

Nanjing Putian Telecommunications Co., Ltd.

Semi-annual Report for 2023

[August 2023]

Section I Important Notes, Contents and Interpretations

The Board of Directors, Board of Supervisors, directors, supervisors and senior executives of the Company guarantee the truthfulness, accuracy and completeness of the Semi-annual Report, and ensure that there are no false records, misleading statements or major omissions, and they will be held individually and jointly liable for any legal liability that may arise.

Li Langping, the person in charge of the Company, Liao Rongchao, the person in charge of accounting, and Liao Rongchao, the person in charge of the accounting firm (accounting supervisor), declare that they guarantee the truthfulness, accuracy and completeness of the financial report represented in this Semi-annual Report.

All directors attended the board meeting at which this Semi-annual Report was considered.

If this Semi-annual Report contains any forward-looking statements concerning future plans such as the Company's business plan, such statements are not intended to constitute a substantive commitment to investors, and investors and related parties should exercise sufficient risk awareness and carefully consider the differences among plans, forecasts, and commitments.

In "Section III Discussion and Analysis of the Management Team" of this report, the Company has analyzed the risk factors that may adversely affect the realization of the Company's future development strategies and business objectives. We encourage investors to review this section carefully.

The Company planed not to distribute cash dividends and bonus shares, or increase its share capital from provident fund.

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Contents of Documents for Future Reference

(I) Financial statements containing the signatures and seals of the person in charge of the Company, the person in charge of accounting and the person in charge of the accounting firm (accounting supervisor).

(II) The originals of all Company documents and announcements publicly disclosed during the reporting period.

Interpretations

Term	means	Interpretation
The Company, Company	means	Nanjing Putian Telecommunications Co., Ltd.
CETC	means	China Electronics Technology Group Corporation
CETC Glarun	means	CETC Glarun Group Co., Ltd.
Southern Telecom	means	Nanjing Southern Telecom Co., Ltd. (a holding subsidiary of the Company)
Telege	means	Nanjing Putian Telege Intelligent Building Ltd. (a holding subsidiary of the Company)
Nanman Electrical	means	Nanjing Nanman Electrical Co., Ltd. (a wholly-owned subsidiary of the Company)
Putian Datang	means	Nanjing Putian Datang Information Electronics Co., Ltd. (a holding subsidiary of the Company)

Section II Company Profile and Main Financial Indicators

I. Company profile

Stock abbreviation	NTX B	Stock code	200468
Stock exchange	Shenzhen Stock Exchange		
Chinese name of the Company	南京普天通信股份有限公司		
Chinese abbreviation of the Company (if any)	南京普天		
English name of the Company (if any)	Nanjing Putian Telecommunications Co., Ltd.		
Legal representative	Li Langping		

II. Contact persons and contact information

	Secretary of the Board of Directors	Securities representative
Name	Li Jing	Dai Yuan
Address	Putian Technology Pioneer Park, No.8 Fenghui Avenue, Yuhuatai District, Nanjing City, Jiangsu Province	Putian Technology Pioneer Park, No.8 Fenghui Avenue, Yuhuatai District, Nanjing City, Jiangsu Province
Tel.	025-69675805	025-69675865
Fax	025-52416518	025-52416518
E-mail	lijing@postel.com.cn	daiyuan@postel.com.cn

III. Others

1. Company's contact information

Whether the Company's registered address, office address and postal code, company website and e-mail address changed during the reporting period

Applicable Not applicable

The Company's registered address, office address and postal code, website and e-mail address remained unchanged during the reporting period. For details, please refer to the Annual Report for 2022.

2. Location of information disclosure and provision

Whether the location of information disclosure and provision changed during the reporting period

Applicable Not applicable

The websites and names of the stock exchange and the media where the Company disclosed the Semi-annual Report, and the location where the Company provided the Semi-annual Report remained unchanged during the reporting period. For details, please refer to the Annual Report for 2022.

3. Other relevant information

Whether other relevant information changed during the reporting period

Applicable Not applicable

The controlling shareholder of the Company was changed from China Potevio Information Industry Co., Ltd. to CETC Glarun Group Co., Ltd. For details, please refer to the Announcement on Completing Transfer Registration and Changing Controlling Shareholder for Free Transfer of State-owned Shares disclosed by the Company in Securities Times and CNINFO on April 18, 2023.

IV. Main accounting data and financial indicators

Does the Company need to retroactively adjust or restate the accounting data of previous years

Yes No

	Amount of the reporting period	Amount of the same period of the previous year	Amount of the reporting period increased or decreased over the same period of the previous year (%)
Operating revenue (yuan)	392,539,877.69	407,312,616.35	-3.63%
Net profit attributable to shareholders of the listed company (yuan)	-10,961,896.92	-27,711,297.33	60.44%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (yuan)	-12,523,737.97	-24,553,468.90	48.99%
Net cash flow from operating activities (yuan)	-86,082,483.47	-95,863,997.56	10.20%
Basic earnings per share (yuan/share)	-0.05	-0.13	61.54%
Diluted earnings per share (yuan/share)	-0.05	-0.13	61.54%
Weighted average return on net assets	-66.38%	-51.49%	-14.89%
	Amount at the end of the reporting period	Amount at the end of the previous year	Amount at the end of the reporting period increased or decreased over the end of the previous year (%)
Total assets (yuan)	881,803,649.04	891,390,055.62	-1.08%
Net assets attributable to shareholders of the listed company (yuan)	11,033,439.36	21,995,336.28	-49.84%

V. Differences in accounting data under domestic and overseas accounting standards

1. Differences in net profits and net assets in the financial reports disclosed in accordance with international accounting standards and in accordance with Chinese accounting standards

Applicable Not applicable

During the reporting period, there is no difference between the net profit and net assets in the financial reports disclosed in accordance with international accounting standards and Chinese accounting standards.

2. Differences in net profits and net assets in the financial reports disclosed in accordance with overseas accounting standards and in accordance with Chinese accounting standards

Applicable Not applicable

During the reporting period, there is no difference between the net profit and net assets in the financial reports disclosed in accordance with overseas accounting standards and Chinese accounting standards.

VI. Items and amounts of non-recurring profits and losses

Applicable Not applicable

Unit: yuan

Item	Amount	Description
Profits and losses on disposal of non-current assets (including the write-off part of the provision for impairment of assets)	-67,389.77	
Government subsidies included in the profits and losses of the current period (except the government subsidies that are closely related to the normal operation of the Company, conform to the national policies and regulations, and are continuously enjoyed according to a certain standard quota or quantitative amount)	838,180.23	
Profit and loss of debt restructuring	-88,555.00	
Reversal of impairment provision for receivables separately tested for impairment	1,457,921.68	
Other non-operating revenue and expenses other than the above items	-301,000.94	
Less: Affected amount of revenue tax	64,780.32	
Affected amount of minority shareholders' equity (after tax)	212,534.83	
Total	1,561,841.05	

Details of other profit and loss items that comply with the definition of non-recurring profit and loss:

Applicable Not applicable

The Company had no other profit and loss items that comply with the definition of non-recurring profit and loss

Explanation of defining the non-recurring profit and loss items listed in the Explanatory Announcement No.1 on Information Disclosure by Companies with Public Securities Offerings - Non-recurring Profits and Losses as recurring profit and loss items

Applicable Not applicable

The Company does not define the non-recurring profit and loss items listed in the Explanatory Announcement No.1 on Information Disclosure by Companies with Public Securities Offerings as recurring profit and loss items.

Section III Discussion and Analysis of the Management Team

I. Major business of the Company during the reporting period

During the first half of the year, China's industrial economy exhibited a robust trajectory of recovery. Within this context, the information and communication sector demonstrated consistent growth. The continuous augmentation of the role of information and communication in empowering various sectors remained a notable trend. This development was underscored by the nation's unwavering commitment to fortifying new-type information infrastructure and propelling a profound integration of the digital economy and the real economy. In February 2023, China promulgated the Comprehensive Layout Plan for Digital China Construction. Within this strategic blueprint, the pivotal role of "constructing Digital China" was accentuated as an essential driver for advancing China's unique modernization in the digital era. Further underpinning this approach was the formulation of a "2522" comprehensive framework, which serves as a visionary guidepost steering the trajectory of China's digital economic growth in the foreseeable future.

During the reporting period, the Company steadfastly adhered to the principles embodied in Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era. We wholeheartedly embraced the tenets of the 20th CPC National Congress, ensuring unwavering alignment with the strategic decisions and deployments delineated by the Group's leading Party group and the Party Committee of CETC Glarun. Prioritizing stability and seeking progress while maintaining stability, we consistently enforced the mandates of "deepening reforms and pursuing integrated development." With an unwavering commitment to refining operational excellence, we confronted and resolved legacy challenges while fostering innovation and breakthroughs amid transformative endeavors. We strove to comprehensively enhance our operational management and our ability to prevent and mitigate significant risks, and tried to chart a trajectory toward the robust, sustained, and resilient growth of the Company.

1. The Company remained steadfast in its dedication to its primary responsibilities and core business while actively exploring both internal and external markets.

It continually fortified its core business operations, with a deepened focus on specialized sectors. Leveraging existing advantageous industries, the Company placed a prominent emphasis on bolstering the complementary provisioning capability of network and information systems. This, in turn, propelled the enhancement of the Company's overarching capability to provide solutions integrating "products + technology + services". Furthermore, the Company actively fostered exchanges with pertinent entities within the Group, integrated resources and improved the synergetic development of CETC's member entities upstream and downstream the industrial chain. Resultantly, the Company has established a multitude of business integration models, such as systematic support, product sales, and targeted R&D, further augmenting its competitive standing in the industry and market.

Integrated cabling products: The Company adopted a business model centered on "products + channels," leveraging existing distribution channels. A special focus was directed towards forging into industries like military, finance, civil aviation, and healthcare. Throughout the reporting period, the Company played a pivotal role in a number of major projects, including those of Southern Theater Command Center, Civil Aviation Flight University of China, Guangxi Bank of Communications, Yulong Petrochemical, Anzhen Hospital, and modular machine rooms.

Video conferencing products: The Company applied a sales model propelled by a dual approach of "product distribution + direct orders from projects". This strategic route revolved around the information-based audio-

video integration. With video conferencing and audio-video integration serving as the two focal business domains, the Company delved deeply into industries such as finance, central enterprises, healthcare institutions and government, and consistently enhanced core competitiveness through independent innovation. During the reporting period, the Company secured substantial contracts, including the information technology upgrade of China Mobile Group Guangdong Company Limited, the procurement of renewal insurance system for China Postal Savings Bank, the procurement of triage guidance and medical communication systems for Sihong People's Hospital, and the CNNC Beijing Science Park.

Intelligent electrical products: The Company made substantial inroads into sectors such as railway transportation, airports, and national priority endeavors. This pursuit sought to bolster the Company's market presence within the broader social landscape. Enhancements in rail project quality were evident, as exemplified by the successful bids for Beijing Metro Line 17 and the Shanghai Metro Link Line during the reporting period. Furthermore, proactive engagement with prominent civil market integrators yielded success, with the Company securing the construction project for the Xianlin new premises of the 28th Research Institute of CETC.

Smart lighting products: A strategic thrust was channeled towards securing contracts with central enterprises. Notable accomplishments within the reporting period encompassed projects such as the Jiangning Street Lamp Renovation Project, the Phase 3 of Jiangning Solar Street Lamp Project, the Smart Street Lamp Renovation in Shangluo, Shaanxi, and the Specialized Solar Monitoring Controller Project.

2. The Company pursued innovation-driven strategies with utmost vigor, steadily enhancing the core competitiveness of its products.

It actively pursued innovation-driven strategies, consistently amplifying the digitalization and intelligent transformation of its traditional product portfolio. It meticulously applied sustained refinement process to its core products such as the IoT centralized control platforms, smart conference management platforms, smart terminal distribution cabinets, smart lamp posts, and integrated cabling systems for industrial Internet. These strategic enhancements elevated the Company's overall influence within traditional customer bases spanning central enterprises, financial institutions, and rail transportation companies.

The Company constantly strengthened the construction of innovation platforms, and accelerated the application of projects such as management system projects for integrating IT application with industrialization, the third-level certificate of information technology service standards, and the municipal-level enterprise technology center.

It also strengthened the cooperation among the industry, universities and research institutions. In collaboration with Nanjing University of Information Science and Technology, the Company developed the "encryption watermark" technology, which enables the implementation of covert image leakage tracking within auxiliary video streams in video conferencing systems. The Company has completed the R&D of the IoT version of grid-powered complementary controllers, and the resultant products have already been introduced to the market.

By synergizing software R&D resources and leveraging existing business foundations, the Company strategically exploited national support policies for the software industry, thereby accelerating the its transformation towards a technology-oriented company.

During the reporting period, the Company witnessed the addition of 4 newly authorized patents and 4 software copyrights. Furthermore, it submitted applications for 10 patents and 3 software copyrights.

3. The Company deepened reform for integrated development and accelerated transformative upgrades.

During the reporting period, it made substantial progress in bolstering its Party construction efforts, effectively harnessing them to provide guidance. Additionally, the Company reinforced the role of strategic planning as a driving force to propel the realization of strategic objectives. It delved into comprehensive institutional and systemic reforms, leading to the recalibration of its industrial framework. The Company also intensified

financial foundation management, strengthening control over accounts receivable and inventory debts. Furthermore, it enhanced asset management to accelerate the process of reactivating dormant assets.

II. Analysis of core competitiveness

1. Marketing ability

The Company possesses a well-established market network and extensive industry experience, having provided long-term services to customers across a diverse range of sectors. These include central enterprises, government agencies, rail transit companies, financial institutions, healthcare providers, electric power companies, and internet-based businesses.

2. Product competitiveness

The Company staunchly adheres to an innovation-driven strategy, systematically intensifying the R&D of novel products to elevate its core competencies. Its integrated cabling products are positioned in the high-end market. It provides premium-quality solutions for integrated cabling and intelligent building systems. Exhibiting robust competitive advantages in market sales and product technical standards, these products have emerged as formidable substitutes for international brands. The Company has more than 20 years of rich professional and technical service experience in the field of video conferencing; By virtue of independent innovation, its self-developed products have been widely recognized by customers such as central enterprises, government, financial institutions, and medical institutions, and its ability of sustainable development has been further enhanced. Its intelligent electrical products find extensive application in airports, terminals, rail transportation and metallurgy, consistently maintaining a prominent position in the rail transportation sub-sector. Its market standing is attributed to the high professionalism and strong competitiveness of its products. The Company has a longstanding commitment to cultivating expertise in the domains of intelligent lighting and energy-efficient controller systems. This dedication has culminated in the establishment of an integrated ecosystem that encompasses R&D, manufacturing, and large-scale sales. The smart lighting products are incorporated into integrated solutions of advanced IoT-based grid-connected street lamp controllers for customers.

3. Brand influence

The Company is an information and communications subsidiary of a central enterprise. Its communication infrastructure products have gained a strong brand reputation in the domestic fiber optical communications industry, particularly in the area of network connection products. Putian Telege has earned the prestigious distinction of being recognized as a famous brand of integrated cabling products in Jiangsu Province, as well as a renowned provincial trademark. Consistently ranking among the top ten domestic comprehensive cabling brands for over a decade, these products have positioned themselves as industry leaders poised to surpass foreign counterparts. Southern Telecom takes pride in an impressive array of video conferencing products, including the "Ruijing" and "Ruizhi" series. These offerings have garnered significant recognition within the domestic market; Nanman Electrical is a prominent brand within the rail transportation industry.

III. Analysis of main business

Overview

See "I. Major business of the Company during the reporting period" for details.

