,094.66	46,909,649.15				44,970,220.51	1,939,428.64	22,882,125.85

Total other comprehensive income	-19,063,233.86	44,256,526.96				42,411,284.16	1,845,242.80	23,348,050.30
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58. Special reserves

□Applicable √Not Applicable

59. Surplus reserves

√Applicable □Not Applicable

Item	Opening balance	Increase in the current period	Decrease in the current period	Unit: Yuan	Currency: RMB
				Closing balance	
Statutory surplus reserve	322,432,343.76	103,012,621.43			425,444,965.19
Total	322,432,343.76	103,012,621.43			425,444,965.19

Note on surplus reserves, including changes (increase or decrease) during the current period and reasons for such changes:

According to the Articles of Association of the Company, 10% of the Company's net profit for 2022 in the amount of RMB103,012,621.43 was contributed to the statutory surplus reserve.

60. Undistributed profits

√Applicable □Not Applicable

Item	Current period	Previous period	Unit: Yuan	Currency: RMB
Undistributed profits at the end of the previous period before adjustment	3,697,047,060.46	2,893,625,565.93		
Total amount of undistributed profits at the beginning of the period (adjustment +/-)		-291,827.99		
Undistributed profits at the beginning of the period after adjustment	3,697,047,060.46	2,893,333,737.94		
Add: Net profit attributable to owners of the parent company in the current period	1,091,088,379.58	1,463,538,930.14		
Less: Withdrawal of statutory surplus reserve	103,012,621.43	137,988,450.22		
Ordinary share dividends payable	146,148,654.00	104,367,431.40		
Ordinary shares dividends transferred to share capital	438,445,962.00	417,469,726.00		
Undistributed profits at the end of the period	4,100,528,202.61	3,697,047,060.46		

According to the Profit Distribution Plan for 2021 adopted at the 2021 Annual Shareholders' General Meeting, RMB146,148,654.00 were distributed as cash dividends based on a cash dividend of RMB1 (tax included) per 10 shares; at the same time, RMB438,445,962.00 were distributed as share dividends based on a share dividend of 3 bonus shares per 10 shares.

61. Revenue and cost of sales**(1). Revenue and cost of sales**

√Applicable □Not Applicable

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost

Main business	6,497,599,111.75	1,718,134,107.00	5,492,012,267.44	1,484,074,041.27
Other businesses	4,788,031.74	815,476.55	4,566,357.44	528,445.39
Total	6,502,387,143.49	1,718,949,583.55	5,496,578,624.88	1,484,602,486.66

(2). Revenue from contracts

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Classification of contract	Segment	Total
By type of product		
Software	6,483,879,967.45	6,483,879,967.45
Property management of science park	14,485,080.83	14,485,080.83
By operating regions		
Domestic	6,262,390,294.73	6,262,390,294.73
Overseas	235,974,753.55	235,974,753.55
By time of transfer of goods		
Revenue recognized at a certain time point	4,395,914,634.97	4,395,914,634.97
Revenue recognized within a certain period of time	2,102,450,413.31	2,102,450,413.31
Total	6,498,365,048.28	6,498,365,048.28

Breakdown of revenue from contracts:

□Applicable √Not Applicable

(3). Contract performance obligations

√Applicable □Not Applicable

The Company's revenue mainly comes from sales of self-made and customized software, software services, and outsourced goods, as well as property management in the science park. Sales of self-made and customized software and outsourced goods are performance obligations to be performed at a certain time point, and the revenue shall be recognized when the products are delivered to the customer and the customer obtains control of the products. Software services and property management in the science park are performance obligations to be performed within a certain time period and the revenue shall be recognized in accordance with the performance progress.

(4). Apportionment to remaining performance obligations

□Applicable √Not Applicable

Other notes:

The revenue recognized in the opening carrying value of contract liabilities during the current period was RMB2,110,624,968.08.

62. Taxes and surcharges

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Urban maintenance and construction tax	34,308,687.68	28,527,494.06
Educational surcharge	14,703,928.67	12,182,314.06
Local educational surcharges	9,829,645.30	8,121,542.84
Property tax	11,490,274.30	5,452,932.31
Consumption tax in Japan	1,668,505.59	1,628,529.47
Stamp duty	2,874,136.68	3,720,809.02
Land use tax	153,965.07	729,325.55

Land appreciation tax	285,044.12	4,571.47
Vehicle and vessel tax	23,580.00	25,870.00
Total	75,337,767.41	60,393,388.78

63. Selling and distribution expenses√Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	503,694,532.72	444,391,580.88
Share-based payment	22,680,517.53	19,704,377.96
Travel expenses	27,990,595.30	34,511,742.58
Consulting fee for special items	37,760,439.08	30,657,327.35
Marketing and promotion expenses	10,600,589.76	14,775,781.58
Communication expenses	4,184,153.61	897,106.94
Office expenses	3,899,312.37	6,785,409.66
Depreciation and amortization	2,797,031.35	2,133,005.47
Vehicle expenses	2,417,410.06	3,021,727.32
Others	1,068,243.63	1,056,907.69
Total	617,092,825.41	557,934,967.43

64. General and administrative expenses√Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	441,785,911.91	324,789,305.66
Share-based payment	57,263,965.59	28,633,427.21
Office expenses	67,061,050.04	75,040,330.93
Business expenses	85,587,925.01	91,028,682.21
Depreciation and amortization	133,072,033.23	72,829,790.22
Consulting fee for special items	42,273,679.89	48,770,432.11
Communication expenses	7,627,250.62	7,740,488.59
Intermediary fees	9,039,945.57	8,593,720.23
Travel expenses	8,514,498.34	8,847,865.25
Vehicle expenses	9,664,659.03	8,533,686.99
Taxes and dues	7,999,662.29	6,314,399.80
Others	335,639.63	331,338.37
Total	870,226,221.15	681,453,467.57

65. R&D expenses√Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	2,063,062,040.12	1,774,143,884.49
Share-based payment	63,895,985.95	51,150,543.46
Technology development costs	98,270,811.25	125,425,990.49
Travel expenses	40,023,539.62	61,614,651.88
Communication expenses	37,369,365.08	84,448,221.60

Depreciation and amortization	34,231,563.96	28,998,005.21
Vehicle expenses	4,173,036.39	4,615,782.70
Office expenses	3,992,855.58	7,839,989.02
Intermediary fees	1,178,124.90	725,072.46
Business expenses	83,650.37	334,224.76
Total	2,346,280,973.22	2,139,296,366.07

66. Finance costs

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expenses	20,893,866.14	10,507,675.01
Interest income	-27,850,713.32	-17,150,371.61
Net foreign exchange gain or loss	21,836,546.38	4,365,039.81
Others	1,015,048.55	1,371,611.45
Total	15,894,747.75	-906,045.34

67. Other income

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Asset-related government grants	14,404,864.95	8,818,442.18
Revenue-related government grants	271,589,437.42	275,629,010.51
Refund of handling charges for withholding individual income tax	713,020.17	3,623,437.38
VAT additional deduction	2,281,859.05	1,809,379.23
Total	288,989,181.59	289,880,269.30

68. Investment income

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from long-term equity investments calculated by the equity method	116,485,385.92	91,328,055.87
Investment income from the disposal of long-term equity investments	7,847,626.66	39,045,988.68
Investment income from holding held-for-trading financial assets	86,592,632.36	71,473,085.31
Investment income from holding other debt investments	2,177,172.62	2,963,365.04
Investment income from disposal of held-for-trading financial assets	39,779,935.70	71,330,011.84
Investment income from disposal of other debt investments	-45,249.13	-303,236.95
Investment income during the holding period of fixed certificates of deposit	5,700,000.00	
Total	258,537,504.13	275,837,269.79

69. Gain from Net Exposure to Hedging

□Applicable √Not Applicable

70. Gain from changes in fair value

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Source of gain from changes in fair value	Amount incurred in the current period	Amount incurred in the previous period
Held-for-trading financial assets	-157,729,782.94	418,521,750.89
Gain from changes in fair value of cash-settled share-based payment liabilities	-8,011,316.29	-4,120,593.87
Total	-165,741,099.23	414,401,157.02

71. Credit impairment losses

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Loss on bad debts of accounts receivable	-56,982,067.63	-31,125,551.48
Loss on bad debts of other receivables	1,825,637.46	164,292.85
Total	-55,156,430.17	-30,961,258.63

72. Asset impairment losses

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
II. Loss on diminution in value of inventories and impairment loss on contract performance cost	-15,920,374.09	-3,738,572.25
III. Impairment loss on long-term equity investments		-7,620,000.00
X. Impairment loss on intangible assets	-2,813,188.58	
XI. Impairment loss on goodwill	-38,476,898.79	
XIII. Impairment loss on contract assets	-1,541,674.22	-500,267.36
Total	-58,752,135.68	-11,858,839.61

73. Gain from disposal of assets

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Gain from disposal of fixed assets	-2,524,536.28	-552,528.07

Revenue from disposal of right-to-use assets	14,053.77	
Total	-2,510,482.51	-552,528.07

74. Non-operating income

Non-operating income

√Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount charged to non-recurring profit or loss
Gains from destruction and retirement of non-current assets	14,418.39	82,710.62	14,418.39
Waiver of accounts payable	8,216.00	93,751.00	8,216.00
Income from compensation and penalty	569,755.39	332,526.79	569,755.39
Others	1,917,024.04	1,982,498.85	1,917,024.04
Total	2,509,413.82	2,491,487.26	2,509,413.82

Government grants charged to the current profit or loss

Applicable Not Applicable

Other notes:

Applicable Not Applicable**75. Non-operating expenses**√Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount charged to non-recurring profit or loss
Donation	1,171,177.66	2,425,000.00	1,171,177.66
Loss of retirement of non-current assets	25,011.47	140,120.31	25,011.47
Compensation and penalty	2,261.39	79,653.38	2,261.39
Indemnities	520,206.00	75,424.13	520,206.00
Local water conservancy fund	3,851.33	2,439.61	3,851.33
Others	182,330.49	596,297.71	182,330.49
Total	1,904,838.34	3,318,935.14	1,904,838.34

76. Income tax expenses**(1). Income tax expenses**√Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Current income tax expenses	55,908,242.53	85,888,485.20

Deferred income tax expenses	-51,151,901.07	-66,294,554.57
Total	4,756,341.46	19,593,930.63

(2). Process of adjusting accounting profit and income tax expense

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	
Total profit	1,124,576,138.61	
Income tax expenses based on statutory/applicable tax rate	112,457,613.86	
Effect of different tax rates applicable to subsidiaries	3,999,776.83	
Effect from adjustment of income tax in the previous period	9,784,986.65	
Effects of non-taxable income	-15,145,736.73	
Effect of cost, expense and loss nondeductible	8,663,722.96	
Effect of deductible loss of deferred income tax assets unrecognized in the previous period	-7,274,220.35	
Effect of deductible temporary difference or deductible loss arising from deferred income tax assets unrecognized during the period	68,711,875.29	
Effect of weighted deduction on R&D expenses and salaries of disabled employees	-176,441,677.05	
Income tax expenses	4,756,341.46	

Other notes:

□Applicable √Not Applicable

77. Other comprehensive income

√Applicable □Not Applicable

See notes for details

78. Items in the statement of cash flows**(1). Cash received from other operating activities**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Temporary receipts payable	23,504,673.35	1,310,239.45
Security deposit received	32,338,083.02	49,245,279.78
Government grants	43,277,716.76	39,325,041.86
Guarantee deposit received	635,500.00	2,508,515.00
Cash received from rental properties	3,570,225.79	3,836,914.23
Interest income	27,402,656.43	17,096,437.51
Others	11,776,886.54	7,755,362.72
Total	142,505,741.89	121,077,790.55

(2). Cash paid for other operating activities

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Administration expenses paid by cash	268,856,650.10	235,290,504.46
R&D expenses paid by cash	205,753,353.70	309,100,150.16
Selling expenses paid by cash	121,035,073.65	99,380,929.65
Security deposit paid	54,575,890.17	50,448,072.97
Temporary receipts payable	2,227,803.40	3,704,922.27
Guarantee deposit paid	1,987,145.00	2,163,955.00
Others	8,714,916.52	9,420,868.52
Total	663,150,832.54	709,509,403.03

(3). Cash received from other investing activities

□Applicable √Not Applicable

(4). Cash paid for other investing activities

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Payment for acquisition of Summit business	164,207,584.96	
Net cash outflow from disposal of subsidiaries	880,532.51	
Total	165,088,117.47	

(5). Cash received from other financing activities

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Contributions received under the Employee Stock Ownership Scheme	35,313,750.00	361,621,876.00
Total	35,313,750.00	361,621,876.00

(6). Cash paid for other financing activities

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Share repurchase	97,796,922.69	682,624,959.25
Payment by subsidiaries to minority interests for capital contribution	1,508,857.98	63,504,870.16
Acquisition of minority interests	43,620,668.30	19,366,414.00
Payment for lease of right-to-use assets	16,501,795.24	11,485,781.92
Handling charge for financing	236,958.32	
Total	159,665,202.53	776,982,025.33

79. Supplementary information of the cash flow statement**(1). Supplementary information of the cash flow statement**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Supplementary information	Amount for the current period	Amount in the previous period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	1,119,819,797.15	1,490,128,685.00
Add: Asset impairment provision	58,752,135.68	11,858,839.61
Credit impairment losses	55,156,430.17	30,961,258.63
Depreciation of fixed assets, oil and gas assets and productive biological assets	115,387,234.21	71,444,261.19
Amortization of right-of-use assets	17,593,002.69	12,627,203.76
Amortization of intangible assets	47,228,100.47	27,995,252.05
Amortization of long-term prepaid expenses	985,211.96	2,723,406.19
Losses on the disposal of fixed assets, intangible assets and other long-term assets (gain denoted by "-")	2,510,482.51	552,528.07
Losses on write-off of fixed assets (gain denoted by "-")	10,078.08	57,409.69
Loss on changes in fair value (gain denoted by "-")	165,741,099.23	-414,401,157.02
Financial expenses (gain denoted by "-")	42,967,366.63	14,872,714.82
Investment losses (gain denoted by "-")	-258,537,504.13	-275,837,269.79
Decrease in deferred income tax assets (increase denoted by "-")	-29,685,095.33	-92,025,790.23
Increases in deferred income tax liabilities (decrease denoted by "-")	-22,327,369.98	25,731,235.65
Decrease in inventories (increase denoted by "-")	-90,318,579.97	-108,500,758.56
Decrease in operating receivables (increase denoted by "-")	-280,125,597.46	-211,237,984.73
Increase in operating items payable (decrease denoted by "-")	32,829,827.08	257,247,872.00
Others	160,206,160.97	112,591,599.81
Net cash flows from operating activities	1,138,192,779.96	956,789,306.14
2. Major investing and financing activities not involving cash receipts and payments:		
Transfer of debt into capital		
Current portion of convertible corporate bonds		
Fixed assets acquired under financial lease		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	2,661,311,965.36	1,723,434,091.60
Less: Opening balance of cash	1,723,434,091.60	1,370,028,554.66
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	937,877,873.76	353,405,536.94

[Note 10]: Others represent the amount of equity-settled share-based payments in exchange for employee services

(2). Net cash paid for acquisition of subsidiaries in the current period

□Applicable √Not Applicable

(3). Net cash received from the disposal of subsidiaries during the current period

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

	Amount
Cash and cash equivalents received in the current period from disposal of subsidiaries in the current period	
Including: Guangdong Institute of Finance	
Less: Cash and cash equivalents held by subsidiaries on the loss-control date	880,532.51
Including: Guangdong Institute of Finance	880,532.51
Add: cash or cash equivalents received in the current period from subsidiary disposal in the previous periods	
Net cash received from disposal of subsidiaries	-880,532.51

Other notes:

During the Reporting Period, the net cash received from the disposal of the subsidiary Guangdong Institute of Finance was negative and included in other cash payments related to investing activities.