Year-on-year changes in major financial data

Unit: yuan

	Amount of the reporting period	Amount of the same period of the previous year	Year-on-year increase or decrease	Reasons for changes
Operating revenue	392,539,877.69	407,312,616.35	-3.63%	
Operating cost	303,199,007.67	323,444,209.14	-6.26%	
Sales expenses	40,563,329.57	40,632,210.06	-0.17%	
Management fees	32,677,949.24	28,299,430.10	15.47%	
Financial expenses	3,758,865.48	4,638,360.06	-18.96%	
Income tax expenses	511,674.73	3,414,845.68	-85.02%	The deducted amount of R&D expenses of some subsidiaries increased, while the income tax expenses decreased
Investment in R&D	19,422,168.02	23,642,718.55	-17.85%	
Net cash flow from operating activities	-86,082,483.47	-95,863,997.56	10.20%	
Net cash flow from investing activities	-1,411,175.50	18,980,463.81	-107.43%	No trading financial assets were recovered during the reporting period
Net cash flow from financing activities	45,012,616.96	20,037,650.77	124.64%	Borrowings obtained in the current period increased
Net increase in cash and cash equivalents	-42,448,021.92	-56,826,696.67	25.30%	

Significant changes occurred in the profit composition or profit sources of the Company during the reporting period

Applicable Not applicable

No significant changes occurred in the profit composition or profit sources of the Company during the reporting period

Composition of operating revenue

Unit: yuan

	Amount of the reporting period		Amount of the same period of the previous year		Year-on-year increase or decrease
	Amount	Proportion in operating revenue	Amount	Proportion in operating revenue	
Total operating revenue	392,539,877.69	100%	407,312,616.35	100%	-3.63%
Industry					
Communication industry	350,156,435.31	89.20%	361,543,412.68	88.76%	-3.15%
Electrical industry	42,383,442.38	10.80%	45,769,203.67	11.24%	-7.40%
Product					
Integrated cabling products - revenue from main business	168,067,696.46	42.82%	176,444,873.16	43.32%	-4.75%
Video conferencing products - revenue from main business	124,250,956.72	31.65%	128,489,658.29	31.55%	-3.30%
Smart electrical products - revenue	40,439,782.31	10.30%	45,182,846.39	11.09%	-10.50%

from main business					
Communication infrastructure products and others - revenue from main business	57,085,505.17	14.54%	66,705,896.70	16.38%	-14.42%
Internal offset	-6,545,153.79	-1.67%	-16,955,752.94	-4.16%	-61.40%
Revenue from other business	9,241,090.82	2.35%	7,445,094.75	1.83%	24.12%
Region					
Domestic	392,539,877.69	100.00%	407,312,616.35	100.00%	-3.63%

The industries, products and regions that account for more than 10% of the Company's operating revenue or operating profit

Applicable Not applicable

Unit: yuan

	Operating revenue	Operating cost	Gross profit margin	Operating revenue increased or decreased over the same period of the previous year	Operating costs increased or decreased over the same period of the previous year	Gross profit margin increased or decreased over the same period of the previous year
Industry						
Communication industry	350,156,435.31	270,918,555.70	22.63%	-3.15%	-5.80%	2.17%
Electrical industry	42,383,442.38	32,280,451.97	23.84%	-7.40%	-9.97%	2.18%
Product						
Integrated cabling products - revenue from main business	168,067,696.46	132,437,584.59	21.20%	-4.75%	-3.63%	-0.91%
Video conferencing products - revenue from main business	124,250,956.72	91,449,608.57	26.40%	-3.30%	-7.03%	2.95%
Smart electrical products - revenue from main business	40,439,782.31	31,614,066.07	21.82%	-10.50%	-10.63%	0.11%
Communication infrastructure products and others - revenue from main business	57,085,505.17	50,407,922.16	11.70%	-14.42%	-20.63%	6.91%
Internal offset	-6,545,153.79	-6,420,888.53	1.90%	-61.40%	-62.01%	1.57%
Revenue from other business	9,241,090.82	3,710,714.81	59.85%	24.12%	-34.58%	36.04%
Region						
Domestic	392,539,877.69	303,199,007.67	22.76%	-3.63%	-6.26%	2.17%

When the statistical range of the Company's main business data is adjusted during the reporting period, the Company's main

business data according to the range adjusted at the end of the reporting period in the latest period is

Applicable Not applicable

IV. Analysis of non-main business

Applicable Not applicable

Unit: yuan

	Amount	Proportion to total profits	Reasons	Is it sustainable
Non-operating expenses	827,499.78	-14.94%	Losses from the scrapping of fixed assets, late payment fees, and imposed penalties paid	No

V. Analysis of assets and liabilities

1. Significant changes in asset composition

Unit: yuan

	Amount at the end of the reporting period		Amount at the end of the previous year		Increase or decrease in proportion	Description of major changes
	Amount	Proportion to total assets	Amount	Proportion to total assets		
Monetary funds	134,907,485.72	15.30%	173,863,825.35	19.50%	-4.20%	
Accounts receivable	377,609,239.06	42.82%	304,616,212.04	34.17%	8.65%	
Contract assets		0.00%	0.00	0.00%	0.00%	
Inventory	147,900,393.71	16.77%	166,440,238.56	18.67%	-1.90%	
Investment real estate	19,739,159.39	2.24%	20,351,240.03	2.28%	-0.04%	
Long-term equity investment	10,412,604.45	1.18%	10,422,321.80	1.17%	0.01%	
Fixed assets	95,565,309.88	10.84%	97,917,714.15	10.98%	-0.14%	
Construction in progress	803.89	0.00%	0.00	0.00%	0.00%	
Right-of-use asset		0.00%	0.00	0.00%	0.00%	
Short-term loans	92,000,000.00	10.43%	112,836,727.77	12.66%	-2.23%	
Contract liability	20,979,225.57	2.38%	15,048,811.36	1.69%	0.69%	
Long-term loans	175,800,000.00	19.94%	105,800,000.00	11.87%	8.07%	
Lease liability		0.00%	0.00	0.00%	0.00%	

2. Major overseas assets

Applicable Not applicable

3. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: yuan

Item	Opening amount	Profits and losses from changes in fair value in the current period	Changes in cumulative fair value included in equity	Impairment accrued in the current period	Purchase amount in the current period	Sales amount in the current period	Other changes	Closing amount
Financial assets								
4. Other equity instrument investments	741,953.00							741,953.00
Subtotal of financial assets	741,953.00							741,953.00
Receivables financing	30,668,999.36							15,035,046.06
Total of the above items	31,410,952.36							15,776,999.06
Financial liabilities	0.00							0.00

Other changes

Whether there were any significant changes in the measurement attributes of the Company's main assets during the reporting period

Yes No

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

Assets with restricted ownership or use rights

(1) Details

Item	Ending book value	Reasons for restriction
Monetary funds	12,970,766.25	Performance bond and litigation
Fixed assets	18,612,486.48	Real estate and land mortgage loans
Intangible assets	3,452,615.18	Real estate and land mortgage loans
Investment real estate	817,510.91	Real estate and land mortgage loans
Total	35,853,378.82	

(2) Other notes

In addition to the above-mentioned assets with restricted ownership or use rights, the Company pledged its equity interests in its subsidiaries, namely 96.99% equity in Nanjing Southern Telecom Co., Ltd. (with capital contribution of 33.17 million yuan), 78% equity in Nanjing Putian Network Co., Ltd. (with capital contribution of 7.8 million yuan) and 100% equity in Nanjing Nanman Electrical Co., Ltd. (with capital contribution of 41.14 million yuan) to China Potevio Information Industry Co., Ltd. for granting loans to the Company by the entrusted bank. As of June 30, 2023, Nanjing Nanman Electrical Co., Ltd. did not go through the pledge registration formalities. The parent company CETC Glarun Group Co., Ltd. provided guarantee for the Company's loan from CETC Finance Co., Ltd., and the Company pledged its 40% equity in Nanjing Putian Telege Intelligent Building Ltd. (with capital contribution of 8 million yuan) to the parent company, and registered the pledge of the Company's equity in the Administration for Market Regulation in Jiangning, Nanjing, with 6 million yuan registered on June 21, 2023 and 2 million yuan registered on July 19, 2023 respectively.

VI. Analysis of investment status**1. Overview**

Applicable Not applicable

Investment amount in the reporting period (yuan)	Investment amount in the same period of the previous year (yuan)	Amplitude of variation
1,720,823.79	1,721,041.47	-0.01%

2. Significant equity investments acquired during the reporting period

Applicable Not applicable

3. Major ongoing non-equity investments during the reporting period

Applicable Not applicable

4. Investment in financial assets**(1) Securities investment**

Applicable Not applicable

There was no securities investment during the reporting period.

(2) Derivatives investment

Applicable Not applicable

There was no derivative investment during the reporting period.

5. Use of raised funds

Applicable Not applicable

There was no use of the raised funds during the reporting period.

VII. Sale of major assets and equity

1. Sale of major assets

Applicable Not applicable

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

2. Sale of major equity

Applicable Not applicable

VIII. Analysis of the major companies controlled by the Company and companies in which the Company holds an equity stake

Applicable Not applicable

Major subsidiaries, and companies in which the Company holds an equity stake and that contribute more than 10% to the Company's net profit

Unit: yuan

Company name	Type of company	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Nanjing Putian Telege Intelligent Building Ltd.	Subsidiary	Development, production and sales of integrated cabling and intelligent building products	20 million yuan	274,043,648.46	115,545,601.85	170,832,000.76	10,724,670.34	10,150,759.85
Nanjing Southern Telecom Co., Ltd.	Subsidiary	Multimedia communication and application solutions	34.2 million yuan	252,430,577.78	109,397,014.75	124,448,575.77	5,607,168.30	5,693,679.72
Nanjing Nanman Electrical Co., Ltd.	Subsidiary	Manufacturing and sales of industrial intelligent power distribution products	41.14 million yuan	155,953,990.28	51,993,233.52	42,383,442.38	-589,812.39	-589,812.39
Nanjing Putian Datang Information Electronics Co., Ltd.	Subsidiary	Research and development, production and sales of solar energy controllers, and production and processing of electronic products	10 million yuan	43,036,956.93	24,708,651.22	13,372,570.00	573,165.92	573,165.92
Nanjing Putian Changle Communicati	Subsidiary	Manufacturing and sales of outdoor cabling products, cable	10 million yuan	10,681,572.63	-2,810,490.00	1,826,678.94	-1,766,047.70	-1,868,586.07

on Equipment Co., Ltd.		distribution equipment, outdoor and machine room network chassis (cabinet) equipment, communication electronic products						
Nanjing Putian Network Co., Ltd.	Subsidiary	Research and development, production and sales of software for communication, network and electronic equipment	10 million yuan	16,954,512.99	15,866,026.74	0.00	-72,814.30	-72,814.30
Chongqing Puhua Information Technology Co., Ltd.	Subsidiary	Information system integration services, manufacturing of computer software and hardware and peripheral equipment, cloud computing equipment, communication equipment and Internet equipment, big data services, software development	50 million yuan	1,961,307.27	1,961,307.27	0.00	-51,444.51	-51,444.51

Acquisition and disposal of subsidiaries during the reporting period

Applicable Not applicable

Information of major companies controlled by the Company and companies in which the Company holds an equity stake

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IX. Structured entities controlled by the Company

Applicable Not applicable

X. Risks faced by the Company and countermeasures

1. Cycle risk in the communications industry

The Company is mainly engaged in the manufacture and sales of communications products, and its customers include several major telecom operators in China. The development and adjustment of operators' network construction cycle and investment plans have a significant impact on the Company's operation and bring cyclical risks to the industry.

Countermeasures: The Company will continue integrating high-quality resources, accelerating industrial optimization and upgrading, actively expanding markets and improving industrial profitability.

2. Risks of technology research and development

The rapid development of technology and product upgrades in the telecommunications industry necessitates that the Company keeps up with the ever-changing market demands and remains relevant in the technological evolution. Failure to do so, or failure to develop products that meet market demands, could have a negative impact on the Company's operations.

Countermeasures: The Company will actively monitor industry trends in technology development and adopt a market-oriented approach to technology development and introduction. It places great importance on the organization, planning, and management of product development, expands new product projects, and strives to maintain its technological leadership in the industry.

3. Risks of market competition

The industry in which the Company operates is characterized by fierce competition among a large number of players. The Company faces intense competition due to the implementation of centralized procurement policies by its customers, including telecommunications operators. Despite having established a competitive advantage in areas such as brand recognition, technology, quality, and marketing through its long-term business development efforts, failure to adapt to future market changes may cause the Company to lose its current advantage in the highly competitive market.

Countermeasures: The Company will continue to leverage its existing advantages to consolidate its position in traditional markets while actively expanding into specialized networks and industry-specific markets. To achieve this, the Company will accelerate its industrial transformation and upgrading efforts, and cultivate strategic emerging industries. The Company will also continuously strengthen its cost control, and enhance its production and R&D capabilities to promote the rapid development of new products. Furthermore, the Company will keep a close eye on market trends, grasp market information, adjust sales policies in a timely manner, and maintain its competitive edge in the market.

4. Risks of cash flow shortage

The Company's products are used in projects such as operators' network construction and subway construction. Due to factors such as project construction period and lengthy approval processes, the sales payment period is prolonged, resulting in significant cash flow pressure.

Countermeasures: The Company adheres to budget management for funds, ensuring a dynamic balance between cash payments and collections. The Company classifies and collects long-term accounts receivables, while increasing assessment efforts, implementing reward and punishment measures, urging timely recovery of payments, strengthening inventory management, and enhancing inventory liquidity. If necessary, the Company may obtain some working capital financing from financial institutions.

Section IV Corporate Governance

I. Annual general meeting of shareholders and extraordinary general meetings of shareholders held during the reporting period

1. General Meeting of Shareholders during the Reporting Period

Session	Type	Investor participation ratio	Date of meeting	Date of disclosure	Resolution
The first extraordinary general meeting of shareholders in 2023	Extraordinary general meeting of shareholders	55.40%	March 6, 2023	March 7, 2023	The following proposals were reviewed and approved at the meeting: 1. Proposal on by-election of Mr. Jiang Yi as a director of the 8th Board of Directors of the Company; 2. Proposal on amending the Articles of Association of the Company; 3. Proposal on amending the Company's Rules of Procedure of the Board of Directors;
2022 annual general meeting of shareholders	Annual general meeting of shareholders	55.24%	May 26, 2023	May 27, 2023	The following proposals were reviewed and approved at the meeting: 1. Work Report of the Company's Board of Directors for 2022; 2. Work Report of the Company's Board of Supervisors for 2022; 3. The Company's annual final financial accounts report for 2022; 4. The Company's profit distribution plan for 2022; 5. Annual report of

					the Company for 2022; 6. Proposal on expected routine related party transactions in 2023 7. Proposal on engaging an accounting firm; 8. Proposal on applying for credit line from financial company
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2. The preferred shareholders whose voting rights have been restored requested to convene an extraordinary general meeting of shareholders

Applicable Not applicable

II. Changes of directors, supervisors and senior executives of the Company

Applicable Not applicable

Name	Position	Type	Date	Reason
Sun Xigang	Vice Chairman	Not in service	February 13, 2023	Resignation
Jiang Yi	Director	Elected	March 6, 2023	Election of the General Meeting of Shareholders
Jiang Yi	General Manager	Appointed	February 16, 2023	Appointment by the Board of Directors

III. Profit distribution and conversion of capital provident fund to share capital during the reporting period

Applicable Not applicable

The Company planed not to distribute cash dividends and bonus shares, or increase its share capital from provident fund in the first half of the year.

IV. Implementation of the Company's equity incentive plan, employee stock ownership plan or other employee incentive measures

Applicable Not applicable

During the reporting period, the Company had no equity incentive plan, employee stock ownership plan or other employee incentive measures and implementation of such plans and measures.

Section V Environmental and Social Responsibilities

I. Major environmental protection issues

Whether the listed company and its subsidiaries are key pollutant discharge units announced by the environmental protection department

Yes No

Administrative punishment due to environmental problems during the reporting period

Name of company or subsidiary	Reasons for punishment	Violation	Penalty	Influence on the production and operation of they listed company	Rectification measures taken by the Company
-	-	-	-	-	-

Refer to other environmental information disclosed by key pollutant discharge units

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

Applicable Not applicable

Reasons for not disclosing other environmental information

The Company and its subsidiaries are not key pollutant discharge units announced by the environmental protection department. During the reporting period, the Company strictly implemented the relevant national environmental protection laws and regulations, and there was no violation of environmental protection laws and regulations, and there was no administrative punishment by the environmental protection department for environmental violations.

II. Social responsibilities

In the communications industry, the Company insists on independent innovation, continuously promotes its own sustainable development, fulfills its responsibilities and obligations to stakeholders, and strives to achieve harmonious and win-win development of itself, its employees, society and environment.

The Company constantly improves and optimizes corporate governance, conscientiously fulfills its information disclosure obligations, ensures shareholders' right to be informed, participate and vote on major issues of the Company, and ensures the legitimate rights and interests of all shareholders.

The Company attaches great importance to quality, environment and occupational safety and health management, and has passed GB/T19001-2016/ISO9001:2015 quality management system certification, GB/T24001-2016/ISO14001: 2015 environmental management system certification and GB/T45001-2020/ISO45001:2018 occupational health and safety management system certification.

The Company strictly abides by the Labor Law, Labor Contract Law and other laws and regulations, always upholds the core people-oriented values, attaches great importance to the value of employees, cares about their work, life, health and safety, effectively protects their rights and interests, enhances the cohesion of the Company, and strives to realize the vision of common development of itself and its employees.

The Company steadfastly upholds the principle of driving development, building its brand, expanding market presence, and shaping its image through a strong sense of responsibility. The commitment lies in nurturing a responsible enterprise and diligently establishing a harmonious fusion of company development and the practice

of social responsibilities. In the reporting period, as a response to the "Love Summer Camp" public welfare program jointly launched by the Nanjing's Development and Reform Commission, Municipal Education Bureau, Civil Affairs Bureau, and Municipal Commission of the Communist Youth League in 2023, the Company proactively engaged its subsidiaries to take charge of three "Love Summer Camp" public welfare courses. These courses were oriented towards specific areas and subdistricts nearby the Company's subsidiaries, effectively bolstering the program's image and cultural promotion, thereby further amplifying the recognition and impact of Nanjing Putian. The Company continued its resolute commitment to aiding employees facing challenges. Initiatives included extending care funds to two underprivileged Party members, providing support to a single-parent female employee in need, and procuring 515 Ninghuibao insurance policies for company members in 2023 in the program "Solving Problems for People". Through a diverse array of actions, the Company maintains its unwavering dedication to fostering harmonious labor relations and fully honoring its corporate social responsibilities.

Based on the principle of honesty and trustworthiness and legal operation, the Company actively builds cooperative partnership with suppliers, customers, banks and other relevant stakeholders, respects the legitimate rights and interests of relevant stakeholders, tries to realize win-win results for itself and relevant stakeholders, and promotes its sustained and steady development.

Section VI Important Matters

I. Commitments fulfilled by the actual controllers, shareholders, related parties, purchasers and the Company during the reporting period and commitments not fulfilled by the end of the reporting period

Applicable Not applicable

Subject of commitment	Commitment party	Type of commitments	Contents of commitments	Date of commitment	Valid period	Fulfillment status
Commitments made during asset reorganization	China Potevio Information Industry Co., Ltd.	Commitments on horizontal competition, related party transactions and capital occupation	<p>1. The Company or the enterprises controlled by the Company will minimize related party transactions with Nanjing Putian Telecommunications Co., Ltd. (hereinafter referred to as "Nanjing Putian") and its subsidiaries and branches.</p> <p>2. Related party transactions that are necessary or reasonable shall be conducted on the basis of equality and voluntariness and in accordance with the principles of fairness, impartiality and compensation for equal value. The Company or the enterprise controlled by the Company will sign a related party transaction agreement with</p>	October 13, 2020	April 18, 2023	Fulfilled

			<p>Nanjing Putian or its subsidiaries in accordance with the laws, and transaction prices will be determined according to the reasonable prices recognized by the market to ensure the fairness of the related party transaction prices; In accordance with relevant laws, regulations, rules, other normative documents and the Articles of Association of Nanjing Putian or its subsidiaries, fair procedures such as related party transaction decision-making and vote avoidance shall be performed, and information shall be disclosed in a timely manner to ensure that the legitimate rights and interests of Nanjing Putian or its subsidiaries and other shareholders of Nanjing Putian will not be damaged by related party transactions.</p> <p>3. The</p>			
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			<p>Company ensures that the Company will not require or accept Nanjing Putian or its subsidiaries and branches to give the Company or the enterprises controlled by the Company conditions superior to those for third parties in any fair market transaction.</p> <p>4. The Company ensures that it will exercise corresponding rights and assume corresponding obligations in accordance with the Articles of Association of Nanjing Putian and its subsidiaries, will not leverage the identity of controlling shareholder/actual controller to seek illegitimate interests, will not illegally transfer funds and profits of Nanjing Putian or its subsidiaries through related party transactions, and guarantees that it will not damage the legitimate rights and</p>			
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			<p>interests of other shareholders of Nanjing Putian.</p> <p>5. In case of violation of the above commitment, the Company is willing to bear all liabilities arising therefrom and fully compensate or make up for all direct or indirect losses caused to Nanjing Putian.</p>			
	<p>China Potevio Information Industry Co., Ltd.; China Potevio Information Industry Group Co., Ltd.</p>	<p>Commitments on horizontal competition, related party transactions and capital occupation</p>	<p>1. During the period when the Company directly or indirectly holds shares of Nanjing Putian Telecommunications Co., Ltd. (hereinafter referred to as "Nanjing Putian"), it guarantees not to leverage its control over Nanjing Putian to engage in or participate in acts detrimental to the interests of Nanjing Putian and its minority shareholders.</p> <p>2. Except the above-mentioned disclosure, in the future, the Company and enterprises controlled by the Company will not own, manage, control, invest in, or engage in</p>	<p>October 13, 2020</p>	<p>April 18, 2023</p>	<p>Fulfilled</p>

			<p>any other business or project, directly or indirectly, within or outside the PRC, which is the same or similar to those currently carried out or planned for the future by Nanjing Putian and its subsidiaries and branches, nor will they seek to directly or indirectly engage in any business that competes with the current or planned business of Nanjing Putian and its subsidiaries or branches through joint venture, cooperation, joint venture with any third party or through any means such as lease operation, contract operation or entrusted management, nor will they have an interest in the above activities. If the Company and the enterprises controlled by the Company discover any new business opportunity that constitutes or may constitute a direct or indirect</p>			
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			<p>competition against Nanjing Putian or its holding enterprises in their main business, they will immediately notify Nanjing Putian in writing and cause the business opportunity to be first provided to Nanjing Putian or its holding enterprises on reasonable and fair terms and conditions.</p> <p>3. If Nanjing Putian or its holding enterprises give up such competitive new business opportunities, and the Company and the enterprises controlled by the Company engage in these competitive businesses, Nanjing Putian or its holding enterprises have the right to acquire any equity, assets and other interests in the above competitive businesses from the above entities for one or more times at any time.</p> <p>4. When the Company and the enterprises controlled by</p>			
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			<p>the Company intend to transfer, sell, lease, license or otherwise transfer or allow the use of assets and businesses that constitute or may constitute direct or indirect competition against Nanjing Putian or its holding enterprises in their main business, the Company and the enterprises controlled by the Company will provide Nanjing Putian or its holding enterprises with the right of first refusal, and promise to make every effort to urge the enterprises in which the Company holds an equity stake to provide the right of first refusal to Nanjing Putian or its holding enterprises under the above circumstances.</p> <p>5. If the Company violates the above commitment, it shall make comprehensive, timely and full compensation for the losses suffered by Nanjing Putian; All benefits</p>			
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			obtained by the Company due to breach of the above commitments shall belong to Nanjing Putian. 6. The above commitment shall remain valid during the period when the Company is the controlling shareholder/actual controller of the Listed Company.			
	China Potevio Information Industry Co., Ltd.; China Potevio Information Industry Group Co., Ltd.	Other commitments	After the completion of this transaction, the Company will strictly abide by the Company Law, Securities Law, relevant regulations of China Securities Regulatory Commission, Shenzhen Stock Exchange and the Articles of Association, etc., and ensure that Nanjing Putian Telecommunications Co., Ltd. (hereinafter referred to as the "Listed Company") will continue to be completely separated from the Company and the enterprises controlled or greatly influenced by the Company in terms of personnel, assets, finance,	October 13, 2020	April 18, 2023	Fulfilled

			<p>organizations and business, and maintain the independence of the Listed Company in terms of personnel, assets, finance, organizations and business. In particular, after the completion of this transaction, the Company will abide by the Notice on Certain Issues Concerning the Regulation of Financial Transactions between Listed Companies and Related Parties and External Guarantees by Listed Companies (Z.J.F (2003) No.56) and the Notice of the China Securities Regulatory Commission and China Banking Regulatory Commission on the Regulation of External Guarantees by Listed Companies (Z.J.F [2005] No.120) to regulate external guarantees by the Listed Company and its subsidiaries, and will not illegally occupy funds of the</p>			
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			<p>Listed Company and its subsidiaries. The Company guarantees to strictly fulfill the above commitment. If the rights and interests of the Listed Company are damaged due to the violation of the above commitment by the Company or the enterprises controlled or greatly influenced by the Company, the Company will bear corresponding compensation liabilities according to laws.</p>			
	<p>China Potevio Information Industry Co., Ltd.; China Potevio Information Industry Group Co., Ltd.</p>	<p>Other commitments</p>	<p>1. The Company promises not to interfere in the operation and management activities of Nanjing Putian Telecommunications Co., Ltd. (hereinafter referred to as "Nanjing Putian") beyond its authority and not encroach on interests of Nanjing Putian; 2. From the date of issuance of this commitment to the completion of this transaction, if the CSRC makes clear provisions on</p>	<p>November 25, 2020</p>	<p>April 18, 2023</p>	<p>Fulfilled</p>

			<p>the compensation measures to cover losses and related commitments, and the above commitments cannot satisfy the provisions of the CSRC, the Company promises to issue supplementary commitments according to the provisions of the CSRC;</p> <p>The Company promises to strictly fulfill the above commitments and ensure that the compensation measures to cover losses can be effectively taken. If the Company violates the above commitments and causes losses to Nanjing Putian or investors, the Company is willing to bear the compensation responsibility for Nanjing Putian or investors and the corresponding punishment of the regulatory authorities according to laws.</p>			
Other commitments	China Potevio Information Industry Co.,	Commitments on horizontal competition,	In view of the fact that Nanjing Putian	April 8, 2018	April 18, 2023	Fulfilled

made to minority shareholders of the Company	Ltd.	related party transactions and capital occupation	<p>Telecommunications Co., Ltd. (hereinafter referred to as "Nanjing Putian") intends to apply to Shenzhen Stock Exchange for resumption of listing, the Company, as the controlling shareholder of Nanjing Putian, hereby makes the following commitment:</p> <p>I. Ensure personnel independence of Nanjing Putian</p> <p>(I) The Company ensures that Nanjing Putian's production, operation and administration (including labor, personnel and salary management, etc.) are completely independent of the Company and the companies and enterprises under the Company.</p> <p>(II) The Company ensures that Nanjing Putian's general manager, deputy general manager, chief financial officer, secretary of the Board of Directors and other senior</p>			
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			<p>executives work full-time in Nanjing Putian and receive remuneration from Nanjing Putian, and do not concurrently hold other positions other than directors and supervisors in the Company and the companies and enterprises under the Company, and do not receive remuneration from the Company and the companies or enterprises under the Company; The Company ensures that the financial personnel of Nanjing Putian do not work part-time in and receive remuneration from the Company and the companies and enterprises under the Company.</p> <p>(III) The Company ensures that it recommends candidates to serve as directors, supervisors and senior executives of Nanjing Putian through legal procedures, and than it will not interfere with</p>			
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			<p>the personnel appointment and dismissal decisions made by the Board of Directors and Shareholders' Meeting of Nanjing Putian.</p> <p>II. Ensure assets independence and integrity of Nanjing Putian</p> <p>(I) The Company ensures the assets independence and integrity of Nanjing Putian and its subsidiaries, and ensures that all these assets are under the control of Nanjing Putian and its subsidiaries, and are independently owned and operated by Nanjing Putian and its subsidiaries.</p> <p>(II) The Company ensures that the Company and the companies and enterprises under the Company do not illegally occupy Nanjing Putian's assets, funds and other resources.</p> <p>III. Ensure business independence of Nanjing Putian</p> <p>(I) The Company ensures that</p>			
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			<p>Nanjing Putian has an independent procurement and sales systems; has the assets, personnel and qualifications to independently carry out business activities, and has the ability to operate independently in the market.</p> <p>(II) The Company ensures that the Company and the companies and enterprises under the Company avoid horizontal competition against Nanjing Putian and its subsidiaries.</p> <p>(III) The Company ensures to conduct strict control of related party transactions and minimize continuing related party transactions between Nanjing Putian and its subsidiaries and the Company and the companies and enterprises under the Company. The Company puts an end to the illegal occupation of Nanjing Putian's funds</p>			
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			<p>and assets, and will not require Nanjing Putian and its subsidiaries to provide any form of guarantee to the Company and the companies and enterprises under the Company. For necessary related party transactions, the Company will follow the principle of "fairness, impartiality and openness", make transaction prices consistent with those for non-related enterprises, and disclose information in a timely manner.</p> <p>(IV) The Company ensures not to interfere in major decisions of Nanjing Putian by any means other than exercising shareholders' rights according to laws, and not to affect the independence of Nanjing Putian's assets, personnel, finance, organizations and business.</p> <p>IV. Ensure organizational independence of Nanjing Putian</p>			
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			<p>(I) The Company ensures that Nanjing Putian and its subsidiaries establish and improve their own corporate governance structures according to laws, and completely separate from the Company and the companies and enterprises under the Company; The Company ensures that Nanjing Putian and its subsidiaries are completely separated from the Company and the companies and enterprises under the Company in terms of offices and production and business premises, without confusion among their organizations.</p> <p>(II) The Company ensures that Nanjing Putian and its subsidiaries operate independently, and the Company will not directly or indirectly interfere in the decision-making and operation of</p>			
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			<p>Nanjing Putian without the approval of the Board of Directors and Shareholders' Meeting of Nanjing Putian.</p> <p>(III) The Company ensures that the Shareholders' Meeting, Board of Directors, independent directors, Board of Supervisors and senior executives of Nanjing Putian independently exercise their functions and powers in accordance with laws, regulations and the Articles of Association.</p> <p>V. Ensure financial independence of Nanjing Putian</p> <p>(I) The Company ensures that Nanjing Putian has an independent financial accounting department, an independent financial accounting system, standardized and independent financial accounting rules and financial management rules.</p> <p>(II) The Company</p>			
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			<p>ensures that Nanjing Putian remains independent in financial decision-making, and that the Company and the companies and enterprises under the Company do not interfere in the use and dispatch of funds of Nanjing Putian.</p> <p>(III) The Company ensures that Nanjing Putian maintains its own independent bank accounts and does not share any bank accounts with the Company and the companies and enterprises under the Company.</p> <p>(IV) Ensure independent tax payment by Nanjing Putian according to laws.</p> <p>The above commitment shall remain valid and irrevocable during the period when the Company is the controlling shareholder of Nanjing Putian. In case of violation of the above commitment and thus causing</p>			
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			economic losses to Nanjing Putian, the Company will compensate Nanjing Putian.			
	China Potevio Information Industry Co., Ltd.	Commitments on horizontal competition, related party transactions and capital occupation	<p>In view of the fact that Nanjing Putian Telecommunications Co., Ltd. (hereinafter referred to as "Nanjing Putian") intends to apply to Shenzhen Stock Exchange for resumption of listing, the Company, as the controlling shareholder of Nanjing Putian, hereby makes the following commitment:</p> <p>I. The Company will not leverage its identity as Nanjing Putian's controlling shareholder to require Nanjing Putian and its subsidiaries to give rights superior to those for third parties in the market in business cooperation or engage in any acts that harm the interests of Nanjing Putian and its subsidiaries in transactions.</p> <p>II. The Company will not leverage its identity as Nanjing</p>	April 8, 2018	April 18, 2023	Fulfilled

			<p>Putian's controlling shareholder to seek priority rights to conclude transactions with Nanjing Putian and its subsidiaries.</p> <p>III. When carrying out related party transactions that are really necessary and unavoidable, it ensures that they are carried out in accordance with the principle of marketization and fair prices, and will strictly comply with the relevant laws, regulations, normative documents and the relevant provisions of the Articles of Association of the listed company, perform the transaction procedures and information disclosure obligations, and ensures that the legitimate rights and interests of the Company and other shareholders will not be damaged through related party transactions.</p> <p>The above commitment</p>			
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			shall remain valid and irrevocable during the period when the Company is the controlling shareholder of Nanjing Putian. In case of violation of the above commitment and thus causing economic losses to Nanjing Putian, the Company will compensate Nanjing Putian.			
	China Potevio Information Industry Co., Ltd.	Commitments on horizontal competition, related party transactions and capital occupation	In view of the fact that Nanjing Putian Telecommunications Co., Ltd. (hereinafter referred to as "Nanjing Putian") intends to apply to Shenzhen Stock Exchange for resumption of listing, the Company, as the controlling shareholder of Nanjing Putian, hereby makes the following commitment: I. The Company and the related enterprises controlled by the Company have not engaged in any production and operation business or activities that directly or indirectly compete	April 8, 2018	April 18, 2023	Fulfilled

			<p>against Nanjing Putian, and promise not to engage in any production and operation business or activities that directly or indirectly compete against Nanjing Putian in the future.</p> <p>II. The Company does not own, manage, control, invest or engage in any other businesses or projects that are the same as or similar to the those of Nanjing Putian.</p> <p>III. If the Company or its any related enterprise obtains any business opportunity from any third party that constitutes substantial competition or may constitute substantial competition against Nanjing Putian in its business, the Company will immediately notify Nanjing Putian and transfer the business opportunity to Nanjing Putian after obtaining approval from the third party.</p> <p>IV. The Company will</p>			
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			<p>supervise and restrain the production and operation activities of itself and its related enterprises. If the products or businesses of the Company and its related enterprises are the same as or similar to those of Nanjing Putian in the future, the Company promises to take the following measures to solve the problem:</p> <p>(I) When Nanjing Putian deems it necessary, the Company and its related enterprises will reduce their holdings until all the relevant assets and businesses held by the Company and its related enterprises are transferred;</p> <p>(II) Nanjing Putian may, when it deems it necessary, give priority to the acquisition of relevant assets and businesses held by the Company and its related enterprises through appropriate means;</p>			
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			<p>(III) If the Company and its related enterprises have conflicts of interest with Nanjing Putian due to horizontal competition, the interests of Nanjing Putian shall be given priority;</p> <p>(IV) The Company will take other measures conducive to avoiding horizontal competition. The above commitment shall remain valid and irrevocable during the period when the Company is the controlling shareholder of Nanjing Putian. In case of violation of the above commitment and thus causing economic losses to Nanjing Putian, the Company will compensate Nanjing Putian.</p>			
	China Potevio Information Industry Group Corporation	Commitments on horizontal competition, related party transactions and capital occupation	In view of the fact that Nanjing Putian Telecommunications Co., Ltd. (hereinafter referred to as "Nanjing Putian") intends to apply to Shenzhen Stock Exchange for	April 8, 2018	April 18, 2023	Fulfilled