(4). Composition of cash and cash equivalents

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Cash	2,661,311,965.36	1,723,434,091.60
Including: Cash on hand	310,575.66	365,020.30
Bank deposit available for payments at any time	2,595,414,991.80	1,707,660,259.64
Other cash and bank balances readily available for payment	65,586,397.90	15,408,811.66
II. Cash equivalents		
Including: Bond investment due within 3 months		
III. Ending balance of cash and cash equivalents	2,661,311,965.36	1,723,434,091.60
Including: Restricted cash and cash equivalents used by parent company or subsidiaries under the Group		

Other notes:

√Applicable □Not Applicable

The closing balance of cash and cash equivalents on the consolidated cash flow statement was RMB2,661,311,965.36 and the closing cash and bank balances on the balance sheet was RMB2,872,634,365.36. The difference was due to the deduction of the guarantee deposit of RMB5,622,400.00 and fixed certificates of deposit and interest of RMB205,700,000.00, which did not

meet the standard of cash and cash equivalents, from the closing balance of cash and cash equivalents on the cash flow statement.

The Item "opening balance of cash and cash equivalents" in the consolidated cash flow statement was RMB1,723,434,091.60 and the Item "opening cash and bank balances" in the balance sheet was RMB1,727,704,846.60. The difference was due to the deduction of the guarantee deposit of RMB4,270,755.00 not meeting the standard of cash and cash equivalents from the "closing balance of cash and cash equivalents" in the Company's cash flow statement.

80. Notes to items in the Statement of Retained Earnings

Explanation of the name of the Item "others" that adjusted the closing balance of the previous year and the amount of adjustment:

Applicable Not Applicable

81. Assets with restricted ownership or right-of-use

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Ending book value	Reason for restriction
Cash and bank balances	5,622,400.00	Guarantee deposit
Cash and bank balances	205,700,000.00	Time deposits to be held to maturity plus interest
Fixed assets	1,105,319,505.95	Pledged to secure bank borrowings
Intangible assets	71,127,264.43	Pledged to secure bank borrowings
Construction in progress	124,123,757.95	Pledged to secure bank borrowings
Total	1,511,892,928.33	/

82. Foreign currency monetary items

(1). Foreign currency monetary items

Applicable Not Applicable

Unit: Yuan

Item	Ending foreign currency balance	Conversion exchange rate	Ending balance of converted RMB
Cash and bank balances	-	-	
Including: USD	972,228.46	6.9646	6,771,182.33
JPY	1,035,448,275.84	0.0524	54,257,489.65
HKD	91,164,211.77	0.89327	81,434,255.45
SGD	377,894.75	5.1831	1,958,666.28
MYR	8,590,184.29	1.5772	13,548,095.05
Accounts receivable	-	-	
Including: USD	1,110,597.15	6.9646	7,734,864.91
JPY	67,326,234.92	0.0524	3,527,894.71
HKD	59,489,949.53	0.89327	53,140,587.22
Other receivables	-	-	
Including: JPY	64,991,005.15	0.0524	3,405,528.67
HKD	721,095.42	0.89327	644,132.91
Accounts payable			
Including: USD	22,275,000.00	6.9646	155,136,465.00
JPY	83,077,778.17	0.0524	4,353,275.58
HKD	800,727.66	0.89327	715,266.00

Other payables			
Including: JPY	642,051,098.28	0.0524	33,643,477.55
HKD	2,859,152.53	0.89327	2,553,995.18
Long-term borrowings	-	-	-
Including: HKD	90,546,559.77	0.89327	80,882,525.45
JPY	49,959,923.66	0.0524	2,617,900.00

(2). Information of overseas operating entities, in which main business location, recording currency and basis of selection shall be disclosed for significant overseas operating entities, and the reason shall be disclosed in case of changes in recording currency

Applicable Not Applicable

Company name	Principal place of business	Functional Currency	Basis of selection
Japan Hundsun	Tokyo, Japan	JPY	Common currency of the place of business
Hundsun International Technologies	Hong Kong	HKD	Common currency of the place of business
Hundsun Ayers	Hong Kong	HKD	Common currency of the place of business
Hundsun HK	Hong Kong	HKD	Common currency of the place of business
Ayers Technologies (Singapore)	Singapore	SGD	Common currency of the place of business
Intercontinental Holdings	Hong Kong	HKD	Common currency of the place of business
Hundsun U.S.	Delaware, USA	USD	Common currency of the place of business
Chain Next	Hong Kong	HKD	Common currency of the place of business
Hundsun International	British Virgin Islands	USD	Common currency of the place of business
Hundsun Holdings	Hong Kong	HKD	Common currency of the place of business
IHS Markit (Hong Kong)	Hong Kong	HKD	Common currency of the place of business
GenSys Technology	Hong Kong	HKD	Common currency of the place of business

83. Hedging

Applicable Not Applicable

84. Government grants

(1). Basic information of government grants

Applicable Not Applicable

Unit: Yuan Currency: RMB

Type	Amount	Item presented	Amount charged to the current profit or loss
Asset-related government grants	29,760,409.18	Deferred income	14,404,864.95
Revenue-related government	271,589,437.42	Other income	271,589,437.42

grants used to compensate the Company for related costs or losses incurred			
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(2). Refund of government grants

Applicable Not Applicable

85. Others

Applicable Not Applicable

VIII. Changes in the Scope of Consolidation**1. Business combination not under common control**

Applicable Not Applicable

(1). Business combinations not under common control in the current period

Applicable Not Applicable

Unit: Yuan Currency: RMB

Name of acquiree	Acquisition date	Acquisition cost	Shareholding percentage (%)	Acquisition method	Purchase date	Determination basis of purchase date	Income of the acquiree from the purchase date to the end of the period	Net profits of acquiree from the purchase date to the end of the period
Summit business [Note 11]	2022.4.11	414,152,613.00			2022.4.11	Acquisition of control	64,117,946.10	34,384,820.77

Other notes:

[Note 11] The purchase of Summit software-related business by Cloudwing Network constituted a business combination and was thus subject to the provisions of business combination not under common control.

(2). Consolidated cost and goodwill

Applicable Not Applicable

Unit: Yuan Currency: RMB

Consolidated cost	Summit business
--Cash	414,152,613.00
Total consolidated cost	414,152,613.00
Less: Fair value of net identifiable assets acquired	64,719,327.60
Amount of goodwill/consolidated cost less than the fair value of identifiable net assets acquired	349,433,285.40

Recognition method of the fair value of consolidated cost or contingent consideration and change thereof:

According to the Summit Agreement entered into between Cloudwing Network and Finastra International Limited (hereinafter referred to as Finastra) in November 2021, Cloudwing Network proposed to invest USD65 million to acquire the Summit software-related business owned by Finastra. The transaction price was determined based on the *Asset Group Valuation Program on the Summit Business Owned by Finastra International Limited to be Acquired by Hangzhou Cloudwing Network Technology Co., Ltd.* (KYPBZ [2021] No. 752) issued by Canwin Appraisal, with the base date of appraisal being September 30, 2021.

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

Applicable Not Applicable

(4). Gains or losses arising from the remeasurement at the fair value of shares held before the purchase date

Whether there are multiple transactions that realize business combination step by step and acquire control in the Reporting Period

Applicable Not Applicable

(5). Notes related to the inability to reasonably determine the merger consideration or the fair value of the acquiree's identifiable assets and liabilities on the purchase date or at the end of the period of the merger

Applicable Not Applicable

(6). Other Description

Applicable Not Applicable

2. Business combination under common control

Applicable Not Applicable

3. Counter purchase

Applicable Not Applicable

4. Disposal of subsidiaries

Is there any circumstance that the control is lost due to the disposal of subsidiaries in investment?

Applicable Not Applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Disposal price of equity	Disposal proportion of equity (%)	Share disposal method	Time point for loss of control	Basis for determining time point for loss of control	Difference between the consideration received and the corresponding proportion of the subsidiary's net assets in the consolidated financial statements	Proportion of remaining equity on the date of loss of control (%)	Carrying amount of remaining equity on the date of loss of control	Fair value of remaining equity on the date of loss of control	Profit or loss caused by recalculation of remaining equity according to fair value	Determining method and main assumptions of remaining equity fair value on the date of loss of control	Profit or loss on investment transferred from other comprehensive incomes in connection with equity investment of the original subsidiary
Guangdong Institute of Finance [Note 12]				2022.12.27	Transfer of control		60	475,637.29	475,637.29			

[Note 12] According to the resolution of the Board of Governors of Guangdong Institute of Finance on December 27, 2022, the Company will no longer appoint members of the Board of Governors.

Other notes:

Applicable Not Applicable

5. Changes in the scope of consolidation due to other reasons

Changes in the scope of consolidation due to other reasons (such as establishing new subsidiaries, liquidating subsidiaries) and related information:

Applicable Not Applicable

(1) Expanded scope of consolidation

Unit: Yuan Currency: RMB

Company name	Acquisition method	Acquisition date	Amount of contribution	Proportion of contribution
Hangzhou Hengshu	Established by investment	2022.5.30	1,000,000.00	100.00%
Digital Intelligence Qiyuan	Established by investment	2021.12.1	70,000,000.00	43.70%
Jiaocha Information	Established by investment	2022.5.7	3,600,000.00	70.00%
Beijing Hengying	Established by investment	2022.1.1	1,000,000.00	100.00%
Shanghai Cloudwing	Established by investment	2022.1.1	3,000,000.00	100.00%
Hangzhou Yihe	Established by investment	2022.1.1	964,000.00	60.10%

(2) Narrowed scope of consolidation

Unit: Yuan Currency: RMB

Company name	Share disposal method	Date of disposal	Net assets as of the disposal date	Net profit from the beginning of the period to the disposal date
Shanshang Network	Cancellation	2022.5.31	-17,227,855.04	-4,802.88

6. Others

Applicable Not Applicable

IX. Equity in Other Entities

1. Equity in subsidiaries

(1). Composition of the Group

√Applicable □Not Applicable

Name of subsidiary	Principal place of business	Place of registration	Nature of business	Shareholding proportion (%)		Acquisition method
				Direct	Indirect	
Cloud Investment	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Industrial investment	69.70		Establishment
Wuxi Henghua	Wuxi, Jiangsu	Wuxi, Jiangsu	Real estate	100.00		Establishment
Data Security	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Software	87.70		Establishment
Jinrui Software	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Software	100.00		Establishment
Beijing Qiantang	Beijing	Beijing	Software	94.00	6.00	Establishment
Shanghai Yirui	Shanghai	Shanghai	Management consulting	70.00		Establishment
Japan Hundsun	Tokyo, Japan	Tokyo, Japan	Software	48.95		Establishment
Hundsun International Technologies	Hong Kong	Hong Kong	Investment management	96.45	1.33	Business combination not under common control
Shanghai Liming	Shanghai	Shanghai	Software	100.00		Business combination not under common control
Shanghai Gildata	Shanghai	Shanghai	Software	59.10	5.86	Business combination not under common control
Hangzhou Yunhui	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Investment management	100.00		Establishment
Cloudwing Network	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Software	97.84	1.13	Establishment
Securities Investment Network	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Software	60.00	13.39	Establishment
Cloudyee Network	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Software	56.43	11.72	Establishment
Yunyong Network	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Software	60.00	13.12	Establishment
Cloudbroker Network	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Software	57.93	10.64	Establishment
Yunlian Network	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Software	60.00	23.57	Establishment
Wengine Network	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Software	70.00		Establishment
Hangzhou Yima	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Investment management	100.00		Establishment

Intercontinental Holdings	Hong Kong	Hong Kong	Investment management	100.00		Establishment
Hangzhou Xinglu	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Investment management	75.10		Establishment
Hangzhou Business Intelligence	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Software	78.17	4.94	Business combination not under common control
Shengtian Network	Shanghai	Shanghai	Software	100.00		Establishment
Zhigu Network	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Software	60.00	12.62	Establishment
Jingteng Network	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Software	59.21	12.12	Establishment
Wuxi Xinglu	Wuxi, Jiangsu	Wuxi, Jiangsu	Investment management	60.13		Establishment
IHS Markit	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Software	67.00		Establishment
Nanjing Xingcheng	Nanjing, Jiangsu	Nanjing, Jiangsu	Investment management	59.41	0.99	Establishment
Hundsun Holdings	Hong Kong	Hong Kong	Investment management	96.45	1.33	Establishment
BusinessMatrix	Guangzhou, Guangdong	Guangzhou, Guangdong	Software	85.00		Business combination not under common control
Shanghai Genus	Shanghai	Shanghai	Software	57.93	17.54	Business combination not under common control
Hundsun iBontal	Shenzhen, Guangdong	Shenzhen, Guangdong	Software	73.61	3.43	Business combination not under common control
Xunchang Wendao	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Software	70.00		Establishment
Nanjing Xingding	Nanjing, Jiangsu	Nanjing, Jiangsu	Investment management	58.33	2.09	Establishment
Hangzhou Hengshu	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Service industry	100		Establishment
Digital Intelligence Qiyuan	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Investment management	43.70		Establishment
Jiaocha Information	Nanjing, Jiangsu	Nanjing, Jiangsu	Software	70		Establishment

The basis for the Company's control over the investee when holding half or less of the voting rights and the Company's control over the investee when holding more than half of the voting rights:

The Company holding 48.95% of the shares of Japan Hundsun is the largest shareholder of this subsidiary. The Board of Japan Hundsun has three Directors, among which two are appointed by the

Company, thus the Company has substantial control over this subsidiary. Therefore, Japan Hundsun is incorporated into the scope of the consolidated financial statements

The Company has substantial control over Digital Intelligence Qiyuan by holding 43.70% of the partnership interests in Digital Intelligence Qiyuan and having its subsidiaries Hangzhou Yima and Hangzhou Yihe as the Fund Manager and the Executive Partner of Digital Intelligence Qiyuan respectively. Therefore, Digital Intelligence Qiyuan has been included in the scope of consolidated financial statements.