			<p>resumption of listing, the Company, as the actual controller of Nanjing Putian, hereby makes the following commitment:</p> <p>I. Ensure personnel independence of Nanjing Putian</p> <p>(I) The Company ensures that Nanjing Putian's production, operation and administration (including labor, personnel and salary management, etc.) are completely independent of the Company and the companies and enterprises under the Company.</p> <p>(II) The Company ensures that Nanjing Putian's general manager, deputy general manager, chief financial officer, secretary of the Board of Directors and other senior executives work full-time in Nanjing Putian and receive remuneration from Nanjing Putian, and do not</p>			
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			<p>concurrently hold other positions other than directors and supervisors in the Company and the companies and enterprises under the Company, and do not receive remuneration from the Company and the companies or enterprises under the Company; The Company ensures that the financial personnel of Nanjing Putian do not work part-time in and receive remuneration from the Company and the companies and enterprises under the Company.</p> <p>(III) The Company ensures that it recommends candidates to serve as directors, supervisors and senior executives of Nanjing Putian through legal procedures, and than it will not interfere with the personnel appointment and dismissal decisions made by the Board of Directors and Shareholders' Meeting of Nanjing Putian.</p>			
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			<p>II. Ensure assets independence and integrity of Nanjing Putian</p> <p>(I) The Company ensures the assets independence and integrity of Nanjing Putian and its subsidiaries, and ensures that all these assets are under the control of Nanjing Putian and its subsidiaries, and are independently owned and operated by Nanjing Putian and its subsidiaries.</p> <p>(II) The Company ensures that the Company and the companies and enterprises under the Company do not illegally occupy Nanjing Putian's assets, funds and other resources.</p> <p>III. Ensure business independence of Nanjing Putian</p> <p>(I) The Company ensures that Nanjing Putian has an independent procurement and sales systems; has the assets, personnel and qualifications</p>			
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			<p>to independently carry out business activities, and has the ability to operate independently in the market.</p> <p>(II) The Company ensures that the Company and the companies and enterprises under the Company avoid horizontal competition against Nanjing Putian and its subsidiaries.</p> <p>(III) The Company ensures to conduct strict control of related party transactions and minimize continuing related party transactions between Nanjing Putian and its subsidiaries and the Company and the companies and enterprises under the Company. The Company puts an end to the illegal occupation of Nanjing Putian's funds and assets, and will not require Nanjing Putian and its subsidiaries to provide any form of guarantee to the Company and</p>			
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			<p>the companies and enterprises under the Company. For necessary related party transactions, the Company will follow the principle of "fairness, impartiality and openness", make transaction prices consistent with those for non-related enterprises, and disclose information in a timely manner.</p> <p>(IV) The Company ensures not to interfere in major decisions of Nanjing Putian by any means other than exercising shareholders' rights according to laws, and not to affect the independence of Nanjing Putian's assets, personnel, finance, organizations and business.</p> <p>IV. Ensure organizational independence of Nanjing Putian</p> <p>(I) The Company ensures that Nanjing Putian and its subsidiaries establish and improve their own corporate</p>			
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			<p>governance structures according to laws, and completely separate from the Company and the companies and enterprises under the Company; The Company ensures that Nanjing Putian and its subsidiaries are completely separated from the Company and the companies and enterprises under the Company in terms of offices and production and business premises, without confusion among their organizations.</p> <p>(II) The Company ensures that Nanjing Putian and its subsidiaries operate independently, and the Company will not directly or indirectly interfere in the decision-making and operation of Nanjing Putian without the approval of the Board of Directors and Shareholders' Meeting of Nanjing Putian.</p> <p>(III) The</p>			
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			<p>Company ensures that the Shareholders' Meeting, Board of Directors, independent directors, Board of Supervisors and senior executives of Nanjing Putian independently exercise their functions and powers in accordance with laws, regulations and the Articles of Association.</p> <p>V. Ensure financial independence of Nanjing Putian</p> <p>(I) The Company ensures that Nanjing Putian has an independent financial accounting department, an independent financial accounting system, standardized and independent financial accounting rules and financial management rules.</p> <p>(II) The Company ensures that Nanjing Putian remains independent in financial decision-making, and that the Company and</p>			
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			<p>the companies and enterprises under the Company do not interfere in the use and dispatch of funds of Nanjing Putian.</p> <p>(III) The Company ensures that Nanjing Putian maintains its own independent bank accounts and does not share any bank accounts with the Company and the companies and enterprises under the Company.</p> <p>(IV) Ensure independent tax payment by Nanjing Putian according to laws.</p> <p>The above commitment shall remain valid and irrevocable during the period when the Company is the actual controller of Nanjing Putian. In case of violation of the above commitment and thus causing economic losses to Nanjing Putian, the Company will compensate Nanjing Putian.</p>			
	China Potevio Information	Commitments on horizontal	In view of the fact that	April 8, 2018	April 18, 2023	Fulfilled

	Industry Group Corporation	competition, related party transactions and capital occupation	<p>Nanjing Putian Telecommunications Co., Ltd. (hereinafter referred to as "Nanjing Putian") intends to apply to Shenzhen Stock Exchange for resumption of listing, the Company, as the actual controller of Nanjing Putian, hereby makes the following commitment:</p> <p>1. The Company will not leverage its identity as Nanjing Putian's actual controller to require Nanjing Putian and its subsidiaries to give rights superior to those for third parties in the market in business cooperation or engage in any acts that harm the interests of Nanjing Putian and its subsidiaries in transactions.</p> <p>2. The Company will not leverage its identity as Nanjing Putian's actual controller to seek priority rights to conclude transactions with Nanjing Putian and its subsidiaries.</p> <p>3. When</p>			
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			<p>carrying out related party transactions that are really necessary and unavoidable, it ensures that they are carried out in accordance with the principle of marketization and fair prices, and will strictly comply with the relevant laws, regulations, normative documents and the relevant provisions of the Articles of Association of the listed company, perform the transaction procedures and information disclosure obligations, and ensures that the legitimate rights and interests of the Company and other shareholders will not be damaged through related party transactions. The above commitment shall remain valid and irrevocable during the period when the Company is the actual controller of Nanjing Putian. In case of violation of the</p>			
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			above commitment and thus causing economic losses to Nanjing Putian, the Company will compensate Nanjing Putian.			
	China Potevio Information Industry Group Corporation	Commitments on horizontal competition, related party transactions and capital occupation	<p>In view of the fact that Nanjing Putian Telecommunications Co., Ltd. (hereinafter referred to as "Nanjing Putian") intends to apply to Shenzhen Stock Exchange for resumption of listing, the Company, as the actual controller of Nanjing Putian, hereby makes the following commitment:</p> <p>1. The Company and the related enterprises controlled by the Company have not engaged in any production and operation business or activities that directly or indirectly compete against Nanjing Putian, and promise not to engage in any production and operation business or activities that directly or indirectly compete</p>	April 8, 2018	April 18, 2023	Fulfilled

			<p>against Nanjing Putian in the future.</p> <p>2. The Company does not own, manage, control, invest or engage in any other businesses or projects that are the same as or similar to the those of Nanjing Putian.</p> <p>3. If the Company or its any related enterprise obtains any business opportunity from any third party that constitutes substantial competition or may constitute substantial competition against Nanjing Putian in its business, the Company will immediately notify Nanjing Putian and transfer the business opportunity to Nanjing Putian after obtaining approval from the third party.</p> <p>4. The Company will supervise and restrain the production and operation activities of itself and its related enterprises. If the products or businesses of the Company</p>			
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			<p>and its related enterprises are the same as or similar to those of Nanjing Putian in the future, the Company promises to take the following measures to solve the problem:</p> <p>(1) When Nanjing Putian deems it necessary, the Company and its related enterprises will reduce their holdings until all the relevant assets and businesses held by the Company and its related enterprises are transferred;</p> <p>(2) Nanjing Putian may, when it deems it necessary, give priority to the acquisition of relevant assets and businesses held by the Company and its related enterprises through appropriate means;</p> <p>(3) If the Company and its related enterprises have conflicts of interest with Nanjing Putian due to horizontal competition, the interests of</p>			
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			<p>Nanjing Putian shall be given priority;</p> <p>(4) The Company will take other measures conducive to avoiding horizontal competition. The above commitment shall remain valid and irrevocable during the period when the Company is the actual controller of Nanjing Putian. In case of violation of the above commitment and thus causing economic losses to Nanjing Putian, the Company will compensate Nanjing Putian.</p>			
	China Potevio Information Industry Group Corporation	Other commitments	<p>The Group makes the following statements and commitments regarding the operation and future development plan of Nanjing Putian's private network communication's business, and the business of the Group and the enterprises controlled by the Group (except Nanjing Putian and its controlled enterprises):</p>	June 19, 2018	April 18, 2023	Fulfilled

			<p>In order to optimize the internal resource allocation of the Group and give full play to Nanjing Putian's business capabilities, from 2016, the Group has entrusted Nanjing Putian to produce the private network communication s products that were originally purchased by China Potevio Information Industry Co., Ltd. (hereinafter referred to as "Potevio Co., Ltd."), a wholly-owned subsidiary of the Group. The Group's private network communication s business was originally a trade-oriented business where products were purchased and sold by Potevio Co., Ltd. from external suppliers. From 2016, the business has been successfully transformed into an independent processing and production business. The current business model is as follows:</p>			
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			<p>Potevio Co., Ltd. will sign entrusted production contracts with Nanjing Putian and its subsidiary Southern Telecom after obtaining orders from customers, and Nanjing Putian will be responsible for production. At present, the customer of Potevio Co., Ltd. is Fortune Industrial Corp., and the total annual order amount of existing model products remains above 500 million yuan. It is expected to have a stable demand period of 3 to 5 years. The Group undertakes to take Nanjing Putian as the operating entity of private network communications business, including but not limited to:</p> <p>1. Nanjing Putian is the military-civilian integration industrial base of the Group, and is the only producer of the existing multi-network cloud-based data processing</p>			
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			<p>communication devices and related military-civilian integration projects (that is, the private network communications business referred to in this commitment), and it is exclusive;</p> <p>2. The Group undertakes to gradually integrate the complete business processes and related resources of the private network communications business including sales into Nanjing Putian within 3 years; If the relevant business resources cannot be integrated into Nanjing Putian due to external reasons such as special requirements of downstream customers on the subject qualifications of direct partners (for example, non-foreign-funded enterprises), the Group will cooperate with Nanjing Putian to carry out relevant business under the condition of</p>			
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			<p>meeting the requirements of relevant laws and regulations, that is, undertake relevant business in the name of the Group or its subordinate enterprises, and Nanjing Putian will be responsible for actual operation.</p> <p>The above commitment shall take effect from the date of signing this commitment, and shall remain valid and irrevocable during the existence of Nanjing Putian and the period when the Group is recognized as a related party that is not allowed to engage in business same as or similar to Nanjing Putian's private network communication's business in accordance with relevant regulations. If the above commitment is proved to be untrue or not fulfilled, all benefits obtained by the Group due to breach of the commitment shall be owned by Nanjing</p>			
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			Putian, and the Group shall compensate for all direct and indirect losses suffered by Nanjing Putian and bear corresponding legal liabilities.			
Is the commitment fulfilled on time	Yes					
If a commitment is not fulfilled on time, the specific reasons for the failed fulfillment and the next work plan shall be specified in detail	Not applicable					

II. Non-operating occupation of funds by controlling shareholder and other related parties of the Listed Company

Applicable Not applicable

During the reporting period, there was no non-operating occupation of funds by controlling shareholders and other related parties of the Listed Company.

III. Illegal external guarantees

Applicable Not applicable

During the reporting period, the Company had no illegal external guarantees.

IV. Appointment and dismissal of accounting firm

Has the semi-annual financial report been audited

Yes No

The Semi-annual Report of the Company has not been audited.

V. Explanations of the Board of Directors and the Board of Supervisors on the Modified Audit Report for the reporting period issued by the accounting firm

Applicable Not applicable

VI. Explanation of the Board of Directors on the relevant information of the Modified Audit Report for the previous year

Applicable Not applicable

VII. Matters related to bankruptcy reorganization

Applicable Not applicable

No bankruptcy reorganization related matters occurred during the reporting period.

VIII. Litigation

Major litigation and arbitration matters

Applicable Not applicable

The Company had no major litigation or arbitration matters during the reporting period.

Other litigation

Applicable Not applicable

Basic information of litigation (arbitration)	Amount involved (in 10,000 yuan)	Whether an estimated liability is formed	Progress of litigation (arbitration)	Result and influence of litigation (arbitration)	Enforcement of litigation (arbitration) judgments	Date of disclosure	Disclosure index
Nanjing Sierte Technology Co., Ltd. v. Nanjing Putian Telecommunications Co., Ltd.: Case of Dispute over Project Construction Contract	47.65	No	Under trial	It has no significant impact on the profit of the Company in the current period or after the period	-	April 7, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Nanjing Southern Telecom Co., Ltd. v. Nanjing Trading Co., Ltd.: Case of Disputes over Sales Contract	14.67	No	Under trial	It has no significant impact on the profit of the Company in the current period or after the period	-	April 7, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Nanjing Nanman Electrical Co., Ltd. v. COOEC-Fluor Heavy Industries Co., Ltd.:	8.59	No	Case withdrawn by the plaintiff	It has no significant impact on the profit of the Company in the current period or after the	-	April 7, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO

Case of Disputes over Sales Contract				period			
Nanjing Sierte Technology Co., Ltd. v. Nanjing Putian Telecommunications Co., Ltd.: Case of Dispute over Project Construction Contract	31.89	No	Under trial	It has no significant impact on the profit of the Company in the current period or after the period	-	April 7, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Nanjing Sierte Technology Co., Ltd. v. Nanjing Putian Telecommunications Co., Ltd.: Case of Dispute over Project Construction Contract	7.87	No	Court-ordered mediation	It has no significant impact on the profit of the Company in the current period or after the period	Execution completed	April 7, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Danyang Jinyang Hengguang Communication Equipment Communication Co., Ltd. v. Nanjing Putian Telecommunications Co., Ltd.: Case of Disputes over Sales Contract	5.12	No	Court-ordered mediation	It has no significant impact on the profit of the Company in the current period or after the period	Execution completed	April 7, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Nanjing Bowden Intelligent Technology Co., Ltd. v. Nanjing Putian Telecommunications Co., Ltd.: Case of Disputes over Sales	13.07	No	Case withdrawn by the plaintiff	It has no significant impact on the profit of the Company in the current period or after the period	-	April 7, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO

Contract							
Nanjing Putian Telecommunications Co., Ltd. v. Morin Dawa Branch of China Broadnet Inner Mongolia Network Co., Ltd., China Broadnet Inner Mongolia Network Co., Ltd.: Case of Disputes over Sales Contract	8.19	No	Case withdrawn by the plaintiff	It has no significant impact on the profit of the Company in the current period or after the period	-	April 7, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Nanjing Putian Telecommunications Co., Ltd. v. Alxa Branch of China Broadnet Inner Mongolia Network Co., Ltd., China Broadnet Inner Mongolia Network Co., Ltd.: Case of Disputes over Sales Contract	9.22	No	Under trial	It has no significant impact on the profit of the Company in the current period or after the period	-	April 7, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Nanjing Putian Telecommunications Co., Ltd. v. Beijing Luck Building Decoration Engineering Co., Ltd.: Case of Disputes over Sales Contract	11.72	No	Under trial	It has no significant impact on the profit of the Company in the current period or after the period	-	April 7, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Jiangning Xindong Printing	6.2	No	Pre-litigation mediation	It has no significant impact on the	-	June 8, 2023	The Company's Announceme

Factory v. Nanjing Putian Telecommunications Co., Ltd.: Case of Disputes over Sales Contract				profit of the Company in the current period or after the period			nt on Accumulated Litigation released on CNINFO
Nanjing Sierte Technology Co., Ltd. v. Nanjing Putian Telecommunications Co., Ltd.: Case of Disputes over Sales Contract	57.92	No	Under trial	It has no significant impact on the profit of the Company in the current period or after the period	-	June 8, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Nanjing Southern Telecom Co., Ltd. v. SENYINT Digital Medical System (Dalian) Co., Ltd.: Case of Disputes over Sales Contract	9.9	No	Under trial	It has no significant impact on the profit of the Company in the current period or after the period	-	June 8, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Nanjing Nanman Electrical Co., Ltd. v. Qingdao Yingxuan Technology Co., Ltd.: Case of Disputes over Sales Contract	24.51	No	Under trial	It has no significant impact on the profit of the Company in the current period or after the period	-	June 8, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Nanjing Putian Telecommunications Technology Co., Ltd. v. Nanjing Putian Information Technology Co., Ltd. and Nanjing	364.77	No	Under trial	It has no significant impact on the profit of the Company in the current period or after the period	-	June 8, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO

Putian Telecommunications Co., Ltd.: Case of Disputes over Shareholders' Contribution							
Nanjing Putian Datang Information Electronics Co., Ltd. v. Yangzhou Dingxu New Energy Technology Co., Ltd.: Case of Disputes over Sales Contract	7.35	No	Under trial	It has no significant impact on the profit of the Company in the current period or after the period	-	June 8, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Nanjing Keyuesi System Integration Co., Ltd. v. Nanjing Putian Telecommunications Co., Ltd.: Case of Disputes over Sales Contract	80.43	No	Pre-litigation mediation	It has no significant impact on the profit of the Company in the current period or after the period	-	June 8, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Cixi Dongdi Electric Appliance Factory v. Nanjing Putian Telecommunications Co., Ltd.: Case of Disputes over Sales Contract	16.25	No	Case withdrawn by the plaintiff	It has no significant impact on the profit of the Company in the current period or after the period	-	June 8, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Zhu Zhiyang v. Nanjing Putian Telecommunications Technology Co., Ltd. and Nanjing Putian Telecommuni	0	No	Under trial	It has no significant impact on the profit of the Company in the current period or after the period	-	June 8, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO

cations Co., Ltd. (the third party): Case of Dispute over Requesting Change of Company Registration							
Dewei Communication Equipment (Jiangsu) Co., Ltd. v. Nanjing Putian Telecommunications Co., Ltd.: Case of Disputes over Sales Contract	57.68	No	Pre-litigation mediation	It has no significant impact on the profit of the Company in the current period or after the period	-	June 8, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Shen Lei v. Nanjing Putian Telecommunications Co., Ltd.: Case of Labor Dispute	2.5	No	Under trial	It has no significant impact on the profit of the Company in the current period or after the period	-	June 8, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Anhui Hairi Electronic Co., Ltd. v. Nanjing Putian Telecommunications Co., Ltd.: Case of Disputes over Sales Contract	400.44	No	Court-ordered mediation	It has no significant impact on the profit of the Company in the current period or after the period	In execution	June 8, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Nanjing Qinhuai Maoye Department Store v. Nanjing Putian Telecommunications Co., Ltd.: Case of Dispute over Housing Lease Contract	2	No	Under trial	It has no significant impact on the profit of the Company in the current period or after the period	-	June 8, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Nanjing	225.88	No	Under trial	It has no	-	July 27, 2023	The

Huaheng Electric Control Equipment Co., Ltd. v. Nanjing Putian Telecommunications Co., Ltd.: Case of Disputes over Sales Contract				significant impact on the profit of the Company in the current period or after the period			Company's Announcement on Accumulated Litigation released on CNINFO
Yangzhou Sancheng Machinery Manufacturing Co., Ltd. v. Nanjing Putian Telecommunications Co., Ltd.: Case of Disputes over Sales Contract	15.82	No	Pre-litigation mediation	It has no significant impact on the profit of the Company in the current period or after the period	-	July 27, 2023	The Company's Announcement on Accumulated Litigation released on CNINFO
Other litigation that did not meet the disclosure criteria during the reporting period	46.53	No	-	-	-		-
Total	1,476.17						

IX. Punishment and rectification

Applicable Not applicable

X. Credit status of the Company, its controlling shareholder and actual controller

Applicable Not applicable

XI. Major related party transactions

1. Related party transactions related to daily operations

Applicable Not applicable

Related party	Relation	Type of related party transaction	Content of related party	Pricing principle of related	Price of related party transaction	Amount of related party	Proportion to the amount	Approved transaction	Whether it exceeded the	Settlement method of	Available market price of	Date of disclosure	Disclosure index
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		ion	transact ion	party transact ion	ion	transact ion (in 10,000 yuan)	of similar transact ions	quota (in 10,000 yuan)	approv ed quota	related party transact ion	similar transact ions		
Hangzhou Hikvision Technology Co., Ltd.	Controlled by the same ultimate controlling party	Purchasing goods and receiving labor services	Telecommunications products	Market price	56.63	56.63	0.21%	6,000	No	Bank transfer	56.63	April 7, 2023	Announcement on Expected Routine Related Party Transactions in 2023 released on CNINFO
Nanjing Potevio Honyar Electrical Technology Co., Ltd.	Controlled by the same ultimate controlling party	Purchasing goods and receiving labor services	Telecommunications products	Market price	29.38	29.38	0.11%		No	Bank transfer	29.38	April 7, 2023	Announcement on Expected Routine Related Party Transactions in 2023 released on CNINFO
CIE (Nanjing) Electronic Information Development Co., Ltd.	Controlled by the same ultimate controlling party	Purchasing goods and receiving labor services	Telecommunications products	Market price	23.64	23.64	0.09%		No	Bank transfer	23.64	April 7, 2023	Announcement on Expected Routine Related Party Transactions in 2023 released on CNINFO
The 28th Research Institute of China Electronics Technology Group Corporation	Controlled by the same ultimate controlling party	Selling goods and providing labor services	Telecommunications products	Market price	873.58	873.58	2.23%	10,000	No	Bank transfer	873.58	April 7, 2023	Announcement on Expected Routine Related Party Transactions in 2023 released on CNINFO
The 14th Research Institute of CETC	Controlled by the same ultimate controlling party	Selling goods and providing labor services	Telecommunications products	Market price	350.08	350.08	0.89%		No	Bank transfer	350.08	April 7, 2023	Announcement on Expected Routine Related Party Transactions in 2023 released on CNINFO

Nanjing Rail Transit System Engineering Co., Ltd.	Controlled by the same ultimate controlling party	Selling goods and providing labor services	Telecommunications products	Market price	121.37	121.37	0.31%	No	Bank transfer	121.37	April 7, 2023	Announcement on Expected Routine Related Party Transactions in 2023 released on CNINFO
Nanjing Glarun Defense System Co., Ltd.	Controlled by the same ultimate controlling party	Selling goods and providing labor services	Telecommunications products	Market price	115.92	115.92	0.30%	No	Bank transfer	115.92	April 7, 2023	Announcement on Expected Routine Related Party Transactions in 2023 released on CNINFO
Hebei Far-east Communication System Engineering Co., Ltd.	Controlled by the same ultimate controlling party	Selling goods and providing labor services	Telecommunications products	Market price	87.87	87.87	0.22%	No	Bank transfer	87.87	April 7, 2023	Announcement on Expected Routine Related Party Transactions in 2023 released on CNINFO
Taiji Computer Corporation Limited	Controlled by the same ultimate controlling party	Selling goods and providing labor services	Telecommunications products	Market price	29.25	29.25	0.07%	No	Bank transfer	29.25	April 7, 2023	Announcement on Expected Routine Related Party Transactions in 2023 released on CNINFO
Putian Rail Transit Technology (Shanghai) Co., Ltd.	Controlled by the same ultimate controlling party	Selling goods and providing labor services	Telecommunications products	Market price	28.62	28.62	0.07%	No	Bank transfer	28.62	April 7, 2023	Announcement on Expected Routine Related Party Transactions in 2023 released on CNINFO
Tianbo Electronic Information Technology Co., Ltd.	Controlled by the same ultimate controlling party	Selling goods and providing labor services	Telecommunications products	Market price	15.28	15.28	0.04%	No	Bank transfer	15.28	April 7, 2023	Announcement on Expected Routine Related Party Transactions in 2023 released on CNINFO
The 7th Resear	Controlled by	Selling goods	Telecommuni	Market price	25.23	25.23	0.06%	No	Bank transfer	25.23	April 7, 2023	Announcement on

ch Institut e of CETC	the same ultimat e controll ing party	and providi ng labor service s	ations product s										Expected Routine Related Party Transactions in 2023 released on CNINFO
Nanjin g Lopu Co., Ltd.	Control led by the same ultimat e controll ing party	Selling goods and providi ng labor service s	Teleco mmuni cations product s	Market price	5.21	5.21	0.01%		No	Bank transfer	5.21	April 7, 2023	Announceme nt on Expected Routine Related Party Transactions in 2023 released on CNINFO
Nanjin g Lopu Techno logy Co., Ltd.	Control led by the same ultimat e controll ing party	Selling goods and providi ng labor service s	Teleco mmuni cations product s	Market price	11.32	11.32	0.03%		No	Bank transfer	11.32	April 7, 2023	Announceme nt on Expected Routine Related Party Transactions in 2023 released on CNINFO
CETC Eastco m Group Co., Ltd.	Control led by the same ultimat e controll ing party	Selling goods and providi ng labor service s	Termin als, support ing equipm ent	Market price	8.10	8.1	0.02%		No	Bank transfer	8.10	April 7, 2023	Announceme nt on Expected Routine Related Party Transactions in 2023 released on CNINFO
Liyang System Equip ment Co., Ltd. of the 28th Resear ch Institut e	Control led by the same ultimat e controll ing party	Selling goods and providi ng labor service s	Teleco mmuni cations product s	Market price	6.90	6.9	0.02%		No	Bank transfer	6.90	April 7, 2023	Announceme nt on Expected Routine Related Party Transactions in 2023 released on CNINFO
Eastern Comm unicati ons Co., Ltd.	Control led by the same ultimat e controll ing party	Selling goods and providi ng labor service s	Teleco mmuni cations product s	Market price	5.64	5.64	0.01%		No	Bank transfer	5.64	April 7, 2023	Announceme nt on Expected Routine Related Party Transactions in 2023 released on CNINFO
Potevio Hi-tech Industr	Control led by the	Rent ing propert	Rent and propert	Market price	31.54	31.54	81.97%	100	No	Bank transfer	31.54	April 7, 2023	Announceme nt on Expected

y Co., Ltd.	same ultimate controlling party	y	y management fees										Routine Related Party Transactions in 2023 released on CNINFO
Nanjing Lopu Co., Ltd.	Controlled by the same ultimate controlling party	Leasing property	Housing and property income	Market price	19.76	19.76	3.63%	300	No	Bank transfer	19.76	April 7, 2023	Announcement on Expected Routine Related Party Transactions in 2023 released on CNINFO
The 14th Research Institute of CETC	Controlled by the same ultimate controlling party	Leasing property	Housing and property income	Market price	107.53	107.53	19.75%		No	Bank transfer	107.53	April 7, 2023	Announcement on Expected Routine Related Party Transactions in 2023 released on CNINFO
China Potevio Information Industry Co., Ltd.	Controlled by the same ultimate controlling party	Interest on entrusted loan	Interest on entrusted loan	Market price	214.58	214.58	53.03%	650	No	Bank transfer	214.58	April 7, 2023	Announcement on Expected Routine Related Party Transactions in 2023 released on CNINFO
CETC Finance Co., Ltd.	Controlled by the same ultimate controlling party	Interest on guaranteed loan	Interest on secured loan	Market price	45.86	45.86	11.33%	350	No	-	45.86	April 7, 2023	Announcement on Expected Routine Related Party Transactions in 2023 released on CNINFO
Total				--	--	2,213.29	--	17,400	--	--	--	--	--
Details of return of large sales				Not applicable									
Actual performance during the reporting period (if any) for expected routine related party transactions during the period with estimated total amount by category				<p>The Company estimates that the total amount of routine related party transactions in 2023 does not exceed 174 million yuan, including no more than 60 million yuan for the purchase of products and acceptance of labor services from related parties, no more than 100 million yuan for the sale of products and provision of labor services to related parties, no more than 3 million yuan for the rental income from properties leased to related parties, no more than 1 million yuan for the rent and property management services accepted for properties leased from related parties, no more than 6.5 million yuan for the interest paid on entrusted loans to related parties, and no more than 3.5 million yuan for the interest paid on secured loans to related parties. During the first half of the year, the actual total amount of routine related party transactions was 22.1329 million yuan, including 1.0965 million yuan for the purchase of goods and acceptance of labor services, 16.8437 million yuan for the sale of goods and provision of labor services, 315.4 thousand yuan for rent and property management fees, 1.2729 million yuan of rental income, and 2.1458 million yuan for interest paid on entrusted loans, and 458.6 thousand yuan for interest paid on secured loans. The actual total amount did not exceed the amount estimated at the beginning of the year.</p>									

Reasons for the large difference between the transaction price and the market reference price (if applicable)	Not applicable
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2. Related party transactions arising from the acquisition or sale of assets or equity

Applicable Not applicable

During the reporting period, there were no related party transactions of assets or equity acquisition or sale.

3. Related party transactions involving joint external investment

Applicable Not applicable

During the reporting period, there were no related party transactions involving joint external investment

4. Related credits and debts

Applicable Not applicable

Whether there were non-operating related party transactions involving creditor's rights and debts

Yes No

During the reporting period, there was no non-operating related party transactions involving creditor's rights and debts

5. Transactions with finance companies as related parties of the Company

Applicable Not applicable

Deposit business

Related parties	Relation	Maximum daily deposit limit (in 10,000 yuan)	Range of Deposit interest rate	Opening balance (in 10,000 yuan)	Amount in the current period		Closing balance (in 10,000 yuan)
					Total deposit amount in the current period (in 10,000 yuan)	Total withdrawal amount in the current period (in 10,000 yuan)	
CETC Finance Co., Ltd.	Other enterprises controlled by the actual controller	62,397.3	0.20%-1%	2,407.44	55,698.22	54,011.38	4,090.08

Loan business

Related parties	Relation	Loan amount (in 10,000 yuan)	Range of loan interest rate	Opening balance (in 10,000 yuan)	Amount in the current period		Closing balance (in 10,000 yuan)
					Total loan amount in the current period (in 10,000 yuan)	Total repayment amount in the current period (in 10,000 yuan)	
China Potevio Information Industry Co.,	Other enterprises controlled by the actual	15,580	4.05%-4.97%	15,580	0	5,000	10,580

Ltd.	controller						
CETC Finance Co., Ltd.	Other enterprises controlled by the actual controller	7,000	3.75%-3.8%	0	7,000	0	7,000

Credit granting or other financial business

Related parties	Relation	Business type	Total amount (in 10,000 yuan)	Actual amount incurred (in 10,000 yuan)
CETC Finance Co., Ltd.	Other enterprises controlled by the actual controller	Credit granting	7,000	7,000

6. Transactions between the financial company controlled by the Company and related parties

Applicable Not applicable

There was no deposit, loan, credit or other financial business between the financial company controlled by the Company and its related parties.

7. Other major related party transactions

Applicable Not applicable

There were no other major related party transactions during the reporting period.

XII. Major contracts and their performance

1. Trusteeship, contracting and leasing

(1) Trusteeship

Applicable Not applicable

There was no trusteeship during the reporting period.

(2) Contracting

Applicable Not applicable

There was no contracting during the reporting period.

(3) Leasing

Applicable Not applicable

Description of leasing

During the reporting period, the Company and its subsidiaries incurred rental expenses of 384,800 yuan and rental revenue of 5,443,600 yuan.

Items that brought profit or loss to the Company amounting to more than 10% of the total profit of the Company in the reporting period

Applicable Not applicable

The Company did not have any leasing item that brought profit or loss to the Company amounting to more than 10% of the total profit of the Company in the reporting period.

2. Material guarantees

Applicable Not applicable

There was no material guarantee during the reporting period.

3. Entrusted financial management

Applicable Not applicable

There was no entrusted financial management during the reporting period.

4. Other major contracts

Applicable Not applicable

There was no other major contract during the reporting period.