(2). Significant non-wholly owned subsidiaries

Applicable Not Applicable

Name of subsidiary	Shareholding percentage of minority shareholders	Profit or loss attributable to minority shareholders in the current period	Unit: Yuan Currency: RMB	
			Dividends declared to minority shareholders in the current period	Balance of minority interests at the end of the period
Cloud Investment	30.30%	2,155,392.79	3,030,000.00	59,262,846.08
Japan Hundsun	51.05%	-181,329.73	924,426.00	8,610,200.29
Cloudyee Network	31.85%	23,907,097.72	10,893,750.00	69,013,534.42
Cloudbroker Network	31.43%	1,300,824.03		12,814,181.13
Wengine Network	30.00%	17,305,244.79	9,000,000.00	40,951,858.48
Hangzhou Xinglu	24.90%	656,877.45		14,367,674.99
Jingteng Network	28.67%	52,981.35		18,478,355.52
Wuxi Xinglu	39.87%	-293,848.51		9,284,262.61
Shanghai Gildata	35.04%	-1,657,973.62		76,312,936.51
Hangzhou Business Intelligence	16.89%	515,896.08		7,239,777.85
Shanghai Genus	24.53%	2,012,365.09		17,916,661.29
IHS Markit	33.00%	-4,250,981.96		13,411,093.60
Nanjing Xingcheng	39.60%	-413,183.12		117,531,241.00
Cloudwing Network	1.03%	65,198.12		5,342,170.76
Hundsun Holdings	2.22%	1,232,922.08		15,050,310.44
Hundsun iBontal	22.96%	-2,276,140.27		17,506,500.38
Xunchang Wendao	30.00%	-6,808,591.78		4,010,028.07

Notes on the difference between the shareholding percentage of minority shareholders of subsidiaries and the voting rights ratio:

Applicable Not Applicable

Other notes:

Applicable Not Applicable

(3). Main financial information of significant non-wholly owned subsidiaries

√Applicable □Not Applicable

Unit: 10,000 yuan Currency: RMB

Name of subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Cloud Investment	40,384	13,841	54,225	32,183		32,183	40,695	13,755	54,450	32,302		32,302
Japan Hundsun	5,855	31	5,886	3,938	262	4,200	4,266	43	4,309	2,008	277	2,285
Cloudyee Network	29,772	463	30,235	8,570		8,570	23,177	386	23,563	7,155		7,155
Cloudbroker Network	7,235	228	7,463	3,228	1	3,229	7,289	389	7,678	4,003	1	4,004
Wengine Network	21,307	225	21,532	7,846	36	7,882	20,618	169	20,787	9,879	26	9,905
Hangzhou Xinglu	106	9,811	9,917	4,146		4,146	122	10,438	10,560	4,146		4,146
Jingteng Network	8,680	2,933	11,613	5,108	58	5,166	8,571	3,356	11,927	5,765	31	5,796
Wuxi Xinglu	77	2,252	2,329				77	2,325	2,402			
Shanghai Gildata	37,354	8,529	45,883	18,498	1,855	20,353	24,017	2,395	26,412	16,530	61	16,591
Hangzhou Business Intelligence	7,667	24	7,691	3,308	57	3,365	7,810	40	7,850	4,557	29	4,586
Shanghai Genus	9,387	2,532	11,919	3,990	17	4,007	6,631	2,723	9,354	2,625	12	2,637
IHS Markit	4,518	24	4,542	478		478	5,425	28	5,453	182		182
Nanjing Xingcheng	123	29,553	29,676				124	29,409	29,533			
Cloudwing Network	20,377	53,007	73,384	19,806	15	19,821	15,326	24,410	39,736	6,293	7	6,300

Hundsun Holdings	17,966	62,789	80,755	4,171	8,106	12,277	10,401	62,262	72,663	6,748	7,791	14,539
Hundsun iBontal	9,030	1,408	10,438	2,660	3,312	5,972	7,003	1,978	8,981	2,392	72	2,464
Xunchang Wendao	1,549	274	1,823	486		486	3,778	424	4,202	487	108	595

Unit: 10,000 yuan Currency: RMB

Name of subsidiary	Amount incurred in the current period				Amount incurred in the previous period			
	Revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Revenue	Net profit	Total comprehensive income	Cash flow from operating activities
Cloud Investment	1,327	868	868	448	1,655	851	851	-85
Japan Hundsun	4,936	-36	-36	1,936	5,189	-214	-214	-447
Cloudyee Network	19,511	7,505	7,505	8,712	14,207	6,005	6,005	5,440
Cloudbroker Network	6,276	414	414	-87	4,811	-236	-236	525
Wengine Network	13,242	5,768	5,768	3,512	9,243	5,266	5,266	3,872
Hangzhou Xinglu		264	264	-16		-423	-423	-2
Jingteng Network	11,164	18	18	-1,297	11,792	148	148	-765
Wuxi Xinglu		-74	-74			-348	-348	-2
Shanghai Gildata	33,944	-1,787	-1,787	-2,317	29,062	852	852	3,046
Hangzhou Business Intelligence	7,441	1,007	1,007	-620	7,463	65	65	-680
Shanghai Genus	6,774	808	808	1,989	5,159	484	484	338
IHS Markit	12	-1,288	-1,288	-899	21	-1,025	-1,025	-1,191
Nanjing Xingcheng		-104	-104			-951	-951	-300
Cloudwing Network	11,529	726	726	1,857	2,929	-1,144	-1,144	-1,278
Hundsun Holdings	18,806	5,551	5,551	6,447	17,160	5,428	5,428	5,586
Hundsun iBontal	12,041	-2,112	-2,112	-1,794	8,092	-3,393	-3,393	-1,664
Xunchang Wendao	504	-2,270	-2,270	-2,159	440	-1,394	-1,394	-1,118

(4). Substantial restriction on the usage of assets or the settlement of liabilities of the Group□Applicable Not Applicable**(5). Financial support or other support provided to structured entities within the scope of the consolidated financial statement**□Applicable Not Applicable

Other notes:

□Applicable Not Applicable**2. Transactions in which the owners' equity in a subsidiary has changed and the subsidiary is still under control**Applicable □Not Applicable**(1). Changes in the owners' equity in subsidiaries**Applicable □Not Applicable

Name of subsidiary	Date of change	Shareholding percentage before change	Shareholding percentage after change
Cloudwing Network	2022.1, 2022.4	96.56%	97.84%
Hangzhou Business Intelligence	2022.7	60.49%	78.17%
Hundsun iBontal	2022.9	91.16%	73.61%
Shanghai Gildata	2022.10, 2022.12	63.19%	59.10%
GenSys Technology	2022.1	34.76%	44.63%

[Note 13] All are direct shareholding percentages

(2). Effect of transactions on minority equity and owners' equity attributable to the parent company

□Applicable □Not Applicable

Unit: Yuan Currency: RMB

	Cloudwing Network	Hangzhou Business Intelligence	Hundsun iBontal	Shanghai Gildata	GenSys Technology
Acquisition cost/disposal consideration					
--Cash	194,000,000.00	43,620,668.31			3,272,960.00
-- Fair value of non-cash assets					
Total acquisition cost/disposal consideration	194,000,000.00	43,620,668.31			3,272,960.00
Less: Share of net assets of subsidiaries based on the percentage of shares acquired/disposed	193,740,512.11	4,514,070.94	14,987,089.67	54,986,344.68	2,449,144.51
Difference	259,487.89	39,106,597.37	-14,987,089.67	-54,986,344.68	823,815.49
Including: Adjustment to capital reserves	-259,487.89	-39,106,597.37	14,987,089.67	54,986,344.68	-823,815.49

Adjustment to surplus reserves					
Adjustment to undistributed profits					

Other Description

Applicable Not Applicable

3. Equity in joint ventures or associates

Applicable Not Applicable

(1). Significant joint ventures or associates

Applicable Not Applicable

Name of joint venture or associate	Principal place of business	Place of registration	Nature of business	Unit: Yuan		Accounting methods for the investment in joint ventures or associates
				Shareholding proportion (%)		
				Direct	Indirect	
Shenzhen Ricequant Technology Co., Ltd. (hereinafter referred to as Shenzhen Ricequant)	Shenzhen	Shenzhen	Software	17.25	4.38	Equity method
Ant (Hangzhou) Fund Sales Co., Ltd. (hereinafter referred to as Ant Fund)	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Finance	24.10		Equity method
Shenzhen Tradeblazer Technology Co., Ltd. (hereinafter referred to as Shenzhen Tradeblazer)	Shenzhen	Shenzhen	Software	28.02	6.99	Equity method
Hundsun Cloud Financing Network Technology Co., Ltd. (hereinafter referred to as Cloud Financing Network)	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Software	20.05	4.83	Equity method

(2). Main financial information of significant joint ventures

Applicable Not Applicable

(3). Main financial information of significant associates

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

	Closing balance / amount in the current period				Opening balance/ amount in the previous period			
	Shenzhen Ricequant	Ant Fund	Shenzhen Tradeblazer	Cloud Financing Network	Shenzhen Ricequant	Ant Fund	Shenzhen Tradeblazer	Cloud Financing Network
Current assets	15,600,030.22	12,164,473,586.58	137,853,803.92	152,006,017.35	14,911,118.64	10,750,923,413.25	147,521,500.53	106,082,067.43
Non-current assets	5,585,535.76	187,667,911.22	5,928,379.70	5,304,901.26	6,038,494.06	97,591,983.00	3,461,210.46	1,720,873.97
Total assets	21,185,565.98	12,352,141,497.80	143,782,183.62	157,310,918.61	20,949,612.70	10,848,515,396.25	150,982,710.99	107,802,941.40
Current liabilities	5,229,820.43	10,798,267,086.56	7,797,439.56	73,943,952.91	2,238,896.79	9,846,261,484.40	7,758,112.00	64,273,940.02
Non-current liabilities		3,629,869.20		3,384,886.18		1,442,220.19		336,275.73
Total liabilities	5,229,820.43	10,801,896,955.76	7,797,439.56	77,328,839.09	2,238,896.79	9,847,703,704.59	7,758,112.00	64,610,215.75
Minority interests			-8,375.99				-23,393.07	
Equity attributable to shareholders of the parent company	15,955,745.55	1,550,244,542.04	135,993,120.05	79,982,079.52	18,710,715.91	1,000,811,691.66	143,247,992.06	43,192,725.65
Shares of net assets at the shareholding percentage	3,451,412.24	373,564,903.78	47,611,152.28	19,895,280.54	4,047,344.18	241,167,192.12	50,151,063.08	11,500,352.55
Adjustments	61,835,817.56	15,339,388.62	37,002,476.34	13,325,305.49	61,835,817.56	15,339,388.62	37,002,476.34	12,487,431.15
--Goodwill	61,816,357.91		45,757,024.16	15,803,266.37	61,816,357.91		45,757,024.16	15,803,266.37
--Unrealized profit of internal transaction								
--Others	19,459.65	15,339,388.62	-8,754,547.82	-2,477,960.88	19,459.65	15,339,388.62	-8,754,547.82	-3,315,835.22
Impairment provision	47,651,170.76		41,325,091.00		47,651,170.76		41,325,091.00	
Carrying value of equity investments in associates	17,636,059.04	388,904,292.40	43,288,537.62	33,220,586.03	18,231,990.97	256,506,580.74	45,828,448.42	23,987,783.70

Fair value of equity investments in associates with a public offer								
Revenue	17,555,361.21	11,158,608,790.98	32,684,873.75	144,851,406.39	14,092,679.89	12,124,218,535.44	33,938,385.54	114,616,067.68
Net profit	-730,360.72	544,021,357.59	7,766,077.89	1,145,478.79	-8,631,748.25	503,863,782.59	17,328,596.23	-29,296,546.84
Net profit from discontinued operations								
Other comprehensive income								
Total comprehensive income	-730,360.72	544,021,357.59	7,766,077.89	1,145,478.79	-8,631,748.25	503,863,782.59	17,328,596.23	-29,296,546.84
Dividends received from associates in the current year			4,483,200.00				8,966,400.00	

(4). Summarized financial information of insignificant joint ventures and associates

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

	Closing balance / amount in the current period	Opening balance/ amount in the previous period
Associates:		
Total carrying amount of investments	787,493,598.22	766,391,973.34
Total amount of the following items at the shareholding percentage		
-- Net profit	-23,505,782.78	-156,306,553.89
-- Other comprehensive income		
-- Total comprehensive income	-23,505,782.78	-156,306,553.89

(5). Significant restrictions on joint ventures or associates transferring funds to the Company

Applicable Not Applicable

(6). Excess loss incurred by joint ventures or associates

Applicable Not Applicable

(7). Unrecognized commitments related to investment in joint ventures

Applicable Not Applicable

(8). Contingent liabilities related to investment in joint ventures or associate

Applicable Not Applicable

4. Significant joint venture

Applicable Not Applicable

5. Equity in structured entities not included in the consolidated financial statement

Information of structured entities not included in the financial statements:

Applicable Not Applicable

6. Others

Applicable Not Applicable

X. Risks Related to Financial Instruments

Applicable Not Applicable

With an objective of achieving a balance between risk and revenue through risk management, the Company minimizes the negative impact of risk on its operating results to maximize the interest of its Shareholders and other equity investors. According to the objective set for risk management, the basic strategy of the Company's risk management is to identify and analyze the Company's exposures to risk, establish appropriate tolerance thresholds for risks and implement risk management. In addition, the Company supervises various risks in a timely and reliable manner to keep risks within limits.

During the daily operation, the main risks arising from the Company's financial instruments include credit risk, liquidity risk and market risk. The Management has reviewed and approved policies for managing all risks and summarized below.

(I) Credit risk

Credit risk refers to the risk that one party to a financial instrument fails to perform its obligations, resulting in financial losses to the other party.

1. Credit risk management practices**(1) Credit risk assessment method**

The Company assesses whether the credit risk of the relevant financial instrument has increased significantly since the initial recognition on each balance sheet date. In determining whether the credit risk has increased significantly since initial recognition, the Company considers reasonable and supportable

information that can be obtained without unnecessary additional costs or efforts, including qualitative and quantitative analysis based on historical data, external credit risk ratings and forward-looking information. Based on a single financial instrument or a combination of financial instruments with similar credit risk characteristics, the Company determines the changes in the risk of default of the financial instrument during the expected life of the instrument by comparing the risk of default on the financial instrument on the balance sheet date with that on the date of initial recognition.

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative or qualitative criteria have been met:

1) Quantitative criteria mainly refer to the probability of default for the remaining life on the balance sheet date increasing by more than a certain percentage from the initial recognition;

2) Qualitative criteria mainly refer to the significant adverse change in debtor's operation or financial position, existing or anticipated changes in the technological, market, economic or legal environment that will have a material adverse effect on the debtors' abilities to repay loans to the Company.

(2) Definition of default and credit-impaired asset

When a financial instrument meets one or more of the following conditions, the Company defines a financial asset as a default asset, which is consistent with the definition of credit-impaired asset:

1) The debtor has major financial difficulties;

2) The debtor violates the provisions of the contract binding thereon;

3) The debtor is likely to go bankrupt or undergo financial restructuring;

4) The creditor, for economic or contractual reasons relating to the debtor's financial difficulty, grants the debtor concessions that would not have been made in any other circumstances.

2. ECL measurement

The key parameters of ECL measurement include probabilities of default (PD), losses given default (LGD) and exposures at default (EAD). The Company takes into account the quantitative analysis of historical statistics (such as ratings of the counterparty, manners of guarantees and types of collateral, and repayments) and forward-looking information in order to establish a model of PD, LGD and EAD.

3. The reconciliation of the opening balance and the closing balance of the allowance for losses on financial instruments is detailed in Note VII.4, 5, 8, 10 and 15 to the financial statements.

4. Credit risk exposure and credit risk concentration

Credit risks of the Company arise primarily from cash and bank balances and accounts receivable. In order to control the relevant risks above, the Company takes the following measures respectively.

(1) Cash and bank balances

The Company keeps bank deposits and other cash and bank balances in financial institutions at higher credit ratings, so their credit risks are low.

(2) Accounts receivable

The Company regularly conducts credit assessments on customers who trade on credit terms. Based on the assessment results, the Company chooses to trade with recognized and creditworthy customers and

monitors their accounts receivable balances to ensure that the Company will not be exposed to significant bad debt risk.

As the Company's exposure to accounts receivable is spread across multiple partners and multiple customers, 7.66% (December 31, 2021: 7.9%) of the Company's accounts receivable arose from the top five customers with balances as of December 31, 2022, and the Company did not have significant credit concentration risk.

The maximum credit risk exposure of the Company was the carrying amount of each financial asset on the balance sheet.

(II) Liquidity risk

Liquidity risk refers to the risk of shortage of funds arising from the performance of the Company's obligations to settle by delivery of cash or other financial assets. Liquidity risk may arise from the inability to sell financial assets at fair value as quickly as possible, or from the failure of the other party to repay its contractual obligations, or from debts maturing early, or from the failure to generate the desired cash flow.

In order to control this risk, the Company maintains a balance between continuity of funding and flexibility using several financing methods such as notes settlement and bank borrowings and by optimizing the financing structure through the combination of long and short-term financing. The Company has obtained bank lines of credit from a number of commercial banks to meet working capital requirements and capital expenditure.

Classification of financial assets by the remaining maturity

Unit: Yuan Currency: RMB

Item	Closing balance				
	Carrying value	Contract amount before discount	Within 1 year	1-3 years	Over 3 years
Bank borrowings	170,828,269.88	176,315,671.75	62,098,649.61	16,677,856.89	97,539,165.25
Accounts payable	556,386,054.84	552,714,631.66	552,714,631.66		
Other payables	177,670,629.68	177,641,845.59	177,641,845.59		
Current portion of non-current liabilities	17,061,706.54	18,601,479.95	18,601,479.95		
Lease liabilities	34,984,527.44	38,225,299.39		31,652,781.53	6,572,517.86
Long-term payables	38,189,757.11	53,168,420.50	3,600,000.00		49,568,420.50
Sub-total	995,120,945.49	1,016,667,348.84	814,656,606.81	48,330,638.42	153,680,103.61

(Continued)

Item	Closing balance of the previous year				
	Carrying value	Contract amount before discount	Within 1 year	1-3 years	Over 3 years
Bank borrowings	406,482,379.81	423,546,817.44	194,009,340.75	163,120,828.12	66,416,648.57
Accounts payable	503,758,715.18	503,758,715.18	503,758,715.18		
Other payables	170,804,176.79	170,804,176.79	170,804,176.79		

Current portion of non-current liabilities	154,496,614.61	160,966,349.12	160,966,349.12		
Lease liabilities	23,298,204.05	24,699,694.62		17,191,767.51	7,507,927.11
Sub-total	1,258,840,090.44	1,283,775,753.15	1,029,538,581.84	180,312,595.63	73,924,575.68

(III) Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk mainly includes interest rate risk and foreign exchange risk.

1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest-bearing financial instruments with a fixed interest rate expose the Company to fair value interest risk, while interest-bearing financial instruments with variable interest rates expose the Company to cash flow interest rate. The Company determines the proportion of fixed-rate and variable-rate financial instruments based on market conditions and maintains an appropriate portfolio of financial instruments through regular review and monitoring. The Company's cash flow interest risk is primarily related to its bank borrowings at variable interest rates.

As of December 31, 2022, the Company's bank borrowings at floating interest rates amounted to RMB113,182,525.5 (as of December 31, 2021: RMB371,163,804.59). Assuming that other variables remain constant, a 50 bps change in the interest rate will not have a material impact on the Company's total profit and shareholders' equity.

2. Foreign exchange risk

Foreign exchange risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate due to changes in exchange rates. The Company's foreign currency risk is primarily related to monetary assets and liabilities in foreign currencies. When a short-term imbalance between foreign currency assets and liabilities, the Company may trade foreign currency at the market exchange rate when necessary, to keep the net risk exposure at an acceptable level.

The Company's monetary assets and liabilities in foreign currencies at the end of the period are detailed in Note VII.82 to the financial statements.

XI. Disclosure of Fair Value**1. Closing fair values of assets and liabilities at fair value**

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Closing fair value			
	Level I measurement at fair value	Level II measurement at fair value	Level III measurement at fair value	Total
I. Continuous fair value measurement				

(I) Held-for-trading financial assets	1,473,209,825.72	1,520,344,691.51	1,036,612,647.15	4,030,167,164.38
1. Financial assets measured at FVTPL	1,473,209,825.72	1,520,344,691.51	1,036,612,647.15	4,030,167,164.38
(1) Debt instrument investments				
(2) Equity instrument investments	347,125,985.80	231,760,967.64	1,036,612,647.15	1,615,499,600.59
(3) Derivative financial assets				
(4) Others	1,126,083,839.92	1,288,583,723.87		2,414,667,563.79
(II) Other debt investments	35,020,859.58			35,020,859.58
Total assets continuously measured at fair value	1,508,230,685.30	1,520,344,691.51	1,036,612,647.15	4,065,188,023.96

2. Basis for recognition of market prices for continuous and non-continuous level I measurement items at fair value

Applicable Not Applicable

The Company recognizes the fair value based on unadjusted quoted prices in active markets for identical assets or liabilities that are available on the measurement date.

3. Qualitative and quantitative information on the valuation techniques and significant parameters used for continuous and non-continuous level II measurement items at fair value

Applicable Not Applicable

The Company recognizes the fair value based on similar quoted prices of assets and liabilities in active markets, the same or similar quoted prices of assets and liabilities in non-active markets, and observable interest rate curves and return curves during the normal quoting intervals.

4. Qualitative and quantitative information on the valuation techniques and significant parameters used for continuous and non-continuous level III measurement items at fair value

Applicable Not Applicable

The Company recognizes the fair value by specific valuation techniques on the measurement date, and the important parameters adopted include interest rates that cannot be directly observed or verified by observable market data.

5. Reconciliation information between opening and closing carrying amounts and sensitivity analysis of unobservable parameters for continuous level III measurement items at fair value

Applicable Not Applicable

6. Reasons for conversion and policy for determining the timing of conversion for items that are continuously measured at fair value and converted between levels during the period

Applicable Not Applicable

7. Changes in valuation techniques during the period and reasons

Applicable Not Applicable

8. Fair value of financial assets and financial liabilities not measured at fair value

Applicable Not Applicable

9. Others

Applicable Not Applicable

XII. Related Party and Related Party Transactions**1. Information of the parent company**

Applicable Not Applicable

Unit: 10,000 yuan Currency: RMB

Name of parent company	Place of registration	Nature of business	Registered capital	Shareholding percentage of the parent company in the Company (%)	Voting right percentage of the parent company in the Company (%)
Hangzhou Hundsun Electronics Group Co., Ltd. [Note 14]	Hangzhou	Industrial investment	5,000	20.72	20.72

Information of the parent company

[Note 14] For details of the ultimate controlling party of the Company, please refer to Note XV 4(1) to the financial statements.

2. Subsidiaries of the Company

The information on the Company's subsidiaries is detailed in the Notes.

Applicable Not Applicable

For details of subsidiaries of the Company, please refer to Note IX to the financial statements.

3. Joint ventures and associates of the Company

The information on the Company's significant joint ventures and associates is detailed in the Notes.

Applicable Not Applicable

Other joint ventures or associates with which the Company had related party transactions during the period or in prior periods that resulted in balances are as follows:

Applicable Not Applicable

Name of joint ventures or associates	Relationship with the Company
Databaker (Beijing) Technology Co., Ltd. (hereinafter referred to as Databaker Technology)	Associate
Jiangxi Lianjiaoyun Registration and Settlement Center Co., Ltd. (hereinafter referred to as Jiangxi Lianjiaoyun)	Associate
Zhejiang Baiying Technology Co., Ltd. (hereinafter referred to as Baiying Technology)	Associate
Zhejiang Santan Technology Co., Ltd. (hereinafter referred to as Santan Technology)	Associate
Golden State Investment Services Co., Ltd. (hereinafter referred to as Golden State Investment)	Associate
Fujian Trading Market Registration and Settlement Center Co., Ltd. (hereinafter referred to as Fujian Settlement Center)	Associate
Hangzhou Hundsun Yuntai Network Technology Co., Ltd. (hereinafter referred to as Hundsun Yuntai)	Associate
Hangzhou Baiyong Shiji Technology Co., Ltd. (hereinafter referred to as Hangzhou Baiyong)	Associate
Hangzhou Wanming Digital Technology Co., Ltd. (hereinafter referred to as Wanming Technology)	Associate
Shanghai Yitongtou Technology Co., Ltd. (hereinafter referred to as Shanghai Yitong)	Associate
Cloud Financing Network	Associate

Shenzhen Ricequant	Associate
Hangzhou HISOME Digital Equipment Technology Co., Ltd. (hereinafter referred to as Hangzhou HISOME Digital)	Associate
Hangzhou Rongdu Science & Technology Co., Ltd. (hereinafter referred to as Rongdu Science & Technology)	Associate

Other Description

Applicable Not Applicable

4. Other related parties

Applicable Not Applicable

Name of other related parties	Relationship with the Company
Ant Group Co., Ltd. [Note 15]	Others
Alibaba Cloud Computing Co., Ltd. (hereinafter referred to as Alibaba Cloud) [Note 16]	Others
Alibaba (China) Network Technology Co., Ltd. (hereinafter referred to as Alibaba (China)) [Note 16]	Others
Taobao (China) Software Co., Ltd. (hereinafter referred to as Taobao Software) [Note 16]	Others
Alibaba Cloud (Singapore) Private Limited (hereinafter referred to as Alibaba Cloud (Singapore)) [Note 16]	Others
Ant Fortune (Shanghai) Financial Information Services Co., Ltd. (hereinafter referred to as Ant Fortune (Shanghai)) [Note 17]	Others
Ant Yunchuang Digital Technology (Beijing) Co., Ltd. (hereinafter referred to as Ant Yunchuang) [Note 17]	Others
Ant Blockchain Technology (Shanghai) Co., Ltd. (hereinafter referred to as Ant Blockchain) [Note 17]	Others
Alipay (China) Network Technology Co., Ltd. (hereinafter referred to as Alipay (China)) [Note 17]	Others
Tianhong Asset Management Co., Ltd. (hereinafter referred to as Tianhong Asset) [Note 17]	Others
Hangzhou Ant Shangshu information technology Co., Ltd. (hereinafter referred to as Ant Shangshu) [Note 17]	Others
Beijing OceanBase Technology Co., Ltd. (hereinafter referred to as OceanBase) [Note 17]	Others
Ant Rongxin (Chengdu) Network Technology Co., Ltd. (hereinafter referred to as Ant Rongxin) [Note 17]	Others
Ant Lemaibao (Shanghai) Information Technology Co., Ltd. (hereinafter referred to as Ant Lemaibao) [Note 17]	Others
E-Capital Transfer Co., Ltd. (hereinafter referred to as E-Capital Transfer) [Note 18]	Others
China Securities Credit Investment Co., Ltd. (hereinafter referred to as China Securities Credit) [Note 18]	Others
Daocloud Internet Technology Co., Ltd. (hereinafter referred to as Daocloud Internet) [Note 18]	Others
Xinghuan Information Technology (Shanghai) Stock Co., Ltd. (hereinafter referred to as Xinghuan Information) [Note 18]	Others
Hangzhou Utry Technology Co., Ltd. (hereinafter referred to as Hangzhou Utry) [Note 18]	Others
Zhejiang E-Commerce Bank Co., Ltd. (hereinafter referred to as E-Commerce Bank) [Note 19]	Others
Tianjin Financial Assets Exchange Co., Ltd. (hereinafter referred to as Tianjin Financial Assets Exchange) [Note 19]	Others
ZhongAn Online P&C Insurance Co., Ltd. (hereinafter referred to as ZhongAn Online) [Note 19]	Others

Cathay Insurance Company Limited (hereinafter referred to as Cathay Insurance) [Note 19]	Others
Trust Mutual Life Insurance Company (hereinafter referred to as Trust Mutual Life) [Note 19]	Others
Hangzhou Tiangu Information Technology Co., Ltd. (hereinafter referred to as Hangzhou Tiangu) [Note 20]	Others
Shanghai Suntime Information Technology Co., Ltd. (hereinafter referred to as Shanghai Suntime) [Note 21]	Others
Golden Beta Network Fintech (Shenzhen) Co., Ltd. (hereinafter referred to as Golden Beta) [Note 22]	Others
Ping An Bank Co., Ltd. (hereinafter referred to as Ping An Bank) [Note 23]	Others
Jiang Jiansheng, Chen Zhijie, Peng Zhenggang, Liu Shufeng, Wang Xiangyao, Liu Xiaolun, Ding Wei, Zhou Chun, Han Xinyi, Zhu Chao, Ji Gang, Yu Bin, Xie Lijuan, Fan Jingwu, Guan Xiaolan, Ni Shouqi, Zhang Guoqiang, Zhang Yong, Wang Feng, Zhou Feng, Yao Manying, Tu Haiyan, Bai Shuo, Han Haichao, and Fang Xiaoming [Note 24]	Others

[Note 15] The largest shareholder indirectly holding shares of the Company

[Note 16] An entity having a significant influence on the largest shareholder indirectly holding shares of the Company

[Note 17] A company controlled by the largest shareholder indirectly holding shares of the Company

[Note 18] A company holding non-controlling interests in the Company

[Note 19] A company of which Han Xinyi is a director including Tianjin Financial Assets Exchange where Han Xinyi served as a director during the Reporting Period.

[Note 20] Ji Gang served as Director or Senior Executive

[Note 21] Zhu Chao served as Director or Senior Executive

[Note 22] Chen Zhijie serves as Director

[Note 23] Guo Tianyong, the former independent director, served as the independent director

[Note 24] Directors, Supervisors, and Senior Management

5. Related party transactions

(1). Related party transactions for the purchase and sale of goods and provision and receipt of services

Purchase of goods / receipt of services

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Related parties	Content of related party transaction	Amount incurred in the current period	Approved transaction limits (if applicable)	Whether exceed the transaction limits (if applicable)	Amount incurred in the previous period
Alibaba Cloud	Purchase of goods and receipt of services	45,587,349.71			35,976,749.11
Daocloud Internet	Purchase of goods and receipt of services	1,058,498.50			1,118,584.08
Trust Mutual Life	Purchase of goods	1,321,698.10			
Baijin Technology	Purchase of goods and receipt of services	639,150.94			
Alibaba (China)	Receipt of services	338,314.82			611,877.93
Databaker Technology	Purchase of goods	246,460.18			200,547.67
Cloud Financing Network	Purchase of goods	75,221.24			2,903,092.06
E-Capital Transfer	Receipt of services	10,377.36			

Ant Yunchuang	Purchase of goods and receipt of services				-182,771.87
Rongdu Science & Technology	Purchase of goods and receipt of services				76,839.90
Ant Blockchain	Purchase of goods				60,411.99
Xinghuan Information	Receipt of services				94,339.62
Hangzhou Utry	Receipt of services				45,480.00
Alibaba Cloud (Singapore)	Receipt of services				227,559.86
Sub-total		49,277,070.85			41,132,710.35

Sale of goods and provision of services

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Related parties	Content of related party transaction	Amount incurred in the current period	Amount incurred in the previous period
Tianhong Asset	Software services	22,066,465.39	20,946,411.80
Ant Fortune (Shanghai)	Software services	11,773,867.78	7,573,967.78
E-Capital Transfer	Software services	3,323,773.59	
Shanghai Yitong	Software services	2,706,401.23	
Ant Blockchain	Software services	4,984,083.99	13,988,679.25
Golden Beta	Software services	1,886,792.36	
Ant Fund	Software services	1,548,720.61	
ZhongAn Online	Software services	1,518,706.65	1,860,505.27
Golden State Investment	Software services	1,174,708.43	3,981,614.06
Jiangxi Lianjiaoyun	Software services	1,014,749.14	2,156,653.79
Ant Shangshu	Software services	924,528.28	688,806.03
Ant Rongxin	Software services	1,014,150.94	
Alibaba Cloud	Software services	719,105.36	3,258,406.61
Shenzhen Ricequant	Software services	601,364.98	573,704.19
Trust Mutual Life	Software services	496,607.58	3,472,851.58
Cathay Insurance	Software services	433,962.30	264,498.08
E-Commerce Bank	Software services	437,055.11	4,148,406.24
Shanghai Suntime	Software services	408,804.93	
Santan Technology	Software services	225,818.76	1,178,108.04
Ant Lemaibao	Software services	158,490.56	713,207.56
Hundsun Yuntai	Software services	123,250.12	18,259.28
Taobao (China) Software	Software services	23,584.90	308,018.80
Hangzhou Tiangu	Software services	23,584.90	
Shenzhen Tradeblazer	Workplace and property management fee etc.	9,433.96	94,339.62
Hangzhou HISOME Digital	Software services	4,528.30	
Cloud Financing Network	Software services	952.29	282,352.53
Alipay (China)	Software services and sales of outsourced goods		5,040,898.42
Fujian Settlement Center	Software services		-35,575.23
China Securities Credit	Software services		352,915.26
Tianjin Financial Assets Exchange	Software services		396,226.41
Ant Yunchuang	Software services		1,179,490.45
Hangzhou Baiyong	Workplace and property management fee etc.		68,389.86
Ping An Bank	Software services		9,779,663.21

Baijin Technology	Software services		9,539.17
OceanBase	Software services		283,018.87
Hangzhou Utry	Software services		64,655.17
Sub-total		57,603,492.44	82,648,012.10

Related party transactions for the purchase and sale of goods and provision and receipt of services
Applicable Not Applicable

(2). Related entrusted management/contracting and entrusting management/outsourcing

The Company's Entrusted management/contracting:

Applicable Not Applicable

Related entrusting/contracting

Applicable Not Applicable

The Company's entrusting management/outsourcing

Applicable Not Applicable

Related management/outsourcing

Applicable Not Applicable

(3). Related party leases

The Company as the lessor:

Applicable Not Applicable

Unit: Yuan Currency: RMB

Name of lessee	Type of asset leased	Lease income recognized in the current period	Lease income recognized in the previous period
Santan Technology	Buildings	1,248,648.65	1,559,633.03
Hangzhou HISOME Digital	Buildings	251,146.79	
Hundsun Electronics Charity Foundation	Buildings	66,055.05	66,055.05

The Company as the lessee:

Applicable Not Applicable

Related party leases

Applicable Not Applicable

(4). Related party guarantees

The Company as the guarantor

Applicable Not Applicable

The Company as the guarantee

Applicable Not Applicable

Related party guarantees

Applicable Not Applicable**(5). Loans and borrowings from/to related parties**Applicable Not Applicable**(6). Asset transfer and debt restructuring of related parties**Applicable Not Applicable**(7). Remuneration of key management personnel**Applicable Not Applicable

Unit: 10,000 yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Remuneration of key management personnel	6,534.03	4,569.88

[Note 25] The remuneration of Senior Management in 2022 was RMB68,068,319.90, and the difference between the annual bonus of Senior Management accrued in 2021 after adjustment and the actual amount paid was RMB2,728,000.00.