XIII. Explanations of other major matters

Applicable Not applicable

The index of major matters disclosed by the Company during the reporting period is as follows:

Name of matter (announcement)	Date of disclosure	Related query index of the information disclosure website
Announcement on Changing the Designated Information Disclosure Media	January 17, 2023	CNINFO (www.cninfo.com.cn)
Annual Performance Forecast for 2022	January 20, 2023	CNINFO (www.cninfo.com.cn)
Announcement on Independent Directors Obtaining Independent Director Qualification Certificates	February 4, 2023	CNINFO (www.cninfo.com.cn)
Announcement on the Resignation of the Vice Chairman of the Board of Directors	February 15, 2023	CNINFO (www.cninfo.com.cn)
Announcement of the Resolutions of the 4th Meeting of the 8th Board of Directors	February 17, 2023	CNINFO (www.cninfo.com.cn)
Notice on Convening the 1st Extraordinary General Meeting of Shareholders in 2023	February 17, 2023	CNINFO (www.cninfo.com.cn)
Announcement of the Resolutions of the 1st Extraordinary General Meeting of Shareholders in 2023	March 7, 2023	CNINFO (www.cninfo.com.cn)
Announcement on Accumulated Litigation	April 7, 2023	CNINFO (www.cninfo.com.cn)
Announcement of the Resolutions of the 5th Meeting of the 8th Board of Directors	April 7, 2023	CNINFO (www.cninfo.com.cn)
Announcement on Expected Routine Related Party Transactions in 2023	April 7, 2023	CNINFO (www.cninfo.com.cn)
Announcement on Completing Transfer Registration and Changing Controlling Shareholder for Free Transfer of State-owned Shares	April 19, 2023	CNINFO (www.cninfo.com.cn)
Summary of the Annual Report for 2022	April 20, 2023	CNINFO (www.cninfo.com.cn)

Announcement on Expected Continuous Related Party Transactions with CETC Finance Co., Ltd. in 2023	April 20, 2023	CNINFO (www.cninfo.com.cn)
Announcement on Engaging an Accounting Firm	April 20, 2023	CNINFO (www.cninfo.com.cn)
Notice of Annual General Meeting of Shareholders	April 20, 2023	CNINFO (www.cninfo.com.cn)
Announcement of Resolutions of the Board of Directors	April 20, 2023	CNINFO (www.cninfo.com.cn)
Announcement on Provision for Impairment of Assets in 2022	April 20, 2023	CNINFO (www.cninfo.com.cn)
Announcement of Resolutions of the Board of Supervisors	April 20, 2023	CNINFO (www.cninfo.com.cn)
Ongoing Risk Assessment Report for CETC Finance Co., Ltd.	April 20, 2023	CNINFO (www.cninfo.com.cn)
Annual Report for 2022	April 20, 2023	CNINFO (www.cninfo.com.cn)
Announcement of Resolutions of the Board of Directors	April 29, 2023	CNINFO (www.cninfo.com.cn)
Report for the First Quarter of 2023	April 29, 2023	CNINFO (www.cninfo.com.cn)
Announcement of Nanjing Putian Telecommunications Co., Ltd. on Reply to Shenzhen Stock Exchange's Inquiry Letter on the Annual Report for 2022 of Nanjing Putian Telecommunications Co., Ltd.	May 26, 2023	CNINFO (www.cninfo.com.cn)
Announcement of Resolution of 2022 Annual General Meeting of Shareholders	May 27, 2023	CNINFO (www.cninfo.com.cn)
Announcement on Convening the 2022 Online Performance Briefing	May 30, 2023	CNINFO (www.cninfo.com.cn)
Announcement on Accumulated Litigation	June 8, 2023	CNINFO (www.cninfo.com.cn)

XIV. Major matters of the Company's subsidiaries

Applicable Not applicable

Section VII Changes in Shares and Shareholders

I. Changes in shares

1. Changes in shares

Unit: share

	Before the change		Increase or decrease (+, -) in this change					After the change	
	Quantity	Proportion	Issue of new shares	Share offering	Conversion of provident fund into shares	Others	Subtotal	Quantity	Proportion
I. Unlisted tradable shares	115,000,000	53.49%						115,000,000	53.49%
1. Shares of founders	115,000,000	53.49%						115,000,000	53.49%
Where:									
Shares held by the state	115,000,000	53.49%						115,000,000	53.49%
Shares held by domestic legal persons									
Shares held by overseas legal persons									
Others									
2. Shares held by legal persons									
3. Shares held by employees									
4. Preferred shares or other									
II. Listed tradable shares	100,000,000	46.51%						100,000,000	46.51%
1. Ordinary shares in Renminbi									

2. Foreign shares listed in China	100,000,00 0	46.51%						100,000,00 0	46.51%
3. Foreign shares listed overseas									
4. Others									
III. Total number of shares	215,000,00 0	100.00%						215,000,00 0	100.00%

Reasons for changes in shares

Applicable Not applicable

Approval of share changes

Applicable Not applicable

Transfer of shares

Applicable Not applicable

Implementation progress of share repurchase

Applicable Not applicable

Implementation progress of reducing repurchased shares by centralized bidding

Applicable Not applicable

Effect of share changes on financial indicators such as basic and diluted earnings per share and net assets per share attributable to ordinary shareholders of the Company for the most recent year and the most recent period

Applicable Not applicable

Other contents that the Company deems necessary to be disclosed or required to be disclosed by the securities regulatory authority

Applicable Not applicable

2. Changes in restricted shares

Applicable Not applicable

II. Issuance and listing of securities

Applicable Not applicable

III. Number and shareholding of shareholders of the Company

Unit: share

Total number of common shareholders at the end of the reporting period		7,750	Total number of preferred shareholders whose voting rights were restored at the end of the reporting period (if any) (see Note 8)		0		
Shareholders holding more than 5% of common shares or the top 10 shareholders of common shares							
Name of	Type of	Shareholding	Number of	Increase or	Number of	Number of	Pledge, marking or freezing

shareholder	shareholder	ratio	common shares held at the end of the reporting period	decrease during the reporting period	unlisted tradable common shares held	listed and tradable common shares held	Shares status	Quantity
CETC Glarun Group Co., Ltd.	State-owned legal person	53.49%	115,000,000	0	115,000,000	0		
Shenwan Hongyuan Securities (H.K.) Ltd.	Overseas legal person	2.55%	5,473,788.00	871,688.00	0	5,473,788.00		
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	Overseas legal person	1.61%	3,464,058.00	911,600.00	0	3,464,058.00		
Zheng Enyue	Natural person in China	1.14%	2,449,739.00	0.00	0	2,449,739.00		
Sun Huiming	Natural person in China	0.93%	2,000,000.00	-80,000.00	0	2,000,000.00		
Gu Jinhua	Natural person in China	0.87%	1,871,371.00	0.00	0	1,871,371.00		
He Wei	Natural person in China	0.60%	1,280,000.00	494,600.00	0	1,280,000.00		
BOCI SECURITIES LIMITED	Overseas legal person	0.59%	1,266,945.00	0.00	0	1,266,945.00		
Zhen Hongquan	Natural person in China	0.47%	1,004,100.00	1,800.00	0	1,004,100.00		
Xiang Yan	Natural person in China	0.42%	905,602.00	0.00	0	905,602.00		
Strategic investors or general legal entities becoming top 10 common shareholders as a result of the placement of new shares (if any) (see Note 3)	None							
Description of the above-mentioned shareholders' association or concerted actions	Among the top 10 shareholders, CETC Glarun Group Co., Ltd. was not related to other shareholders and was not a party acting in concert. The Company did not know whether other shareholders were related to each other or were parties acting in concert.							
Explanation of the above shareholders' involvement in proxy/entrusted voting rights and abstention from voting rights	None							
Special note on the existence of repurchase special accounts of the top 10 shareholders (if any) (see Note 11)	None							

Shareholding of the top 10 common shareholders of tradable shares			
Name of shareholder	Number of listed and tradable common shares held at the end of the reporting period	Type of shares	
		Type of shares	Quantity
Shenwan Hongyuan Securities (H.K.) Ltd.	5,473,788.00	Domestic listed foreign shares	5,473,788.00
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	3,464,058.00	Domestic listed foreign shares	3,464,058.00
Zheng Enyue	2,449,739.00	Domestic listed foreign shares	2,449,739.00
Sun Huiming	2,000,000.00	Domestic listed foreign shares	2,000,000.00
Gu Jinhua	1,871,371.00	Domestic listed foreign shares	1,871,371.00
He Wei	1,280,000.00	Domestic listed foreign shares	1,280,000.00
BOCI SECURITIES LIMITED	1,266,945.00	Domestic listed foreign shares	1,266,945.00
Zhen Hongquan	1,004,100.00	Domestic listed foreign shares	1,004,100.00
Xiang Yan	905,602.00	Domestic listed foreign shares	905,602.00
Xia Zulin	900,000.00	Domestic listed foreign shares	900,000.00
Description of the relationship or concerted action among the top 10 common shareholders with unlimited tradable shares, and between the top 10 common shareholders with unlimited tradable shares and the top 10 common shareholders	The Company did not know whether the above shareholders were related to each other or were acting in concert.		
Description of the participation of the top 10 common shareholders in margin financing and securities lending business (if any) (see Note 4)	None		

Whether the Company's top 10 ordinary shareholders and top 10 shareholders holding ordinary shares with unlimited selling conditions entered into agreed repurchase transactions during the reporting period

Yes No

The top 10 ordinary shareholders of the Company and the top 10 shareholders holding ordinary shares with unlimited selling conditions did not conduct agreed repurchase transactions during the reporting period.

IV. Changes in shareholdings of directors, supervisors and senior executives

Applicable Not applicable

The shareholdings of directors, supervisors and senior executives of the Company did not change during the reporting period. For details, please refer to the Annual Report for 2022.

V. Change of controlling shareholder or actual controller

Changes of controlling shareholder during the reporting period

Applicable Not applicable

Name of new controlling shareholder	CETC Glarun Group Co., Ltd.
Date of change	April 17, 2023
Query index on the designated website	Announcement on Completing Transfer Registration and Changing Controlling Shareholder for Free Transfer of State-owned Shares (Announcement No.: 2023-011) released on CNINFO
Date of disclosure on the designated website	April 18, 2023

Change of actual controller during the reporting period

Applicable Not applicable

The actual controller of the Company was not changed during the reporting period.

Section VIII Information on Preferred Shares

Applicable Not applicable

The Company had no preferred shares during the reporting period.

Section IX Information on Bonds

Applicable Not applicable

Section X. Financial ReportI.

I.Audit report

Whether the semi annual report is audited

Yes No

The company's semi annual financial report has not been audited

II. Financial Statement

Statement in Financial Notes are carried in RMB/CNY

Consolidated balance sheet

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

2023/6/30

Unit: RMB

Item	Notes	2023/6/30	2022/12/31
Current assets:			
Cash and bank balances	V(1)	134,907,485.72	173,863,825.35
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable	V(2)	9,073,531.13	27,689,906.04
Accounts receivable	V(3)	377,609,239.06	304,616,212.04
Receivables financing	V(4)	15,035,046.06	30,668,999.36
Advances paid	V(5)	23,085,926.25	19,081,824.22
Other receivable	V(6)	19,580,140.53	11,716,301.19
Including: Interest receivable			
dividend receivable			
Inventories	V(7)	147,900,393.71	166,440,238.56
Contract assets			
assets hold available for sale			
Non-current assets due within one year			
Other current assets	V(8)	4,913,406.41	3,432,231.67
Total current assets		732,105,168.87	737,509,538.43
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivable			
Long-term equity investments	V(9)	10,412,604.45	10,422,321.80
Other equity instrument investments	V(10)	741,953.00	741,953.00
Other non-current financial assets			
Investment property	V(11)	19,739,159.39	20,351,240.03
Fixed assets	V(12)	95,565,309.88	97,917,714.15
Construction in progress	V(13)	803.89	
Productive biological assets			
Oil and gas asset			
Right-of-use asset			
Intangible assets	V(14)	20,041,117.67	20,493,463.76
Development expenditure			
Goodwill			
Long-term prepayments	V(15)	3,197,531.89	3,953,824.45
Deferred tax assets	V(16)		
Other non-current assets			
Total non-current assets		149,698,480.17	153,880,517.19
Total assets		881,803,649.04	891,390,055.62

Consolidated balance sheet (continued)

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

2023/6/30

Unit: RMB

Item	Notes	2023/6/30	2022/12/31
Current liabilities:			
Short-term borrowings	V(17)	92,000,000.00	112,836,727.77
Transactional financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	V(18)	418,331,620.17	470,867,283.07
Advances received	V(19)		240,585.08
Contract liabilities	V(20)	20,979,225.57	15,048,811.36
Employee benefits payable	V(21)	17,613,721.31	17,473,887.86
Taxes payable	V(22)	3,004,676.92	7,390,521.21
Other payable	V(23)	57,191,932.37	59,206,281.08
Including: Interest payable			
dividend payable		1,692,213.38	1,692,213.38
Liability hold for sale			
Non-current liabilities due within one year			
Other current liabilities	V(24)	2,098,763.96	1,691,302.29
Total current liability		611,219,940.30	684,755,399.72
Non-current liability:			
Long-term borrowings	V(25)	175,800,000.00	105,800,000.00
Bonds payable			
Including: preferred shares			
Perpetual bond			
Lease liability			
Long-term payable			
Long-term employee compensation payable			
Provisions			
Deferred income			
Deferred income tax liabilities			
Other non-current liability			
Total non-current liability		175,800,000.00	105,800,000.00
Total liability		787,019,940.30	790,555,399.72
Owners' equity (or shareholders' equity):			
Share capital	V(26)	215,000,000.00	215,000,000.00
Other equity instrument			
Including: preferred shares			
Perpetual bond			
Capital reserve	V(27)	197,097,915.40	197,097,915.40
Less: treasury stocks			
Other comprehensive income (OCI)	V(28)	-1,854,910.00	-1,854,910.00
Special reserves			
Surplus reserve	V(29)	589,559.77	589,559.77
Undistributed profit	V(30)	-399,799,125.81	-388,837,228.89
Total owner's equity (or shareholders' equity) attributable to the parent company		11,033,439.36	21,995,336.28
Minority shareholders' equity		83,750,269.38	78,839,319.62
Total owner's equity (or shareholders' equity)		94,783,708.74	100,834,655.90
Total liabilities and owners' equity (or shareholders' equity)		881,803,649.04	891,390,055.62

Parent Company Balance Sheet

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

2023/6/30

Unit: RMB

Item	Notes	2023/6/30	2022/12/31
Current assets:			
Cash and bank balances		9,417,327.04	29,165,783.14
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable		1,109,294.70	3,639,352.49
Accounts receivable	XII(I)	109,926,809.14	104,179,575.75
Receivables financing		519,600.00	989,585.40
Advances paid		14,727,959.79	13,037,464.19
Other receivable	XII(II)	33,677,355.79	25,327,107.09
Including: Interest receivable			
dividend receivable		600,000.00	600,000.00
Inventories		27,395,471.23	48,749,884.92
Contract assets			
assets hold available for sale			
Non-current assets due within one year			
Other current assets		547,737.72	441,828.14
Total current assets		197,321,555.41	225,530,581.12
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivable			
Long-term equity investments	XII(III)	122,527,163.09	122,536,880.44
Other equity instrument investment		741,953.00	741,953.00
Other non-current financial assets			
Investment property			
Fixed assets		40,142,448.64	41,067,922.59
Construction in progress			
Productive biological assets			
Oil and gas asset			
Right-of-use asset			
Intangible assets		4,211,909.56	4,316,226.80
Development expenditure			
Goodwill			
Long-term prepayments		2,495,045.47	3,057,959.77
Deferred tax assets			
Other non-current assets			
Total non-current assets		170,118,519.76	171,720,942.60
Total assets		367,440,075.17	397,251,523.72

Parent Company Balance Sheet (Continued)

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

2023/6/30

Unit: RMB

Item	Notes	2023/6/30	2022/12/31
Current liabilities:			
Short-term borrowings			50,000,000.00
Transactional financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable		147,914,582.12	168,830,761.76
Advances received			
Contract liabilities		14,202,657.47	8,169,030.79
Employee benefits payable		7,862,260.48	7,643,011.88
Taxes payable		33,638.68	244,957.88
Other payables		138,338,224.86	154,192,779.17
Including: Interest payable			
dividend payable			
Liability hold for sale			
Non-current liabilities due within one year			
Other current liabilities		1,217,810.10	782,311.39
Total current liability		309,569,173.71	389,862,852.87
Non-current liability:			
Long-term borrowings		175,800,000.00	105,800,000.00
Bonds payable			
Including: preferred shares			
Perpetual bond			
Lease liability			
Long-term payable			
Long-term employee compensation payable			
Provisions			
Deferred income			
Deferred income tax liabilities			
Other non-current liability			
Total non-current liability		175,800,000.00	105,800,000.00
Total liability		485,369,173.71	495,662,852.87
Owners' equity (or shareholders' equity):			
Share capital		215,000,000.00	215,000,000.00
Other equity instrument			
Including: preferred shares			
Perpetual bond			
Capital reserve		158,864,042.34	158,864,042.34
Less: treasury stocks			
Other comprehensive income (OCI)		-1,854,910.00	-1,854,910.00
Special reserves			
Surplus reserve		589,559.76	589,559.76
Undistributed profit		-490,527,790.64	-471,010,021.25
Total owner's equity (or shareholders' equity)		-117,929,098.54	-98,411,329.15
Total liabilities and owners' equity (or shareholders' equity)		367,440,075.17	397,251,523.72