(8). Other related party transactionsApplicable Not Applicable**6. Receivables and payables of related parties****(1). Receivables**Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Related parties	Closing balance		Opening balance	
		Book balance	Allowance for bad debts	Book balance	Allowance for bad debts
Accounts receivable	Ant Fortune (Shanghai)	4,546,300.00	227,315.00	465,406.00	23,270.30
Accounts receivable	Santan Technology	1,407,849.21	89,488.76	536,587.87	72,088.13
Accounts receivable	Jiangxi Lianjiaoyun	1,065,476.29	53,273.81	230,404.73	11,520.24
Accounts receivable	Cloud Financing Network	292,131.08	290,162.64	291,121.64	87,056.08
Accounts receivable	Tianjin Financial Assets Exchange	757,000.00	380,727.46	715,000.00	118,393.56
Accounts receivable	Ant Fund	488,369.95	258,808.30	246,726.11	246,726.11
Accounts receivable	Alibaba Cloud	2,788,550.00	242,837.80	2,068,205.91	103,410.30
Accounts receivable	Alipay (China)	967,002.69	48,350.13	3,206,936.84	340,601.84
Accounts receivable	Ant Blockchain	5,925,129.04	402,246.45	6,159,800.00	307,990.00

Accounts receivable	Tianhong Asset	3,178,465.60	434,848.12	1,928,184.07	370,579.20
Accounts receivable	E-Capital Transfer	1,352,000.00	1,352,000.00	1,352,000.00	1,352,000.00
Accounts receivable	Ping An Bank			3,688,522.22	244,570.40
Accounts receivable	Ant Shangshu	200,134.41	10,006.72	400,134.41	20,006.72
Accounts receivable	OceanBase			50,000.00	2,500.00
Accounts receivable	Trust Mutual Life			67,612.18	3,380.61
Accounts receivable	ZhongAn Online	643,064.59	32,153.23	385,411.90	19,270.60
Accounts receivable	Ant Lemaibao			192,000.00	9,600.00
Accounts receivable	Golden State Investment	475,342.47	23,767.12		
Accounts receivable	Ant Rongxin	645,000.00	32,250.00		
Accounts receivable	Alibaba (China)	30,579.00	30,579.00		
Accounts receivable	E-Commerce Bank	163,548.40	8,177.42		
Prepayments	Alibaba Cloud	298,022.08		298,022.08	
Prepayments	Ant Yunchuang			12,679.84	
Prepayments	Alibaba (China)			366,172.31	
Other receivables	Ant Fund			112,950.80	112,950.80
Other receivables	Ant Yunchuang			50.00	5.00
Other receivables	Alibaba Cloud	365,289.17	33,678.92	353,669.73	19,583.49
Other receivables	Alipay (China)	2.08	0.10	2.75	0.14
Other receivables	Baijin Technology			50,000.00	5,000.00
Other receivables	Alibaba (China)	428,481.48	42,848.15	428,481.48	21,424.07
Contract assets	Ant Blockchain	637,000.00	31,850.00		
Contract assets	Ping An Bank			145,000.00	14,500.00
Contract assets	Tianjin Financial Assets Exchange			42,000.00	2,100.00
Contract assets	Alibaba Cloud			270,000.00	13,500.00
Contract assets	E-Commerce Bank			259,840.00	12,992.00
Sub-total		26,654,737.54	4,025,369.13	24,322,922.87	3,535,019.59

(2). Payables

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Related parties	Closing book balance	Opening book balance
Accounts payable	Alibaba Cloud	10,038,724.67	5,776,721.11
Accounts payable	Cloud Financing Network	1,332,364.33	1,332,364.33

Accounts payable	Ant Yunchuang	53,445.93	53,445.93
Accounts payable	Rongdu Science & Technology		76,839.90
Accounts payable	Xinghuan Information		76,000.00
Accounts payable	E-Capital Transfer	72,000.00	154,734.01
Accounts payable	Databaker Technology	351,430.00	153,385.00
Accounts payable	Daocloud Internet	1,981,966.94	2,449,552.94
Accounts payable	Ant Blockchain	102,603.77	60,411.99
Accounts payable	Baijin Technology	54,000.00	
Accounts payable	Santan Technology		
Accounts payable	Alibaba (China)	402,891.84	
Contract liabilities	Tianhong Asset	9,985,182.53	11,959,504.82
Contract liabilities	Golden State Investment	2,344,774.82	326,316.66
Contract liabilities	E-Capital Transfer		3,233,977.13
Contract liabilities	China Securities Credit		148,918.38
Contract liabilities	Shenzhen Ricequant	342,823.84	307,585.39
Contract liabilities	Santan Technology	67,944.92	69,302.13
Contract liabilities	Tianjin Financial Assets Exchange	1,825,603.61	1,862,070.28
Contract liabilities	Ant Blockchain	1,542,139.62	1,113,189.60
Contract liabilities	Jiangxi Lianjiaoyun	1,309.05	1,387.59
Contract liabilities	ZhongAn Online	60,294.65	
Contract liabilities	Ping An Bank		2,311,314.79
Contract liabilities	Taobao (China) Software		23,584.91
Contract liabilities	Ant Rongxin		304,245.28
Contract liabilities	Wanming Technology		38,339.06
Contract liabilities	Alibaba Cloud	2,968,681.46	1,976,625.33
Contract liabilities	Hundsun Yuntai	18,462.57	138,751.74
Contract liabilities	Shanghai Yitong	23,970.63	1,835.82
Contract liabilities	Trust Mutual Life	197,547.68	281,071.25
Contract liabilities	Alipay (China)		275,254.87
Contract liabilities	Cathay Insurance	305,292.14	
Contract liabilities	E-Commerce Bank	1,025,923.35	
Contract liabilities	Shanghai Suntime	49,528.30	
Contract liabilities	Golden Beta	664,434.97	
Other payables	Alibaba Cloud		49,235.99
Other payables	Hangzhou HISOME Digital	182,500.00	
Advances from customers	Hangzhou HISOME Digital	255,675.09	
Sub-total		36,251,516.71	34,555,966.23

7. Commitments by related parties

Applicable Not Applicable

8. Others

Applicable Not Applicable

XIII. Share-based payment

1. Share-based payment

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Ownership Scheme for Key Employees Subscribing Shares of Innovative Business Subsidiaries	Stock options in 2022
Total number of various equity instruments of the Company granted in the current period	7,521,400	16,660,000
Total number of various equity instruments of the Company exercised in the current period	4,137,687	
Total number of various equity instruments of the Company lapsed in the current period	496,240	
Scope of the exercise price of the outstanding share options of the Company with the remaining term of the contract at the end of the period	The exercise price of Yunhan's stock options would be the cost plus the annualized interest rate, with them being exercisable over three to four years from the date of grant; the exercise price of Shanghai Gildata's stock options would be RMB1.95 initially, RMB2.73 from the first grant to the third grant, and RMB4.905 between the fifth grant and sixth grant, with them being exercisable over three years from the date of grant; the exercise price of Hangzhou Business Intelligence's stock options would be RMB2.65 initially, with them being exercisable over three years from the date of grant; the exercise price of Hundsun iBontal's stock options would be RMB1.2375, with them being exercisable over three years from the date of granting; the exercise price of Hundsun Holdings' stock options would be HK\$5.34, with them being exercisable over three years from the date of grant; the exercise price of Xunchang Wendao's stock options is RMB1, with them being exercisable over three years from the date of grant.	The grant price was RMB 34.88/share. The vesting periods for the initial grant from the date of grant to the vesting date of the stock options would be 12 months, 24 months, and 36 months, respectively. The vesting periods for reserved stock options would be 12 months and 24 months respectively from the date of granting the reserved stock options
Scope of exercise Price of other outstanding equity instruments of the Company and remaining term of the contract at the end of the period	The exercise price of Yunhan stock appreciation rights (SAR) is RMB1 per share, which shall be exercised in three to five years from the grant date right. The exercise price of Shanghai Gildata's initial SARs is RMB1.95, and that of other SARs is RMB2.73, and the exercise price of the fifth vesting period and sixth vesting period is RMB8.829, which shall be exercised in three years from the grant date.	

Unit: share Currency: RMB

Item	Employee Stock Ownership Scheme
Total number of various equity instruments of the Company granted in the current period	1,642,500

Total number of various equity instruments of the Company exercised in the current period	3,123,240
Total number of various equity instruments of the Company lapsed in the current period	269,200
Scope of the exercise price of the outstanding share options of the Company with the remaining term of the contract at the end of the period	
Scope of exercise Price of other outstanding equity instruments of the Company and remaining term of the contract at the end of the period	2020 Employee Stock Ownership Scheme: The grant price is RMB45.32 per share, which will be unlocked 12 months, 24 months and 36 months from the date when the last underlying shares are transferred to the Employee Stock Ownership Scheme as announced by the Company. 2022 Employee Stock Ownership Scheme: The grant price is RMB21.5 per share, which will be unlocked 12 months, 24 months and 36 months from the date when the last underlying shares are transferred to the Employee Stock Ownership Scheme as announced by the Company.

Other Description

(1) Ownership Scheme for Key Employees Subscribing Shares of Innovative Business Subsidiaries

According to the Investment and Management Measures of Hundsun's Key Employees Subscribing Shares of Innovative Business Subsidiaries adopted through deliberation at the 10th meeting of the Fifth Session of the Board held by the Company on January 27, 2014, the Company determined to jointly establish a "limited partnership" enterprise by the Company and its authorized representatives to manage and exercise the shares of the innovative business subsidiaries. The different "partnership enterprises" are required to be set up by "key employees" of different innovation business subsidiaries (full-time key employees responsible for the management, technology, and business in innovation subsidiaries) for making unified investments in subsidiaries, while a unified "partnership enterprise" is required to be set up by the "Key Management" of the Company (including the senior management team and other key persons working at the headquarters of the Company) for making unified investments in innovative business subsidiaries. According to the Proposal on Revising the Investment and Management Measures above adopted through deliberation at the 13th and 21st meetings of the Fifth Session of the Board held by the Company on July 17, 2014 and February 12, 2015, respectively, the Company determined that there are three types of employee stock ownership schemes, namely share subscription in cash by employees (contribution by employees to establish partnership enterprises), investment share option and SAR.

According to the resolution of the 13th meeting of the Fifth Session of the Board held by the Company on July 17, 2014, the Company and its "Key Management" and "key employees of subsidiaries" jointly invested in the establishment of Yunhan, Yunxia, Yunyin, Yunjin, Yunqin, Yunming, Yuntang, Yunwei, Yunshu, Yunwu and Yunsong. According to the *Resolution on the Establishment of Eight New Employee Stock Ownership Platforms* (Hundsun Executive Committee 2016 No. 011) issued by the Company's Executive Committee of Stock Ownership Plan Management in August 2016, the Company and Hangzhou Yunhui, a wholly-owned subsidiary, established Yunchu, Yunliao, Yunqi, Yuncao, Yunhan, Yunzhou, Yunliang and Yunzheng. According to the resolution of the 12th meeting of the Sixth Session of the Board

on April 25, 2017, the Company and Hangzhou Yunhui, a wholly-owned subsidiary, established Shanyi, Shandu, Shangui, Shanying (formerly known as Shanyu), Shanzhao, Shanlu, Shanyu, Shanlun and Shanru (as of December 31, 2022, Shanyi, Shandu and Shanru had not completed the registration procedures for industrial and commercial establishment). According to the resolutions of the 5th, 15th and 18th meetings of the Sixth Session of the Board, the Company and Hangzhou Yunhui, a wholly-owned subsidiary, established Yunyue, Shanzhi and Shanjing. With the advancement of the Employee Stock Ownership Scheme, the shares held by the Company in the above employee stock ownership platforms had been transferred to relevant employees gradually.

(2) 2020 Employee Stock Ownership Scheme

According to the *Proposal on Hundsun's 2020 Employee Stock Ownership Scheme (Draft) and its Summary* and the *Proposal on Hundsun's Management Measures for 2020 Employee Stock Ownership Scheme* adopted through deliberation at the Company's 15th board meeting of the Fifth Session of the Board held on December 8, 2020 and the third extraordinary general meeting of 2020 held on December 25, 2020, Company the Company proposed to repurchase some shares of the public with its own funds through call auction trading for its Employee Stock Ownership Scheme. As of June 25, 2021, the Company had transferred 7,979,300 shares to its account under the 2020 Employee Stock Ownership Scheme through non-trade transfer at a price of RMB45.32 per share. At this point, the Company completed the non-trading transfer of all shares under the 2020 Employee Stock Ownership Scheme. According to the provisions of the *2020 Employee Stock Ownership Scheme (Draft) of Hundsun Technologies Inc.*, the underlying shares acquired under the Scheme would be released from restrictions during three periods, i.e., 12 months, 24 months and 36 months from the date of transfer of the last underlying shares announced by the Company to the Scheme; the proportion of underlying shares released from restrictions during each period would be 40%, 30%, and 30% respectively.

Under the 2020 Employee Stock Ownership Scheme, the Company will conduct individual performance appraisal based on its own performance appraisal system from 2021 to 2023, and determine the final number of underlying shares to be unlocked for the shareholder based on the results of individual performance appraisal as follows.

Appraisal results	A	B	C	D
Individual unlocking factor	100%	100%	50%	0%

The actual number of shares for individuals are unlocked based on the appraisal results of the previous year. Based on the shareholder's individual appraisal results, the actual number of shares to be unlocked in the current period = the number of shares granted for the current period × individual unlocking factor. The underlying shares corresponding to the actual number of shares to be unlocked in the current period shall be sold collectively by the Management Committee in a proper manner at its discretion after the expiration of the lock-up period, and the remaining earnings from the sale of shares net of relevant taxes and fees shall be distributed to the shareholders in accordance with the provisions of the Scheme.

If the individual appraisal result in the first or second year is Grade C, the shareholder's shares to be unlocked in the current period will be deferred to the next year accordingly, and will be unlocked in the

next year when the individual appraisal result reaches Grade B or above in corresponding proportion. If the individual appraisal result in the next year is still Grade C, the shareholder's shares that cannot be unlocked will be recovered by the Management Committee of the Employee Stock Ownership Scheme in accordance with appropriate provisions. If the individual appraisal result in the third year is Grade C, the shareholder's share that cannot be unlocked in the current period shall be recovered by the Management Committee of the Employee Stock Ownership Scheme in accordance with appropriate provisions. If the individual appraisal result is Grade D, the shareholder's share that cannot be unlocked in the current period shall be recovered by the Management Committee of the Employee Stock Ownership Scheme in accordance with appropriate provisions. The Management Committee has the right to recover the unlocked interests and shares under the Scheme at a price determined by the original contribution amount or the net value (whichever is lower) of the underlying shares to which the shares correspond.

On June 28, 2022, performance appraisal indicators under the 2020 Employee Stock Ownership Scheme met the conditions for releasing the first restricted shares from restrictions, and during the Reporting Period, 40% of the first restricted shares so released by the Company were exercised.

(3) 2022 Employee Stock Ownership Scheme

According to the *Proposal on the 2022 Employee Stock Ownership Scheme (Draft) of Hundsun Technologies Inc. and Its Summary*, the *Proposal on the Management Measures for 2022 Employee Stock Ownership Scheme of Hundsun Technologies Inc.*, and other proposals adopted through deliberation at the 3rd meeting of the Eighth Board of Directors held by the Company on July 1, 2022 and the Second Extraordinary Shareholders' General Meeting for 2022 held on July 19, 2022, the Company intended to use the shares repurchased by the special securities repurchase account for the Scheme. As of July 27, 2022, the Company had transferred 1,642,500 shares to its account under the 2022 Employee Stock Ownership Scheme through non-trade transfer at a price of RMB21.50 per share. At this point, the Company completed the non-trading transfer of all shares under the 2022 Employee Stock Ownership Scheme. According to the provisions of the *2022 Employee Stock Ownership Scheme (Draft) of Hundsun Technologies Inc.*, the underlying shares acquired under the Scheme would be released from restrictions during three periods, i.e., 12 months, 24 months and 36 months from the date of transfer of the last underlying shares announced by the Company to the Scheme; the proportion of underlying shares released from restrictions during each period would be 30%, 30%, and 40% respectively.

Under the 2022 Employee Stock Ownership Scheme, the Company will conduct individual performance appraisal based on its own performance appraisal system from 2022 to 2024, and determine the final number of underlying shares to be unlocked for the shareholder based on the results of individual performance appraisal as follows.

Appraisal results	A	B	C	D
Individual unlocking factor	100%	100%	50%	0%

The actual number of shares for individuals are unlocked based on the appraisal results of the previous year. Based on the shareholder's individual appraisal results, the actual number of shares to be unlocked in the current period = the number of shares granted × unlocked proportion in the current period ×

individual unlocking factor. The underlying shares corresponding to the actual number of shares to be unlocked in the current period shall be sold collectively by the Management Committee in a proper manner at its discretion after the expiration of the lock-up period, and the remaining earnings from the sale of shares net of relevant taxes and fees shall be distributed to the shareholders in accordance with the provisions of the Scheme. If the individual appraisal result in the first or second year is Grade C, the shareholder's shares to be unlocked in the current period will be deferred to the next year accordingly, and will be unlocked in the next year when the individual appraisal result reaches Grade B or above in corresponding proportion. If the individual appraisal result in the next year is still Grade C, the shareholder's shares that cannot be unlocked will be recovered by the Management Committee of the Employee Stock Ownership Scheme in accordance with appropriate provisions. If the individual appraisal result in the third year is Grade C, the shareholder's share that cannot be unlocked in the current period shall be recovered by the Management Committee of the Employee Stock Ownership Scheme in accordance with appropriate provisions. If the individual appraisal result is Grade D, the shareholder's share that cannot be unlocked in the current period shall be recovered by the Management Committee of the Employee Stock Ownership Scheme in accordance with appropriate provisions. The Management Committee has the right to recover the unreleased interests and shares under the Scheme at a price determined by the original contribution amount of the underlying shares corresponding to the shares or the corresponding value after the Management Committee actually disposes of (or sells) the underlying shares corresponding to the shares (whichever is lower).

(4) 2022 Employee Stock Option Plan

According to the *Proposal on the 2022 Stock Option Incentive Plan (Draft) of Hundsun Technologies Inc. and Its Summary*, and the *Proposal on the Assessment and Management Measures for Performance Evaluation under the 2022 Stock Option Incentive Plan of Hundsun Technologies Inc.*, and other related proposals adopted through deliberation at the 4th meeting of the Eighth Board of Directors held by the Company on August 24, 2022 and the Third Extraordinary Shareholders' General Meeting for 2022 held on September 13, 2022, the Company intended to issue A-share ordinary shares to the participants under the Plan, with an exercise price of RMB34.88 per share.

1) Stock options initially granted

As of October 12, 2022, the Company had completed the registration of 16,660,000 stock options initially granted under the Plan. According to the provisions of the *2022 Stock Option Incentive Plan (Draft) of Hundsun Technologies Inc.*, the vesting periods for stock options initially granted under the Plan would be 12 months, 24 months and 36 months from the date of grant to the vesting date of the stock options; the proportion of underlying shares released from restrictions during each vesting period would be 30%, 30%, and 40% respectively.

The stock options initially granted will be subject to performance evaluation once every fiscal year from 2022 to 2024. The annual performance evaluation targets for the stock options initially granted are shown in the following table:

Exercise period	Assessment year	Based on the Company's revenue in the previous performance
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		evaluation year, Growth rate of operating revenue (A) as performance evaluation value		
		Target (Am)	Median (An)	Trigger (Ao)
First exercise period	2022	15%	8%	0%
Second exercise period	2023	15%	8%	0%
Third exercise period	2024	15%	8%	0%

According to the completion of the performance evaluation at the Company level, the exercise ratio at the Company level is shown in the following table:

Completion of performance evaluation (A)	$A \geq A_m$	$A_m > A \geq A_n$	$A_n > A > A_o$	$A \leq A_o$
Company-level exercise ratio (X)	100%	85%	70%	0%

The individual incentive performance of the participants under the Plan will be graded as A, B, C+, C, C- and D. The performance evaluation form will be applicable to the individuals whose performance will be evaluated. The exercise ratio of the plan participants will then be determined in accordance with the following table:

Incentive performance grade	A	B	C+	C	C-	D
Individual-level exercise ratio (Y)	100%	100%	70%	50%	30%	0%

Individual's actual exercise limit in the current year = company-level exercise ratio (X) × individual-level exercise ratio (Y) × individual's planned exercise limit in the current year. The participants under the Plan will exercise options according to the actual exercise limit in the current year, and the stock options that cannot be exercised in the performance evaluation year will be canceled by the Company.

2) Stock options reserved for grant

As of December 31, 2022, the reserved share options had not been granted. According to the provisions of the *2022 Stock Option Incentive Plan (Draft) of Hundsun Technologies Inc.*, the vesting periods for the reserved stock options granted under the Plan would be 12 months and 24 months from the date of grant to the vesting date of the stock options; the proportion of underlying shares released from restrictions during each vesting period would be 50% and 50% respectively.

The stock options reserved for grant will be subject to once every fiscal year from 2023 to 2024. The annual performance evaluation targets for the stock options reserved for grants are shown in the following table:

Exercise period	Assessment year	Based on the Company's revenue in the previous performance evaluation year, Growth rate of operating revenue (A) as performance evaluation value		
		Target (Am)	Median (An)	Trigger (Ao)
First exercise period	2023	15%	8%	0%
Second exercise period	2024	15%	8%	0%

According to the completion of the performance evaluation at the Company level, the exercise ratio at the Company level is shown in the following table:

Completion of performance evaluation (A)	$A \geq A_m$	$A_m > A \geq A_n$	$A_n > A > A_o$	$A \leq A_o$
Company-level exercise ratio (X)	100%	85%	70%	0%

The individual incentive performance of the participants under the Plan will be graded as A, B, C+, C, C- and D. The performance evaluation form will be applicable to the individuals whose performance will be evaluated. The exercise ratio of the plan participants will then be determined in accordance with the following table:

Incentive performance grade	A	B	C+	C	C-	D
Individual-level exercise ratio (Y)	100%	100%	70%	50%	30%	0%

Individual's actual exercise limit in the current year = company-level exercise ratio (X) \times individual-level exercise ratio (Y) \times individual's planned exercise limit in the current year. The participants under the Plan will exercise options according to the actual exercise limit in the current year, and the stock options that cannot be exercised in the performance evaluation year will be canceled by the Company.

2. Equity-settled share-based payment

Applicable Not Applicable

Unit: Yuan Currency: RMB

	Key Employees Participating in Employee Stock Ownership Schemes of Innovative Business Subsidiaries	Employee Stock Ownership Scheme	Stock options in 2022
Recognition method for the fair value of equity instruments on the grant date	When there are external investors at the time of grant, the investment price shall be adopted, and the fair price is calculated when there are no external investors	Share price on the grant date	Black-Scholes Model
Basis for determining the number of exercisable equity instruments	Based on the limit of warrants granted, the Company comprehensively considers the number of employees with vesting conditions on each balance sheet date, its performance appraisal indicators and the individual performance	Based on the number of shares granted, the number of exercisable equity instruments is determined by taking into account the changes in the number of employees with vesting conditions on each balance sheet date and the individual	Based on the number of shares granted, the number of exercisable equity instruments is determined by taking into account the changes in the number of employees with vesting conditions on each balance sheet date, the performance in the overall Company and the individual

	appraisal results of each grantee in each year with vesting conditions	performance appraisal results in each year with vesting conditions	performance appraisal results in each year with vesting conditions
Reasons for significant differences between current estimates and previous estimates			
Aggregate amount of equity-settled share-based payment charged to the capital reserve	80,632,683.19	250,181,787.60	11,221,356.80
Total expenses recognized by equity-settled share-based payment in the current period	4,047,919.41	144,776,186.21	11,382,055.32

3. Cash-settled share-based payment

Applicable Not Applicable

Unit: Yuan Currency: RMB

Recognition method for the fair value of liabilities assumed by the enterprise and calculated and recognized based on shares or other equity instruments	Appraisal price
Aggregate liabilities arising from cash-settled share-based payments in liabilities	39,269,292.46
Total expenses recognized for cash-settled share-based payments in the current period	4,204,640.71
Gain from changes in the fair value recognized for cash-settled share-based payment liabilities	-8,011,316.29

Other Description

(1) According to the relevant provisions of the *Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments* regarding the recognition of fair value, the Company will measure the fair value of share appreciation rights granted under the share incentive scheme at the appraisal price on each balance sheet date.

(2) The Company's ASRs are exercised in the form of installment cash dividends and repurchases. When the ASRs are exercised in the form of cash dividends, the probability of dividends is estimated to be 20% based on the future cash inflow of each shareholding platform in the recognition of the fair value of the liabilities for the Yunhan ASRs.

4. Modification and termination of share-based payment

Applicable Not Applicable

5. Others

Applicable Not Applicable

XIV. Commitment and Contingencies

1. Significant commitments

Applicable Not Applicable

Significant external commitments on the balance sheet date and their nature and amount

(1) The Company participated as a limited partner of Costone in the investment in Nanjing Pengxi Equity Investment Center (L.P.) (hereinafter referred to as Nanjing Pengxi) and proposed to invest RMB200 million under the partnership contract. Nanjing Pengxi completed the procedures for industrial and commercial registration of changes on December 24, 2020. As of December 31, 2022, the Company had paid RMB120 million for the investment.

(2) Upon discussions at the 23rd meeting of the Seventh Board of Directors of the Company on March 29, 2022, the subsidiary Hangzhou Yima, as the manager, initiated the establishment of the Hundsun Phase I Software Industrial Fund (i.e., Digital Intelligence Qiyuan). Positioned as a private equity investment fund mainly investing in growth enterprises in enterprise service software, the Industrial Fund aimed to raise funds of not more than RMB1.2 billion, and the Company intended to subscribe for the units of the fund of not more than RMB350 million. Digital Intelligence Qiyuan completed the establishment procedures with the industrial and commercial authority on December 1, 2021. As of December 31, 2022, the Company had paid RMB70 million for the investment.

(3) As a limited partner, the Company participated and invested in the Yangtze River Delta Fund managed by Shanghai Growth-FOF Co., Ltd. as the manager. According to the *Limited Partnership Agreement*, the Company will subscribe for the units of the Yangtze River Delta Fund of not more than RMB100 million. The Yangtze River Delta Fund completed the establishment procedures with the industrial and commercial authority on January 11, 2023, and the Company made the investment payment of RMB25 million in March 2023.

2. Contingencies

(1). Important contingencies on the balance sheet date

Applicable Not Applicable

① According to the resolution of the 21st meeting of the Sixth Session of the Board held by the Company on July 11, 2018, the Company dismissed Liao Zhangyong, its former Senior Vice President, and Shen Zhiwei, its former Vice President, and terminated the labor relations with Xu Binshan, its employee, on July 16, 2018. According to the *Notice of Delisting and Employee Stock Ownership Scheme* issued by the Company and the employee stock ownership platforms in August 2018, the Company decided to delist the above three persons from the employee stock ownership platforms repurchased their property shares in the employee stock ownership platforms at a net asset price, and charged the payment of RMB7,148,090.87 for repurchasing the above property shares to other payables. The Company completed the procedures for industrial and commercial registration of changes for the repurchase in September 2018, and the outstanding payment for repurchase was RMB7,099,878.87 as of December 31, 2022.

Liao Zhang Yong applied for labor arbitration with Hangzhou Labor and Personnel Dispute Arbitration Commission on August 5, 2019, requiring the Company to pay compensation for the illegal termination of the labor contract and wage arrears in the amount of RMB1,718,100. In February 2023, a civil judgment ([2022] Z01MZ No. 8671) issued by Hangzhou Intermediate People's Court of Zhejiang Province dismissed all the arbitration claims of Liao Zhangyong.

② As of December 31, 2022, the balance of the Company's outstanding guarantee was RMB5,622,400.00.

(2). A situation statement shall be made in case of no significant contingencies to be disclosed:

Applicable Not Applicable

3. Others

Applicable Not Applicable

XV. Events After the Balance Sheet Date

1. Important non-adjusting events

Applicable Not Applicable

2. Profit distribution

Applicable Not Applicable

Unit: Yuan Currency: RMB

Profit or dividend to be distributed	
Profit or dividend declared after approval through deliberation	According to the Profit Distribution Plan for 2022 adopted at the 7 th meeting of the Eighth Board of Directors of the Company on March 30, 2023, the Company proposed to distribute a cash dividend of RMB1.30 (tax included) per 10 shares to all shareholders based on 1,898,681,845 shares, which is derived by subtracting 1,324,597 shares in the special repurchase account of the Company from the outstanding 1,900,006,442 shares.

3. Sales return

Applicable Not Applicable

4. Notes on other events after the balance sheet date

Applicable Not Applicable

(1) On January 7, 2023, Mr. Ma Yun and related parties signed the *Agreement on the Termination of Acting-in-Concert Agreement* and other documents respectively, through which Mr. Ma Yun will no longer be the Actual Controller and the Company will have no Actual Controller. Before the above equity change, the Actual Controller of the Company was Mr. Ma Yun.

(2) According to the *Proposal on Investment in the Establishment of Wholly-owned Subsidiary for Land Auction and Project Construction and Development* adopted at the 7th Meeting of the Eighth Board of Directors on March 30, 2023, the Company intends to invest in the establishment of a wholly-owned subsidiary (hereinafter referred to as the project company), with a registered capital of no less than RMB200 million, to participate in the auction of land and carry out project construction and development for the construction and development of the (proposed) project of the Company's headquarters in Jiangsu. The investment amount of the project will be RMB620 million. During the construction and development of the project company, the Company will consider inviting partners such as CDH Fund to participate in the project and opening more than 20% of equity interest in the project company to such partners.

(3) As of the approval date of the financial statements, the Company and its subsidiaries have not yet completed the final settlement and payment of income taxes for 2022.

XVI. Other Significant Events

1. Correction of accounting errors in the previous period

(1). Retrospective restatement

Applicable Not Applicable

(2). Prospective application

Applicable Not Applicable

2. Debt restructuring

Applicable Not Applicable

3. Asset replacement

(1). Exchange of non-monetary assets

Applicable Not Applicable

(2). Exchange of other assets

Applicable Not Applicable

4. Annuity plan

Applicable Not Applicable

5. Discontinued operations

Applicable Not Applicable

6. Segment information

(1). Basis for determining reporting segments and accounting policies

Applicable Not Applicable

The Company determines the reporting segment based on its internal organizational structure, management requirements and internal reporting system and takes the industry segment as the basis to determine the reporting segment. The operating performance of software business, commercial business, property management in the science park and commercial service business shall be assessed respectively. Assets and liabilities commonly used in all segments are distributed among different segments according to the scale.

The Company determines the reporting segments based on the regional segments. The revenue from and cost of principal businesses are divided by the place where the sales are finally realized, and the assets and liabilities are divided by the place where the operating entity is located.