Consolidated Income Statement

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

From January to June 2023

Unit: RMB

Item	Notes	Current period cumulative	Preceding period comparative
I. Operating revenue	V(31)	392,539,877.69	407,312,616.35
Less: Operating cost	V(31)	303,199,007.67	323,444,209.14
Taxes and surcharges	V(32)	2,187,649.69	2,360,382.34
Selling expenses	V(33)	40,563,329.57	40,632,210.06
Administrative expenses	V(34)	32,677,949.24	28,299,430.10
R&D expenses	V(35)	19,422,168.02	23,642,718.55
Financial expenses	V(36)	3,758,865.48	4,638,360.06
Including: Interest expense		4,046,684.70	5,291,794.15
Interest income		309,650.00	779,954.73
Add: other income	V(37)	1,863,644.38	1,075,367.01
Investment income (losses are listed with "-")	V(38)	242,664.28	-5,753,130.77
Including: investment income from associates and joint ventures		-9,717.35	-0.99
Derecognition income of financial assets measured at amortized cost			
Net exposure hedging gain (loss are listed with "-")			
Gains from changes in fair value (losses are listed with "-")			
Credit impairment loss (losses are listed with "-")	V(39)	2,379,378.23	-3,623,776.05
Assets impairment loss(losses are listed with "-")	V(40)	-46,540.00	-9,993.42
Gain on assets disposal (loss are listed with "-")	V(41)	42,412.44	59,868.36
II. Operating profit (loss show as "—")		-4,787,532.65	-23,956,358.77
Plus: non-operating revenue	V(42)	75,760.00	2,742,228.49
Less: non-operating expenditures	V(43)	827,499.78	23,319.82
III. Total profit (total loss is listed with "-")		-5,539,272.43	-21,237,450.10
Deduct: income tax expense	V(44)	511,674.73	3,414,845.68
IV. Net profit (net loss is listed with "-")		-6,050,947.16	-24,652,295.78
(1) Classified by business continuity:			
1. Net profits from continuing operations		-6,050,947.16	-24,652,295.78
2. Discontinued operating net profit			
(2) Classified by ownership:			
1. Net profits belong to the parent company's owner		-10,961,896.92	-27,711,297.33
2. Minority shareholder gains and losses		4,910,949.76	3,059,001.55
V. Net after-tax of other comprehensive income			4,964,727.82
(1) Net after-tax amount of other comprehensive income attributable to owners of the parent company			4,964,727.82
1) Other comprehensive income that cannot be reclassified into profit and loss			
1. Re-measurement of changes in defined benefit plans			
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method			
3. Changes in the fair value of other equity instrument investments			
4. Changes in fair value of the enterprise's own credit risk			
2) Other comprehensive income that will be reclassified into profit and loss			4,964,727.82
1. Other comprehensive income that can be converted to profit or loss under the equity method			
2. Changes in the fair value of other debt investments			
3. Amount of financial assets reclassified and included in other comprehensive income			
4. Other debt investment credit impairment reserves			
5. Cash flow hedge reserve (the effective part of cash flow hedge gains and losses)			
6. Translation difference of foreign currency financial statements			4,964,727.82
7. Other			
(2) Net after-tax amount of other comprehensive income attributable to minority shareholders			
VI. Total comprehensive income		-6,050,947.16	-19,687,567.96
(1) Total comprehensive income attributable to owners of the parent		-10,961,896.92	-22,746,569.51
(2) Total comprehensive income attributable to minority shareholders		4,910,949.76	3,059,001.55
VII. Earnings per share			
(1) Basic earnings per share		-0.05	-0.13
(2) Diluted earnings per share		-0.05	-0.13

Parent company income statement

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

From January to June 2023

Unit: RMB

Item	Notes	Current period cumulative	Preceding period comparative
I. Operating revenue	XII (IV)	46,221,763.63	50,038,373.04
Less: Operating cost	XII (IV)	41,284,386.04	46,478,802.30
Taxes and surcharges		309,414.84	470,537.41
Selling expenses		5,379,918.10	7,634,487.51
Administrative expenses		17,481,142.62	13,590,533.21
R&D expenses		976,403.00	2,099,006.16
Financial expenses		2,571,625.34	3,082,696.98
Including: Interest expense		3,020,247.03	3,512,273.06
Interest income		443,798.48	443,802.24
Add: other income			
Investment income (losses are listed with "-")	XII (V)	242,664.28	9,275,567.95
Including: investment income from associates and joint ventures		-9,717.35	-0.99
Derecognition income of financial assets measured at amortized cost			
Net exposure hedging gain (loss are listed with "-")			
Gains from changes in fair value (losses are listed with "-")			
Credit impairment loss (losses are listed with "-")		2,694,169.71	-2,247,159.32
Assets impairment loss (losses are listed with "-")			-9,993.42
Gain on assets disposal (loss are listed with "-")			11,078.62
II. Operating profit (loss show as "—")		-18,844,292.32	-16,288,196.70
Plus: non-operating revenue		51,484.34	0.30
Less: non-operating expenditures		724,961.41	10,507.17
III. Total profit (total loss is listed with "-")		-19,517,769.39	-16,298,703.57
Deduct: income tax expense			
IV. Net profit (net loss is listed with "-")		-19,517,769.39	-16,298,703.57
(1) Net profits from continuing operations		-19,517,769.39	-16,298,703.57
(2) Discontinued operating net profit			
V. Other comprehensive income net of tax			
(1) Comprehensive income not to be reclassified to profit or loss			
1. Changes in remeasurement of defined benefit obligations			
2. Other comprehensive income not to be reclassified to profit or loss in equity method			
3. Fair value changes in other equity instrument investments			
4. Fair value changes in the enterprise's own credit risk			
(2) Comprehensive income to be reclassified to profit or loss			
1. Other comprehensive income to be reclassified to profit or loss in equity method			
2. Gain or loss from fair value changes of other debt instruments			
3. Amount of financial assets reclassified and included in other comprehensive income			
4. Credit impairment provision of other debt investment			
5. Cash flow hedge reserve (the effective part of cash flow hedge gains and losses)			
6. Translation difference of foreign currency financial statements			
7. Other			
VI. Total comprehensive income		-19,517,769.39	-16,298,703.57
VII. Earnings per share:			
(1) Basic earnings per share			
(2) Diluted earnings per share			

Consolidated statement of cash flow

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

From January to June 2023

Unit: RMB

Item	Notes	Current period cumulative	Preceding period comparative
I. Cash flow from operating activities:			
Cash received from the sale of goods and the provision of labor services		344,684,450.45	363,970,444.16
Tax Refund		1,058,502.26	2,247,311.40
Other cash received relating to operating activities	V(45)	29,110,786.49	30,412,910.74
Subtotal of cash inflow from operating activities		374,853,739.20	396,630,666.30
Cash paid for purchasing goods and receiving labor services		305,450,019.65	329,573,224.21
Cash paid to and for employees		84,102,978.32	96,370,956.21
Various taxes and fees paid		21,714,122.39	12,364,394.53
Other cash payments related to operating activities	V(45)	49,669,102.31	54,186,088.91
Subtotal of cash outflows from operating activities		460,936,222.67	492,494,663.86
Net cash flow from operating activities		-86,082,483.47	-95,863,997.56
II. Cash flow from investment activities:			
Cash received from investment			20,000,000.00
Cash received from investment income			337,205.48
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		2,800.00	71,200.00
Net cash received from disposal of subsidiaries and other business units			
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		2,800.00	20,408,405.48
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		1,413,975.50	1,427,941.67
Cash Investment			
Net cash paid for acquiring subsidiaries and other business units			
Other cash paid relating to investing activities			
Subtotal of cash outflows from investing activities		1,413,975.50	1,427,941.67
Net cash flows from investing activities		-1,411,175.50	18,980,463.81
III. Cash flow from financing activities:			
Absorb cash received from investment			
Including: cash received by the subsidiary from absorbing minority shareholders' investment			
Cash received from borrowing		133,000,000.00	45,900,000.00
Other cash receipts related to financing activities	V(45)	25,555.55	
Subtotal of cash inflows from financing activities		133,025,555.55	45,900,000.00
Cash paid for debt repayment		83,800,000.00	18,600,000.00
Cash paid for dividends, profits, or interest payments		4,212,938.59	6,123,632.11
Including: dividends and profits paid by subsidiaries to minority shareholders			450,000.00
Other cash payments related to financing activities	V(45)		1,138,717.12
Subtotal of cash outflows from financing activities		88,012,938.59	25,862,349.23
Net cash flow from financing activities		45,012,616.96	20,037,650.77
IV. The impact of exchange rate changes on cash and cash equivalents		33,020.09	19,186.31
V. Net increase in cash and cash equivalents		-42,448,021.92	-56,826,696.67
Add: the balance of cash and cash equivalents at the beginning of the period		164,384,741.39	180,459,070.86
VI. Balance of cash and cash equivalents at the end of the period		121,936,719.47	123,632,374.19

Statement of cash flow of Parent Co.

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

From January to June 2023

Unit: RMB

Item	Notes	Current period cumulative	Preceding period comparative
I. Cash flow from operating activities:			
Cash received from the sale of goods and the provision of labor services		53,393,029.32	64,382,978.54
Tax Refund			1,333,269.39
Other cash received relating to operating activities		7,684,967.30	15,236,826.00
Subtotal of cash inflow from operating activities		61,077,996.62	80,953,073.93
Cash paid for purchasing goods and receiving labor services		59,935,029.03	55,493,018.43
Cash paid to and for employees		24,812,074.81	32,894,116.80
Various taxes and fees paid		2,568,854.79	1,139,849.38
Other cash payments related to operating activities		9,918,806.22	16,633,930.15
Subtotal of cash outflows from operating activities		97,234,764.85	106,160,914.76
Net cash flow from operating activities		-36,156,768.23	-25,207,840.83
II. Cash flow from investment activities:			
Cash received from investment			
Cash received from investment income			9,153,400.00
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		2,800.00	
Net cash received from disposal of subsidiaries and other business units			
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		2,800.00	9,153,400.00
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		392,200.00	1,000.00
Cash Investment			
Net cash paid for acquiring subsidiaries and other business units			
Other cash paid relating to investing activities			
Subtotal of cash outflows from investing activities		392,200.00	1,000.00
Net cash flows from investing activities		-389,400.00	9,152,400.00
III. Cash flow from financing activities:			
Absorb cash received from investment			
Cash received from borrowing		110,000,000.00	
Other cash receipts related to financing activities			1,000,000.00
Subtotal of cash inflows from financing activities		110,000,000.00	1,000,000.00
Cash paid for debt repayment		90,000,000.00	
Cash paid for dividends, profits, or interest payments		2,723,383.89	3,492,768.06
Other cash payments related to financing activities			1,738,717.12
Subtotal of cash outflows from financing activities		92,723,383.89	5,231,485.18
Net cash flow from financing activities		17,276,616.11	-4,231,485.18
IV. The impact of exchange rate changes on cash and cash equivalents		33,020.09	18,860.82
V. Net increase in cash and cash equivalents		-19,236,532.03	-20,268,065.19
Add: the balance of cash and cash equivalents at the beginning of the period		23,782,731.06	33,541,475.85
VI. Balance of cash and cash equivalents at the end of the period		4,546,199.03	13,273,410.66

Consolidated statement of change of equity

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

From January to June 2023

Unit: RMB

Item	Current period												
	Equity attributable to parent company										Minority shareholders' equity	Total owner's equity	
	Paid-in capital (or equity)	Other equity instruments			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	undistributed profit			Subtotal
Preferred stock		Perpetual bond	other										
I. Balance at the end of the previous year	215,000,000.00				197,097,915.40		-1,854,910.00		589,559.77	-388,837,228.89	21,995,336.28	78,839,319.62	100,834,655.90
Add: Accounting policy changes													
Correction of previous errors													
Merger of enterprises under the same control													
Others													
II. Balance at the beginning of the year	215,000,000.00				197,097,915.40		-1,854,910.00		589,559.77	-388,837,228.89	21,995,336.28	78,839,319.62	100,834,655.90
III. The amount of increase or decrease in this year (decrease is listed with "-")										-10,961,896.92	-10,961,896.92	4,910,949.76	-6,050,947.16
(1) Total comprehensive income										-10,961,896.92	-10,961,896.92	4,910,949.76	-6,050,947.16
(2) Owner's investment and reduction of capital													
1. Ordinary shares invested by the owner													
2. Capital invested by holders of other equity instruments													
3. The amount of share-based payment included in owner's equity													
4. Other													
(3) Profit distribution													
1. Withdraw surplus reserve													
2. Distribution to owners (or shareholders)													
3. Others													
(4) Internal transfer of owners' equity													
1. Conversion of capital reserve into capital (or share capital)													
2. Conversion of surplus reserves into capital (or equity)													
3. Surplus reserves make up for losses													
4. Carryover of retained earnings from changes in the defined benefit plan													
5. Other comprehensive income carried forward to retained earnings													
6. Other													
(5) Special reserve													
1. Withdraw special reserves													
2. Use special reserves													
(6) Others													
IV. Balance at the end of the period	215,000,000.00				197,097,915.40		-1,854,910.00		589,559.77	-399,799,125.81	11,033,439.36	83,750,269.38	94,783,708.74

Consolidated statement of change of equity(Continued)

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

From January to June 2023

Unit: RMB

Item	Preceding period												
	Equity attributable to parent company										Minority shareholders' equity	Total owner's equity	
	Paid-in capital (or equity)	Other equity instruments			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	undistributed profit			Subtotal
	Preferred stock	Perpetual bond	other										
I. Balance at the end of the previous year	215,000,000.00				197,864,174.08		-6,819,637.82		589,559.77	-341,446,683.34	65,187,412.69	79,440,628.67	144,628,041.36
Add: Accounting policy changes													
Correction of previous errors													
Merger of enterprises under the same control													
Others													
II. Balance at the beginning of the year	215,000,000.00				197,864,174.08		-6,819,637.82		589,559.77	-341,446,683.34	65,187,412.69	79,440,628.67	144,628,041.36
III. The amount of increase or decrease in this year (decrease is listed with "-")							4,964,727.82			-27,711,297.33	-22,746,569.51	-7,787,598.45	-30,534,167.96
(1) Total comprehensive income							4,964,727.82			-27,711,297.33	-22,746,569.51	3,059,001.55	-19,687,567.96
(2) Owner's investment and reduction of capital													
1. Ordinary shares invested by the owner													
2. Capital invested by holders of other equity instruments													
3. The amount of share-based payment included in owner's equity													
4. Other													
(3) Profit distribution												-10,846,600.00	-10,846,600.00
1. Withdraw surplus reserve													
2. Distribution to owners (or shareholders)												-10,846,600.00	-10,846,600.00
3. Others													
(4) Internal transfer of owners' equity													
1. Conversion of capital reserve into capital (or share capital)													
2. Conversion of surplus reserves into capital (or equity)													
3. Surplus reserves make up for losses													
4. Carryover of retained earnings from changes in the defined benefit plan													
5. Other comprehensive income carried forward to retained earnings													
6. Other													
(5) Special reserve													
1. Withdraw special reserves													
2. Use special reserves													
(6) Others													
IV. Balance at the end of the period	215,000,000.00				197,864,174.08		-1,854,910.00		589,559.77	-369,157,980.67	42,440,843.18	71,653,030.22	114,093,873.40

Consolidated statement of change of equity of Parent Co.

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

From January to June 2023

Unit: RMB

Item	Current period										
	Paid-in capital (or equity)	Other equity instruments			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	undistributed profit	Total owner's equity
		Preferred stock	Perpetual bond	other							
I. Balance at the end of the previous year	215,000,000.00				158,864,042.34		-1,854,910.00		589,559.76	-471,010,021.25	-98,411,329.15
Add: Accounting policy changes											
Correction of previous errors											
Others											
II. Balance at the beginning of the year	215,000,000.00				158,864,042.34		-1,854,910.00		589,559.76	-471,010,021.25	-98,411,329.15
III. The amount of increase or decrease in this year (decrease is listed with "-")										-19,517,769.39	-19,517,769.39
(1) Total comprehensive income										-19,517,769.39	-19,517,769.39
(2) Owner's investment and reduction of capital											
1. Ordinary shares invested by the owner											
2. Capital invested by holders of other equity instruments											
3. The amount of share-based payment included in owner's equity											
4. Other											
(3) Profit distribution											
1. Withdraw surplus reserve											
2. Distribution to owners (or shareholders)											
3. Others											
(4) Internal transfer of owners' equity											
1. Conversion of capital reserve into capital (or share capital)											
2. Conversion of surplus reserves into capital (or equity)											
3. Surplus reserves make up for losses											
4. Carryover of retained earnings from changes in the defined benefit plan											
5. Other comprehensive income carried forward to retained earnings											
6. Other											
(5) Special reserve											
1. Withdraw special reserves											
2. Use special reserves											
(6) Others											
IV. Balance at the end of the period	215,000,000.00				158,864,042.34		-1,854,910.00		589,559.76	-490,527,790.64	-117,929,098.54

Consolidated statement of change of equity of Parent Co.(Continued)

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

From January to June 2023

Unit: RMB

Item	Preceding period										
	Paid-in capital (or equity)	Other equity instruments			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	undistributed profit	Total owner's equity
		Preferred stock	Perpetual bond	other							
I. Balance at the end of the previous year	215,000,000.00				158,864,042.34		-1,854,910.00		589,559.76	-416,697,351.22	-44,098,659.12
Add: Accounting policy changes											
Correction of previous errors											
Others											
II. Balance at the beginning of the year	215,000,000.00				158,864,042.34		-1,854,910.00		589,559.76	-416,697,351.22	-44,098,659.12
III. The amount of increase or decrease in this year (decrease is listed with "-")										-16,298,703.57	-16,298,703.57
(1) Total comprehensive income										-16,298,703.57	-16,298,703.57
(2) Owner's investment and reduction of capital											
1. Ordinary shares invested by the owner											
2. Capital invested by holders of other equity instruments											
3. The amount of share-based payment included in owner's equity											
4. Other											
(3) Profit distribution											
1. Withdraw surplus reserve											
2. Distribution to owners (or shareholders)											
3. Others											
(4) Internal transfer of owners' equity											
1. Conversion of capital reserve into capital (or share capital)											
2. Conversion of surplus reserves into capital (or equity)											
3. Surplus reserves make up for losses											
4. Carryover of retained earnings from changes in the defined benefit plan											
5. Other comprehensive income carried forward to retained earnings											
6. Other											
(5) Special reserve											
1. Withdraw special reserves											
2. Use special reserves											
(6) Others											
IV. Balance at the end of the period	215,000,000.00				158,864,042.34		-1,854,910.00		589,559.76	-432,996,054.79	-60,397,362.69

Nanjing Putian Telecommunications Co., Ltd.