(2). Financial information of reportable segments

Applicable Not Applicable

	Unit: Yuan		Currency: RMB	
Item	Mainland China	Overseas	Inter-segment offset	Total

Revenue from principal businesses	6,261,624,358.20	235,974,753.55		6,497,599,111.75
Cost of principal businesses	1,679,118,790.60	39,015,316.40		1,718,134,107.00
Total assets	12,062,693,994.15	941,884,304.52		13,004,578,298.67
Total liabilities	5,359,406,676.49	170,710,407.46		5,530,117,083.95

Industry division

Item	Unit: Yuan				Currency: RMB
	Software	Property management of science park	Investment management	Inter-segment offset	Total
Revenue from principal businesses	6,483,114,030.92	14,485,080.83			6,497,599,111.75
Cost of principal businesses	1,714,798,490.40	3,335,616.60			1,718,134,107.00
Total assets	11,405,784,630.99	544,624,843.57	1,054,168,824.11		13,004,578,298.67
Total liabilities	4,842,477,471.51	323,457,762.86	364,181,849.58		5,530,117,083.95

(3). Explanation shall be given if the Company has no reportable segments or cannot disclose total assets and total liabilities of reportable segments

Applicable Not Applicable

(4). Other Description

Applicable Not Applicable

7. Other significant transactions and events affecting investors' decisions

Applicable Not Applicable

According to the relevant provisions of the *Provisional Regulations of the People's Republic of China on Land Appreciation Tax*, the land appreciation tax shall be paid at four-level progressive rates, i.e., the tax rate is 30% when the appreciation volume is less than 50% of the amount deducted; the tax rate is 40% when the appreciation volume is more than 50% and less than 100% of the amount deducted; the tax rate is 50% when the appreciation volume is more than 100% and less than 200% of the amount deducted; the tax rate is 60% when the appreciation volume is more than 200% of the amount deducted. The sale of ordinary standard residential buildings with an appreciation volume not exceeding 20% of the amount deducted is exempt from the land appreciation tax.

In addition to paying the land appreciation tax calculated at a withholding rate prescribed by the local tax bureau, Hundsun Science Park, a subsidiary of the Company, accrued real estate development projects that have met the relevant prescribed liquidation conditions but have not yet been liquidated, as well as real estate development projects for which sales revenue has been recognized but have not met the relevant prescribed liquidation conditions, based on the difference between the land appreciation tax payable and that actually paid. As of December 31, 2022, the accumulated difference of land appreciation tax accrued by Hundsun Science Park was RMB305,258,151.46.

8. Others

√Applicable □Not Applicable

Leases

1. The Company as the lessee

(1) Information related to the right-to-use assets is detailed in Note VII.25 to the financial statements;

(2) The Company's accounting policies for short-term leases and leases of low-value assets are detailed in Note V.42 to the financial statements. The amount of expenses for short-term leases and low-value asset leases charged to the current profit or loss is as follows:

Item	During the period	Unit: Yuan	Currency: RMB
		During the corresponding period last year	
Short-term lease expenses	31,096,459.86		35,696,783.16
Total	31,096,459.86		35,696,783.16

(3) Current profit or loss and cash flow related to leases

Item	During the period	Unit: Yuan	Currency: RMB
		During the corresponding period last year	
Interest expenses on lease liabilities	1,948,604.73		637,194.89
Variable lease payments not charged to the measurement of lease liabilities but to the current profit and loss			
Income from subletting the right-to-use assets			
Total cash outflows related to leases	47,471,924.09		47,182,565.08
Profit and loss related to sale and leaseback transactions			

(4) The maturity analysis of lease liabilities and the corresponding liquidity risk management are detailed in Note X to the financial statements.

2. The Company as the leaser

Operating lease

(1) Lease income

Item	During the period	Unit: Yuan	Currency: RMB
		During the corresponding period last year	
Lease income	4,022,095.21		3,349,682.46

(2) Operating lease assets

Item	Closing balance	Unit: Yuan	Currency: RMB
		Closing balance of the previous year	
Investment properties	139,546,030.07		127,524,968.93
Sub-total	139,546,030.07		127,524,968.93

XVII. NOTES TO MAIN ITEMS IN THE PARENT COMPANY'S FINANCIAL STATEMENTS**1. Accounts receivable****(1). Disclosure by aging**

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Aging	Closing book balance
Within 1 year	
Including: Sub-items within 1 year	
Within 1 year	483,502,928.36
Sub-total within 1 year	483,502,928.36
1-2 years	161,834,598.94
2-3 years	58,582,279.63
Over 3 years	124,617,538.81
Total	828,537,345.74

(2). Disclosure by category by means of allowance for bad debts

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Class	Closing balance					Opening balance				
	Book balance		Allowance for bad debts		Carrying value	Book balance		Allowance for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Allowance for bad debts made on an individual basis	36,890,350.00	4.45	36,890,350.00	100.00		39,136,044.00	5.55	39,136,044.00	100.00	
Including:										
Amount of other software services	36,890,350.00	4.45	36,890,350.00	100.00		39,136,044.00	5.55	39,136,044.00	100.00	
Allowance for bad debts made on a collective basis	791,646,995.74	95.55	141,821,803.03	17.91	649,825,192.71	666,101,565.05	94.45	108,385,566.35	16.27	557,715,998.70
Including:										
Aging portfolio	740,966,745.48	89.43	141,821,803.03	19.14	599,144,942.45	645,337,176.00	91.51	108,385,566.35	16.80	536,951,609.65
Grouped by related party transactions in the consolidation scope	50,680,250.26	6.12			50,680,250.26	20,764,389.05	2.94			20,764,389.05
Total	828,537,345.74	/	178,712,153.03	/	649,825,192.71	705,237,609.05	/	147,521,610.35	/	557,715,998.70

Provision for bad debts is accrued on an individual basis:

√Applicable □Not Applicable

Unit: RMB Currency: RMB

Name	Closing balance			
	Book balance	Allowance for bad debts	Provision (%)	Reasons

Amount of other software services	36,890,350.00	36,890,350.00	100	Expected difficulty in collection
Total	36,890,350.00	36,890,350.00	100	/

Allowance for bad debts made on an individual basis:

Applicable Not Applicable

Allowance for bad debts made on a collective basis:

Applicable Not Applicable

Item for which allowance was made on a collective basis: grouped by aging

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Allowance for bad debts	Provision (%)
Within 1 year	451,802,636.70	22,590,131.84	5.00
1-2 years	143,479,598.06	14,347,959.81	10.00
2-3 years	58,286,856.20	17,486,056.86	30.00
Over 3 years	87,397,654.52	87,397,654.52	100.00
Total	740,966,745.48	141,821,803.03	19.14

Recognition criteria and description of allowance for bad debts made on a collective basis:

Applicable Not Applicable

Item	Grouping basis	Expected credit loss calculation method
Accounts receivable grouped by aging	Aging	A table of aging of accounts receivable and lifetime expected credit loss rates is prepared, and the expected credit loss is calculated, with reference to historical credit loss experience, in consideration of current conditions and expectations of future economic conditions.

Item for which allowance was made on a collective basis: Grouped by related party transactions in the consolidation scope

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Allowance for bad debts	Provision (%)
Shanghai Genus	22,000,000.00		
Hundsun Ayers	7,508,815.80		
Cloudyee Network	5,571,014.91		
Shanghai Gildata	5,447,725.42		
Jinrui Software	5,448,754.74		
Hangzhou Business Intelligence	2,839,999.93		
Hundsun iBontal	605,645.16		
Hundsun HK	392,500.49		
Jingteng Network	344,414.40		
Yunyong Network	326,208.04		
Cloudbroker Network	132,007.20		
Hangzhou Beiying	20,000.00		
Hundsun Science Park	13,100.00		
Japan Hundsun	30,064.17		
Total	50,680,250.26		

Recognition criteria and description of allowance for bad debts made on a collective basis:

Applicable Not Applicable

Item	Grouping basis	Expected credit loss calculation method
Accounts receivable - grouped by related party transactions in the consolidation scope	Nature	The expected credit loss is calculated, with reference to historical credit loss experience, in consideration of current conditions and expectation of future economic conditions, and based on the default risk exposure and lifetime expected credit loss rate.

If bad debt reserves are accrued according to the general model of expected credit losses, please refer to other receivables for disclosure:

Applicable Not Applicable

(3). Allowance for bad debts

Applicable Not Applicable

Unit: Yuan Currency: RMB

Class	Opening balance	Change during the current period				Closing balance
		Provision	Recovered or reversed	Write-off or cancellation	Other changes	
Allowance for bad debts made on an individual basis	39,136,044.00		-2,245,694.00			36,890,350.00
Allowance for bad debts made on a collective basis	108,385,566.35	33,436,236.68				141,821,803.03
Total	147,521,610.35	33,436,236.68	-2,245,694.00			178,712,153.03

The significant amount of provision reversal and recovery of bad debts in the current period:

Applicable Not Applicable

(4). Actual accounts receivable written off in the current period

Applicable Not Applicable

Write-off of significant account receivables

Applicable Not Applicable

(5). Top five account receivables according to closing balances grouped by the debtor

Applicable Not Applicable

Unit: Yuan Currency: RMB

Company name	Closing balance	Proportion in the total closing balance of accounts receivable (%)	Closing balance of allowance for bad debts
Customer 1	22,000,000.00	2.66	
Customer 2	19,815,305.95	2.39	2,150,508.84
Customer 3	19,463,060.99	2.35	2,013,722.05
Customer 4	15,277,013.63	1.84	2,183,572.19
Customer 5	10,681,417.62	1.29	629,070.88
Total	87,236,798.19	10.53	6,976,873.96

(6). Accounts receivable derecognized due to the transfer of financial assets

Applicable Not Applicable

(7). Amount of assets or liabilities due to the transfer of accounts receivable and continuing involvement

Applicable Not Applicable

Other notes:

Applicable Not Applicable

2. Other receivables**Items**

Applicable Not Applicable

Item	Closing balance	Unit: Yuan	Currency: RMB
		Opening balance	
Other receivables	37,275,271.21		66,212,431.56
Total	37,275,271.21		66,212,431.56

Other notes:

Applicable Not Applicable

Interest receivable**(1). Classification of interest receivable**

Applicable Not Applicable

(2). Significant overdue interest

Applicable Not Applicable

(3). Allowance for bad debts

Applicable Not Applicable

Other notes:

Applicable Not Applicable

Dividend receivables**(1). Dividend receivables**

Applicable Not Applicable

(2). Significant dividends receivable with the aging over 1 year

Applicable Not Applicable

(3). Allowance for bad debts

Applicable Not Applicable

Other notes:

Applicable Not Applicable

Other receivables**(1). Disclosure by aging**

Applicable Not Applicable

Aging	Unit: Yuan		Currency: RMB
	Closing book balance		
Within 1 year			
Including: Sub-items within 1 year			
Within 1 year			26,374,222.97
Sub-total within 1 year			26,374,222.97
1-2 years			9,052,914.60

2-3 years	2,236,878.85
Over 3 years	13,133,815.35
Total	50,797,831.77

(2). Classified by nature of accounts

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Nature	Closing book balance	Opening book balance
Deposits	27,852,394.94	24,757,254.20
Current and settlement accounts	10,511,345.71	45,472,539.58
Imprest fund	9,884,433.98	8,584,754.80
Others	2,549,657.14	128,129.60
Total	50,797,831.77	78,942,678.18

(3). Provision for bad debts

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Allowance for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit loss within the whole duration (not credit-impaired)	Expected credit loss within the whole duration (credit-impaired)	
Balance on January 1, 2022	900,212.53	286,464.33	11,543,569.76	12,730,246.62
Balance as at January 1, 2022 is in the current period.				
- Be transferred to Stage 2	-271,215.88	271,215.88		
- Be transferred to Stage 3		-56,901.93	56,901.93	
- Be transferred back to Stage 2				
- Be transferred back to Stage 1				
Provision in the current period	534,721.14	41,653.47	215,939.33	792,313.94
Reversal in the current period				
Write-off in the current period				
Cancellation in the current period				
Other changes				
Balance as at December 31, 2022	1,163,717.79	542,431.75	11,816,411.02	13,522,560.56

Notes on significant changes in the carrying amount of other receivables for which changes in the allowance for losses occurred during the current period:

□Applicable √Not Applicable

Amount of allowance for bad debts for the current period and basis for evaluating whether the credit risk of financial instruments increases significantly:

□Applicable √Not Applicable

(4). Provision for bad debts
Applicable Not Applicable

Unit: Yuan Currency: RMB

Class	Opening balance	Change during the current period				Closing balance
		Provision	Recovered or reversed	Write-off or cancellation	Other changes	
Allowance for bad debts made on a collective basis	12,730,246.62	792,313.94				13,522,560.56
Total	12,730,246.62	792,313.94				13,522,560.56

The significant transfers or reversals with allowance for bad debts during the current period:

Applicable Not Applicable
(5). Other receivables written off in the current period
Applicable Not Applicable
(6). Other receivables with top five closing balances collected as per the borrowers
Applicable Not Applicable

Unit: Yuan Currency: RMB

Company name	Nature	Closing balance	Aging	Proportion in the total closing balance of other receivables (%)	Closing balance of allowance for bad debts
Entity 1	Deposits	7,771,000.00	Over 3 years	15.30	7,771,000.00
Entity 2	Settlement accounts	3,744,601.41	Including RMB1,303,618.44 with an age of 1 year, RMB364,868.48 with an age of 1 to 2 years, RMB1,027,082.66 with an age of 2 to 3 years, and RMB1,049,031.83 with an age of over 3 years	7.37	
Entity 3	Deposits	1,711,300.41	Over 3 years	3.37	1,711,300.41
Entity 4	Settlement accounts	2,685,827.15	1-2 years	5.29	
Entity 5	Deposits	1,250,000.00	Over 3 years	2.46	1,250,000.00
Total	/	17,162,728.97	/	33.79	10,732,300.41

(7). Accounts receivable involving government subsidies
Applicable Not Applicable
(8). Other receivables derecognized due to transfer of financial assets
Applicable Not Applicable
(9). Assets and liabilities formed by other accounts receivable transfers and continuous involvement
Applicable Not Applicable

Other notes:

Applicable Not Applicable

3. Long-term equity investments

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Carrying value	Book balance	Impairment provision	Carrying value
Investment in subsidiaries	3,123,351,629.21	303,280,284.41	2,820,071,344.80	2,758,321,839.55	262,249,246.66	2,496,072,592.89
Investment in associates and joint ventures	910,564,590.74	92,704,614.04	817,859,976.70	839,073,663.56	104,190,614.26	734,883,049.30
Total	4,033,916,219.95	395,984,898.45	3,637,931,321.50	3,597,395,503.11	366,439,860.92	3,230,955,642.19

(1). Investments in subsidiaries

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Provision for impairment during the period	Closing balance of impairment provision
Cloud Investment	115,198,302.00			115,198,302.00		
Wuxi Henghua	15,814,000.00			15,814,000.00		
Data Security	10,383,589.00			10,383,589.00		
Jinrui Software	50,401,551.20	50,335,998.38		100,737,549.58		
Beijing Qiantang	12,371,794.80	3,813,823.69		16,185,618.49		
Shanghai Yirui	700,000.00			700,000.00		
Japan Hundsun	2,960,123.04			2,960,123.04		
Shanghai Liming	47,547,500.00			47,547,500.00		41,169,916.78
Shanghai Gildata	92,978,556.73	50,590,548.64		143,569,105.37		
Hangzhou Yunhui	20,000,000.00			20,000,000.00		
Cloudwing Network	312,000,000.00	194,000,000.00		506,000,000.00		
Securities Investment Network	30,000,000.00			30,000,000.00		23,072,212.58
Cloudyee Network	28,788,820.80	2,518,438.01		31,307,258.81		
Yunyong Network	12,000,000.00			12,000,000.00		
Cloudbroker Network	43,260,013.60	1,459,779.45		44,719,793.05		
Yunlian Network	12,600,000.00			12,600,000.00		6,947,361.53

Shanshang Network	12,600,000.00		12,600,000.00			
Wengine Network	8,750,000.00			8,750,000.00		
Hangzhou Yima	10,088,894.00	107,880.29		10,196,774.29		
Intercontinental Holdings	53,194,000.00			53,194,000.00		
Guangdong Institute of Finance	300,000.00		300,000.00			
Hangzhou Xinglu	62,025,389.51			62,025,389.51		
Hangzhou Business Intelligence	67,083,948.28	44,173,295.30		111,257,243.58		
Hundsun International Technologies	853,678,200.00			853,678,200.00		164,489,250.55
Hundsun Holdings	154,790,717.70			154,790,717.70		
Shengtian Network	2,342,983.20	2,284,102.69		4,627,085.89		
Zhigu Network	18,723,460.40			18,723,460.40		6,473,762.09
Jingteng Network	62,104,736.40	2,955,812.78		65,060,549.18		
Wuxi Xinglu	15,059,296.20			15,059,296.20		
IHS Markit	47,481,230.00	757,357.66		48,238,587.66		
Hundsun Science Park	22,184,900.00	256,570.18		22,441,470.18		
Nanjing Xingcheng	180,000,000.00			180,000,000.00		
BusinessMatrix	79,556,543.95	259,987.49		79,816,531.44	51,591,478.88	61,127,780.88
Shanghai Genus	88,161,983.84			88,161,983.84		

Xunchang Wendao	35,000,000.00			35,000,000.00		
Hundsun iBontal	100,052,500.00			100,052,500.00		
Shanghai Dworld	50,183,804.90		50,183,804.90			
Nanjing Xingding	27,955,000.00			27,955,000.00		
Hangzhou Hengshu		1,000,000.00		1,000,000.00		
Digital Intelligence Qiyuan		70,000,000.00		70,000,000.00		
Jiaocha Information		3,600,000.00		3,600,000.00		
Total	2,758,321,839.55	428,113,594.56	63,083,804.90	3,123,351,629.21	51,591,478.88	303,280,284.41

(2). Investments in associates and joint ventures

√Applicable □Not Applicable

Unit: 10,000 yuan Currency: RMB

Investor	Opening balance	Changes in the current period								Closing balance	Closing balance of impairment provision
		Increase in investment	Decrease in investment	Investment profit or loss recognized by equity method	Other comprehensive income adjustments	Other changes in equity	Cash dividends and profits declared	Impairment provision	Others		
I. Joint ventures											
Sub-total											
II. Associates											

Ant (Hangzhou) Funds Sales Co., Ltd.	25,650.66			13,219.53		20.24				38,890.43	
Hangzhou Baiyong Shiji Technology Co., Ltd.	3,554.16		2,450.00	310.10						1,414.26	
Shenzhen Tradeblazer Technology Co., Ltd.	4,456.71			245.05			448.32			4,253.44	4,132.51
Hangzhou Rongdu Science & Technology Co., Ltd.	698.02			-242.79		-6.28				448.95	1,647.27
Zhejiang Santan Technology Co., Ltd.	1,152.49			-852.78						299.71	
Hangzhou Hundsun Yuntai Network Technology Co., Ltd.	2,194.45			-1,882.63		933.24				1,245.06	
Guangdong Yuecai Internet Finance Co., Ltd.	471.30			6.42						477.72	
Beijing Hongtian Rongda Information Technology Co., Ltd.											235.09
Golden State Investment Services Co., Ltd.	2,873.41			158.30						3,031.71	
Shenzhen Ricequant	1,458.92			-47.53						1,411.39	3,255.59

Technology Co., Ltd.											
Fujian Trading Market Registration and Settlement Center Co., Ltd.	733.36			-36.35						697.01	
Hundsun Cloud Financing Network Technology Co., Ltd.	941.56			-129.32		791.25				1,603.49	
Hangzhou Fupu Gongjin Investment Partnership (L.P.)	2,742.64			-22.31						2,720.33	
Hangzhou HISOME Digital Equipment Technology Co., Ltd.	3,050.08			642.64		-15.46	314.20			3,363.06	
Jiangxi Lianjiaoyun Registration and Settlement Center Co., Ltd.	155.18			15.94			54.00			117.12	
Guangdong Yuecai Net Small Loan Microfinance Co., Ltd.	2,195.60			99.22						2,294.82	
Shanghai Leanwork Financial Information Service Co., Ltd.	635.48		1,275.00					-1,148.60	-509.08		
Hangzhou Wanming Digital Technology Co., Ltd.	488.05		375.00	2.02					-115.07		

Beijing Hezhi Xingtu Technology Co., Ltd.	1,835.01									1,835.01	
Hangzhou Eceyes Internet Financial Co., Ltd.	2,573.25			158.34						2,731.59	
Hangzhou National Software Industry Base Co., Ltd.	231.96			-23.65						208.31	
Zhejiang Institute of Modern Capital and Industry	2.89									2.89	
Beijing Tongchuang Yongyi Technology Development Co., Ltd.	1,384.02			-68.75						1,315.27	
Shanghai Qianyun Information Technology Co., Ltd.	465.01			-14.68						450.33	
Databaker (Beijing) Technology Co., Ltd.	564.54			-60.08		77.85				582.31	
Shanghai Yitongtou Technology Co., Ltd.	1,311.13			-319.93		3.18				994.38	
Nanjing Pengxi Equity Investment Center (L.P.)	11,668.43			-397.80		126.77				11,397.40	
Sub-total	73,488.31		4,100.00	10,758.96		1,930.79	816.52	-1,148.60	-624.15	81,785.99	9,270.46
Total	73,488.31		4,100.00	10,758.96		1,930.79	816.52	-1,148.60	-624.15	81,785.99	9,270.46

4. Revenue and cost of sales**(1). Revenue and cost of sales**√Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Main business	5,282,764,182.96	1,419,387,363.28	4,519,733,092.73	1,280,745,652.91
Other businesses	29,298,053.38	785,048.15	20,680,988.09	447,250.64
Total	5,312,062,236.34	1,420,172,411.43	4,540,414,080.82	1,281,192,903.55

(2). Revenue from contracts√Applicable Not Applicable

Unit: Yuan Currency: RMB

Classification of contract	Segment	Total
By type of product		
Software	5,308,492,010.55	5,308,492,010.55
By operating regions		
Domestic	5,308,492,010.55	5,308,492,010.55
By time of transfer of goods		
Revenue recognized at a certain time point	3,925,687,761.04	3,925,687,761.04
Revenue recognized within a certain period of time	1,382,804,249.51	1,382,804,249.51
Total	5,308,492,010.55	5,308,492,010.55

Breakdown of revenue from contracts:

Applicable Not Applicable**(3). Contract performance obligations**√Applicable Not Applicable

The Company's revenue mainly comes from sales of self-made and customized software, software services, and outsourced goods, as well as property management in the science park. Sales of self-made and customized software and outsourced goods are performance obligations to be performed at a certain time point, and the revenue shall be recognized when the products are delivered to the customer and the customer obtains control of the products. Software services and property management in the science park are performance obligations to be performed within a certain time period and the revenue shall be recognized in accordance with the performance progress.

(4). Apportionment to remaining performance obligationsApplicable Not Applicable

Other notes:

The revenue recognized in the opening carrying value of contract liabilities during the current period was RMB1,910,242,170.81.

5. Investment income√Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from long-term equity investments calculated by the cost method	42,962,648.68	60,497,500.00
Income from long-term equity investments calculated by the equity method	107,589,749.47	90,518,351.65
Investment income from the disposal of long-term equity investments	7,190,947.94	20,732,708.91
Investment income from holding held-for-trading financial assets	72,466,627.77	56,045,308.23
Investment income from disposal of held-for-trading financial assets	33,301,351.41	37,710,964.56
Total	263,511,325.27	265,504,833.35

6. Others

√Applicable □Not Applicable

R&D expenses

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	1,673,921,614.90	1,432,390,117.14
Share-based payment	57,262,604.26	48,176,369.19
Technology development costs	155,004,049.15	187,488,105.20
Communication expenses	45,484,055.68	54,732,886.58
Travel expenses	33,663,353.04	51,359,608.68
Depreciation and amortization	33,612,154.15	27,768,520.46
Vehicle expenses	3,811,311.35	4,249,187.86
Office expenses	1,160,159.41	4,522,430.16
Intermediary fees	954,767.21	657,361.05
Business expenses	57,346.31	297,150.23
Total	2,004,931,415.46	1,811,641,736.55

XVIII. Supplementary information

1. Breakdown of current non-recurring profit or loss

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Amount	
Profit or loss from disposal of non-current assets	5,326,551.07	
Tax return or relief under ultra vires approval or without formal approval documents		
Government grants charged to the current profit or loss (other than those closely related to corporate business and granted based on a fixed amount or a fixed quantity unified by the state)	51,728,213.87	Mainly represented the government grants for special projects
Payment for the use of state funds included in the current profit and loss and collected from non-financial business		
Income arising from the fair value of net identifiable assets of the investee the enterprise should enjoy when the cost of investment it acquired from the subsidiaries, associates and joint ventures was less than the investment it obtained		

Non-monetary assets exchange profit and loss		
Profits and losses on the assets by entrusting others to invest or manage		
Each provision for the impairment of assets withdrawn due to force majeure factor, say, suffering from a natural disaster		
Debt restructuring profits and losses		
Enterprise restructuring charges, such as the staffing expenditures and integrating expenses		
Profit and loss of the part exceeding the fair value arising from the transaction with the bargain price losing fairness		
Net current profit and loss of the subsidiary acquired in business combination involving entities under common control from the beginning of the period to the combination date		
Profits and losses arising from contingencies irrelevant to the Company's normal business operation		
Profit or loss from changes in the fair value generated from the Company's held-for-trading and derivative financial assets, and held-for-trading and derivative financial liabilities, and investment income from the disposal of held-for-trading and derivative financial assets, held-for-trading and derivative financial liabilities, and other debt investments, except for effective hedging business related to the Company's normal business	-112,295,096.37	Mainly represented the profit and loss from the changes in the fair value generated from the Company's held-for-trading financial assets, and the investment income from the disposal of the held-for-trading financial assets
Reversal of depreciation reserves of receivables and contractual assets under independent impairment assessment	1,015,200.00	
Profits and losses acquired from externally entrusted loans		
Profits and losses arising from changes in the fair value of investment real estates by using the fair value model for subsequent measurement		
Influence made by the one-off adjustment of the current profit and loss according to requirements of tax revenue and accounting laws and regulations on the current profit and loss		
Trustee fee income achieved from the entrusted management		
Other non-operating income and expenses other than the above	615,168.56	
Other profits or losses that belong to non-recurring profits and losses		
Less: Effect on income tax	154,540.63	
Effect on minority interests	-433,722.03	
Total	-53,330,781.47	

Reasons shall be given with respect to the Company classifying the non-recurring profit and loss items defined and listed in the *Explanatory Notice on Information Disclosure of Companies with Public Offering No. 1-Non-recurring Profit and Loss* as recurring profit and loss items.

Applicable Not Applicable

2. Return on net assets and earnings per share

√Applicable □Not Applicable

Profit during the Reporting Period	Weighted average ROE (%)	Earnings per share	
		Basic EPS	Diluted EPS
Net profit attributed to ordinary shareholders of the Company	17.36	0.57	0.57
Net profit attributed to ordinary share holders of the Company after deducting non-recurring profits and losses	18.21	0.60	0.60

3. Differences in accounting data between domestic and overseas accounting standards

□Applicable √Not Applicable

4. Others

√Applicable □Not Applicable

1. Calculation of weighted average ROE

Item	S/N	Unit: Yuan	Currency: RMB
		During the period	
Net profit attributed to ordinary shareholders of the Company	A	1,091,088,379.58	
Non-recurring profit and loss	B	-53,330,781.47	
Net profit attributable to shareholders of ordinary shares net of non-recurring profit or loss	C=A-B	1,144,419,161.05	
Opening net assets attributable to shareholders of ordinary shares of the Company	D	5,695,031,051.05	
Net assets attributable to shareholders of ordinary shares of the Company increased due to offering of new shares or conversion of debts into shares	E		
Number of months from the next month following the increase up to the end of the Reporting Period	F		
Net assets attributable to shareholders of ordinary shares of the Company decreased due to share repurchase or reduced cash dividends	G	146,148,654.00	
Number of months from the month following the decrease in net assets up to the end of the Reporting Period	H	4	
Others	Other changes in owners' equity arising from associates other than net profit or loss and profit distribution	I1	14,199,203.73
	Number of months from the month following the increase or decrease in net assets up to the end of the Reporting Period	J1	2、6
	Others - Other changes held by Company's shareholding platform in the ownership interests of subsidiaries within the scope of the Company's consolidation for the period other than net profit or loss and profit distribution	I2	22,202,726.28
	Number of months from the month following the increase or decrease in net assets up to the end of the Reporting Period	J2	6
	Others - Changes in treasury shares arising from repurchase obligations	I3	-31,578,947.00
	Number of months from the month following the increase or decrease in net assets up to the end of the Reporting Period	J3	

Other-Changes in owner's equity arising from share-based payments	I4	157,255,645.79
Number of months from the month following the increase or decrease in net assets up to the end of the Reporting Period	J4	6
Other-Share repurchase under the Employee Stock Ownership Scheme	I5	-97,796,922.70
Number of months from the month following the increase or decrease in net assets up to the end of the Reporting Period	J5	0、2、3、6、7、8
Others-Contributions by employees under the Employee Stock Ownership Scheme	J6	35,313,750.00
Number of months from the month following the increase or decrease in net assets up to the end of the Reporting Period	I6	4、5
Others-Changes arising from changes in owners' equity shares of subsidiaries but still controlling subsidiaries	J6	29,783,533.60
Number of months from the month following the increase or decrease in net assets up to the end of the Reporting Period	I7	0、2、3、5、8、11
Others-Changes in the fair value of other debt investments	J7	-2,558,936.35
Number of months from the month following the increase or decrease in net assets up to the end of the Reporting Period	I8	6
Including: Foreign currency translation difference in the statements	I9	44,970,220.51
Number of months from the month following the increase or decrease in net assets up to the end of the Reporting Period	J9	6
Number of months during the Reporting Period	K	12
Weighted average net assets	$L = \frac{D+A}{2} + \frac{E \times F}{K} - \frac{G \times H}{K} \pm \frac{J}{K}$	6,285,348,987.11
Weighted average ROE	$M = A/L$	17.36%
Weighted average ROE net of non-recurring profit and loss	$N = C/L$	18.21%

2. Calculation of basic earnings per share and diluted earnings per share

Unit: Yuan Currency: RMB

Item	S/N	During the period
Net profit attributed to ordinary shareholders of the Company	A	1,091,088,379.58
Non-recurring profit and loss	B	-53,330,781.47
Net profit attributable to shareholders of ordinary shares net of non-recurring profit or loss	C=A-B	1,144,419,161.05
Total number of shares at the beginning of the period	D	1,461,144,040
Number of shares increased due to the capitalization of capital reserves or the distribution of shares and dividends	E	438,445,962
Number of shares increased due to new shares issuance or conversion of debt to capital	F	1,642,500
Number of months from the month following the increase of shares to the end of the Reporting Period	G	4
Decrease in the number of shares due to repurchase	H	2,497,957
Number of months from the month following the increase in shares up to the end of the Reporting Period	I	0、 2、 3、 6、 7、 8
Decrease in the number of shares during the Reporting Period	J	
Number of months during the Reporting Period	K	12
Weighted average number of outstanding ordinary shares	$L=D+E+F \times G/K-H \times I/K-J$	1,899,342,387.75
Basic EPS	$M=A/L$	0.57
Basic earnings per share net of non-recurring profit and loss	$N=C/L$	0.60

The calculation of diluted earnings per share is the same as that of basic earnings per share.

Chairman: Liu Shufeng

Submission date for approval of the Board: March 30, 2023

Revision Information

Applicable Not Applicable

Applicable Not Applicable