Notes to Financial Statements

Monetary unit: RMB Yuan

I. Company profile

Nanjing Putian Telecommunications Co., Ltd. (the “Company”), whose predecessor is Nanjing Telecommunication Facility Factory, was established as a limited liability company through financing under the approval of National Economic Institutional Reform Commission with document of approval numbered TGS [1997] 28 dated March 21, 1997. The Company is headquartered in Nanjing City, Jiangsu Province. Currently it holds a business license with unified social credit code of 91320000134878054G, with registered capital of 215,000,000.00 yuan, total share of 215,000,000.00 shares, with par value of 1 yuan per share. Among them, 115,000,000 shares are state-owned legal person shares, and 100,000,000 shares are B shares. The Company was listed on the Shenzhen Stock Exchange on May 22, 1997.

The Company belongs to telecommunication equipment manufacture industry and is mainly engaged in R&D, production, and sale of data, wire and wireless telecommunication equipment, distribution and allocation of layout of telecommunication product, multimedia computer, digital television, vehicle electronics and conference video system. R & D, manufacturing and sales of new energy vehicle charging products and their accessories (including electric vehicle charger charging module, charging station system, split charging cabinet, outdoor integrated pile, various AC and DC charging piles and other accessories); Design and sales of new energy charging and discharging overall solutions; Electric vehicle charging operation and maintenance. R & D and sales of software and intelligent software platform. Smart city, smart elderly care and other industry information services. R & D, manufacturing, sales, installation and service of video equipment and video conference system. Agent sales of communication modified vehicles (excluding wholesale), and provide corresponding after-sales service. Design, system integration and related consulting services of communication information network engineering and computer information system engineering.

Design, construction, installation and service of building intelligent system engineering. Lease of self owned assets such as houses and equipment.

The financial statements have been deliberated and approved for issue by the Board of Directors dated August 25, 2023.

The Company has brought 7 subsidiaries including Nanjing Putian Telege Intelligent Building Co., Ltd., Nanjing Southern Telecom Co., Ltd, and etc. into the consolidated scope. Please refer to notes of VI and VII for details.

II. Preparation basis of the financial statements

(I) Preparation basis

The financial statements of the Company are prepared on the basis of going concern, based on actual transactions and events, in accordance with the Accounting Standards for Business Enterprises-Basic Standards and specific Accounting Standards promulgated by the Ministry of Finance (hereinafter collectively referred to as the "Accounting Standards for Business Enterprises") and based on the important accounting policies and accounting estimates described below.

(II) Assessment of the ability to continue as a going concern

The Company has no events or conditions that may cast significant doubts upon the Company's ability to continue as a going concern within the 12 months after the balance sheet date.

III. Significant accounting policies and estimates

Important note: The Company has formulated specific accounting policies and estimates for transactions or matters such as impairment of financial instruments, depreciation of fixed assets, amortization of intangible assets and revenue recognition according to the actual characteristics of production and operation.

(I) Statement of compliance

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises and truly and completely reflect the financial position of the Company as of June 30, 2023, the operating results and cash flows of the year from January to June 2023 and other relevant information.

(II) Accounting period

The accounting year of the Company runs from January 1 to December 31 under the Gregorian

calendar.

(III) Operating cycle

The Company has a relatively short operating cycle for its business, an asset or a liability is classified as current if it is expected to be realized or due within 12 months.

(IV) Functional currency

The Company's functional currency is Renminbi (RMB) Yuan.

(V) Accounting treatments of business combination under and not under common control

1. Accounting treatment of business combination under common control

Of a long-term equity investment under the same control enterprise merger form combined party to pay in cash, transfers non-cash assets or bear debt, as a merger of consideration, the company owners' equity on the combining date according to the combined party on the final the share of the book value of the control side of the consolidated financial statements as the initial cost of the long-term equity investment. If the merging party issues equity instruments as the merger consideration, the total par value of the issued shares shall be used as the share capital. The difference between the initial investment cost of long-term equity investment and the book value of the combined consideration (or the total face value of the issued shares) shall be adjusted to the capital reserve; If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

2. Accounting treatment of business combination not under common control

For business combinations not under the same control, the merger cost is the sum of the fair value of the assets paid by the purchaser, the liabilities incurred or assumed and the equity securities issued by the purchaser on the purchase date in order to gain control over the acquired purchaser. The identifiable assets, liabilities and contingent liabilities of the purchased party that are acquired in a business combination under different control and meet the recognition conditions shall be measured at fair value on the purchase date. The difference between the buyer's cost of the merger and the fair value share of the identifiable net assets of the acquiree obtained in the merger is reflected as the value of goodwill. If the merger cost is less than the fair value share of the identifiable net assets of the acquiree obtained in the merger, the difference between the merger cost and the fair value share of the identifiable net assets of the acquiree obtained in the merger shall be included in the non-operating income of the current period.

(VI) Compilation method of consolidated financial statements

The parent company brings all its controlled subsidiaries into the consolidation scope. The consolidated financial statements are compiled by the parent company according to “CASBE 33 – Consolidated Financial Statements”, based on relevant information and the financial statements of the parent company and its subsidiaries.

(VII) Classification of joint arrangements and accounting treatment of joint operations

1. Classification of joint venture arrangements

Joint venture arrangement is divided into joint venture and joint venture. If the joint venture arrangement is not reached by a single entity, it shall be classified as joint operation. A separate subject refers to a subject with a separate identifiable financial structure, including a separate legal entity and a subject without legal entity qualification but recognized by law. A joint venture arrangement through a separate entity, usually classified as a joint venture. Where the rights and obligations of the party under the joint venture arrangement have changed due to changes in relevant facts and circumstances, the party shall reassess the classification of the joint venture arrangement.

2. Accounting for joint operations

As a participant in the joint operation, the Company shall recognize the following items related to the share of interests in the joint operation and conduct accounting treatment in accordance with the relevant accounting standards for enterprises: recognize the assets or liabilities held separately and recognize the assets or liabilities held jointly according to the share; Recognize the revenue generated from the sale of the share of output enjoyed by the joint operation; To recognize the revenue generated by the sale of the output of the joint operation according to its share; Recognize expenses incurred separately and expenses incurred in joint operations by share.

The Company is a participant without joint control over the joint operation. If the company enjoys the relevant assets of the joint operation and bears the relevant liabilities of the joint operation, it shall conduct accounting treatment according to the provisions of the joint operation participant; Otherwise, according to the provisions of the relevant enterprise accounting standards for accounting treatment.

3. Accounting treatment of joint venture

The company is the joint venture party, in accordance with the "Accounting Standards for Enterprises No. 2 - Long-term Equity investment" for the joint venture investment accounting treatment; The Company is not a joint venture party, according to the extent of the impact on the joint venture accounting treatment.

(VIII) Recognition criteria of cash and cash equivalents

Cash as presented in cash flow statement refers to cash on hand and deposit on demand for payment. Cash equivalents refer to short-term, highly liquid investments that can be readily converted to cash and that are subject to an insignificant risk of changes in value.

(IX) Foreign currency translation

1. Translation of foreign currency business

When a foreign currency transaction is initially recognized, it shall be converted into RMB amount at the spot rate on the date of transaction. On the balance sheet date, foreign currency monetary items shall be converted at the spot exchange rate on the balance sheet date. The exchange difference due to different exchange rates shall be recorded into current profit and loss, except for the exchange difference of principal and interest of foreign currency special borrowings related to the purchase and construction of assets eligible for capitalization. Foreign currency non-monetary items measured at historical cost shall still be converted at the spot exchange rate on the date of transaction without changing the RMB amount; Foreign currency non-monetary items measured at fair value shall be converted at the spot exchange rate on the date of determination of fair value, and the difference shall be included in current profits and losses or other comprehensive income.

2. Translation of financial statements measured in foreign currency

The assets and liabilities in the balance sheet are translated into RMB at the spot rate at the balance sheet date; the equity items, other than undistributed profit, are translated at the spot rate at the transaction date; the revenues and expenses in the income statement are translated into RMB at the spot exchange rate at the transaction date. The difference arising from the aforementioned foreign currency translation is included in other comprehensive income.

(X) Financial instruments

1. Classification and reclassification of financial instruments

Financial instruments refer to contracts that form the financial assets of one party and the financial liabilities or equity instruments of another party.

(1) Financial assets

The Company classifies financial assets that meet the following conditions as financial assets measured at amortized cost: ① The Company's business model of managing financial assets is to collect contract cash flow; ② The terms of the contract of the financial asset stipulate that the cash flow generated on a specified date is only the payment of the principal amount and the interest based on the outstanding principal amount.

The Company classifies the financial assets that meet the following conditions as those measured at fair value and whose changes are included in other comprehensive income: ① The Company's business model of managing financial assets aims at both collecting contract cash flow and selling the financial assets; ② The terms of the contract of the financial asset stipulate that the cash flow generated on a specified date is only the payment of the principal amount and the interest based on the outstanding principal amount.

For investments in non-trading equity instruments, the Company may, upon initial recognition, irrevocably designate them as financial assets measured at fair value and whose changes are included in other comprehensive income. The designation is made on an individual investment basis and the underlying investment meets the definition of an equity instrument from the issuer's point of view.

In addition to financial assets classified as financial assets measured at amortized cost and financial assets measured at fair value and whose changes are booked into other comprehensive income, the Company classifies them as financial assets measured at fair value and whose changes are booked into current profit and loss. In the initial recognition, if accounting mismatch can be eliminated or reduced, the Company may irrevocably designate financial assets as financial assets measured at fair value and whose changes are recorded into current profit and loss.

When the Company changes the business model of managing financial assets, it will reclassify all the affected financial assets on the first day of the first reporting period after the change of the business model, and adopt the future applicable method to conduct relevant accounting treatment

from the reclassification date, without retroactive adjustment of previously recognized gains, losses (including impairment losses or gains) or interest.

(2) Financial liabilities

Financial liabilities at the initial recognition are classified as: financial liabilities measured at fair value and whose changes are booked into current profit and loss; The financial assets transfer does not meet the conditions for termination of recognition or continues to involve the financial liabilities formed by the transferred financial assets; Financial liabilities measured at amortized cost. All financial liabilities are not reclassified.

2. Measurement of financial instruments

The Company's financial instruments are initially recognized as measured at fair value. For financial assets and financial liabilities measured at fair value and whose changes are booked into current profit and loss, relevant transaction costs are directly booked into current profit and loss; For other types of financial assets or financial liabilities, related transaction costs are included in the initial recognized amount. For accounts receivable or notes receivable arising from the sale of products or the provision of services that do not contain or take into account significant financing components, the amount of consideration to which the Company is entitled to collect as expected shall be the initial recognition amount. Subsequent measurement of financial instruments depends on their classification.

(1) Financial assets

① Financial assets measured at amortized cost. After the initial recognition, such financial assets are measured by the amortized cost using the effective interest rate method. The gains or losses generated by financial assets measured at amortized cost and not belonging to any hedging relationship shall be booked into current profit and loss when recognition is terminated, reclassified, amortized according to the effective interest rate method or impairment is recognized.

② Financial assets that are measured at fair value and whose changes are booked into current profit or loss. After the initial recognition, such financial assets (except part of the financial assets belonging to the hedge relationship) shall be measured at the fair value, and the resulting gains or losses (including interest and dividend income) shall be booked into current profit and loss.

③ Investment in debt instruments that are measured at fair value and whose changes are

recorded in other comprehensive income. After the initial recognition, the fair value of such financial assets is used for subsequent measurement. Interest, impairment losses or gains and exchange gains and losses calculated using the effective interest rate method are included in current profit and loss, while other gains or losses are included in other comprehensive income. Upon termination of recognition, the accumulated gains or losses previously booked into other comprehensive income shall be transferred out of other comprehensive income and booked into current profit and loss.

(2) Financial liabilities

① Financial liabilities measured at fair value and whose changes are booked into current profit and loss. Such financial liabilities include trading financial liabilities (including derivative instruments belonging to financial liabilities) and financial liabilities designated as measured at fair value and whose changes are booked into current profit and loss. After the initial recognition, the fair value of such financial liabilities is used for subsequent measurement. Except for the hedge accounting, the gain or loss (including interest expense) generated by the change in the fair value of trading financial liabilities is booked into current profit and loss. If a financial liability is specified as a financial liability measured at fair value and its change is included in current profit and loss, the change in the fair value of the financial liability caused by the change of the enterprise's own credit risk shall be included in other comprehensive income, and the change in other fair value shall be included in current profit and loss. If accounting mismatch in profit and loss will be caused or expanded if the impact of the change in credit risk of the financial liability is included in other comprehensive income, the Company shall book all gains or losses of the financial liability into current profit and loss.

② Financial liabilities measured at amortized cost. After the initial recognition, such financial liabilities are measured at amortized cost using the effective interest rate method.

3. The Company's method of recognizing the fair value of financial instruments

If there are financial instruments in active markets, their fair value shall be determined by quotation in active markets; if there is no active market for financial instruments, use valuation techniques to determine their fair value. Valuation techniques mainly include market method, income method and cost method. In limited cases, if recent information used to determine fair

value is insufficient, or if the distribution of possible estimates of fair value is wide, and cost represents the best estimate of fair value within the range, the cost may represent its appropriate estimate of fair value within the range of distribution. The Company uses all information about the investee's performance and operations available after the initial confirmation date to determine whether the cost represents fair value.

4. Recognition basis and measurement method for transfer of financial assets and financial liabilities

(1) Financial assets

The financial assets of the Company shall be terminated if they meet one of the following conditions: (1) The contractual right to collect the cash flow of the financial assets shall be terminated; (2) The financial assets have been transferred, and the company has transferred almost all the risks and rewards of the ownership of the financial assets; (3) The financial assets have been transferred. Although the Company has neither transferred nor retained almost all rewards on the ownership of the financial assets, it has not retained control of the financial assets.

Where the Company neither transfers nor retains almost all remuneration on the ownership of the financial assets, and retains control over the financial assets, the relevant financial assets shall be recognized according to the degree of continued involvement in the transferred financial assets, and the relevant liabilities shall be recognized accordingly.

If the transfer of financial assets meets the conditions for termination of recognition as a whole, the difference between the following two amounts shall be recorded into the current profit and loss: (1) the book value of the transferred financial assets on the date of termination of recognition; (2) The sum of the consideration received due to the transfer of financial assets and the amount corresponding to the part of termination of recognition in the accumulative amount of the change in fair value directly included in other comprehensive income (the financial assets involved in the transfer are financial assets classified as measured at fair value and whose change is included in other comprehensive income).

If the partial transfer of financial assets meets the conditions for termination of recognition, the book value of the whole transferred financial assets shall be apportioned between the terminated and unterminated part according to their relative fair value on the transfer date, and then the difference of

the following two amounts shall be recorded into current profit and loss: (1) The book value of the terminated recognition part on the termination of recognition date; (2) The sum of the consideration received for the part of termination recognition and the amount corresponding to the part of termination recognition in the accumulative amount of changes in fair value originally included in other comprehensive income (financial assets involved in transfer are financial assets classified as measured at fair value and whose changes are included in other comprehensive income).

(2) Financial liabilities

If the current obligation of the financial liability (or part thereof) has been discharged, the Company shall terminate the recognition of the financial liability.

If the recognition of financial liabilities (or part thereof) is terminated, the Company shall book the difference between the book value and the consideration paid into the current profit and loss.

(XI) Methods for determining expected credit losses and accounting treatment

1. Methods for determining expected credit losses

Based on expected credit losses, the Company conducts impairment accounting treatment and recognizes loss reserves for financial assets (including receivables) measured at amortized cost, financial assets classified as measured at fair value and whose changes are included in other comprehensive income (including receivables financing), lease receivables.

On each balance sheet date, the company evaluates whether the credit risk of relevant financial instruments has significantly increased since the initial recognition. The process of credit impairment of financial instruments is divided into three stages, and different accounting treatment methods are adopted for the impairment of financial instruments at different stages: (1) In the first stage, if the credit risk of the financial instrument does not increase significantly after the initial recognition, the Company shall calculate the loss reserve based on the expected credit loss of the financial instrument in the next 12 months, and calculate the interest income based on its book balance (i.e. without deducting the impairment reserve) and the actual interest rate; (2) In the second stage, if the credit risk of the financial instrument has increased significantly since the initial recognition but no credit impairment has occurred, the Company shall measure the loss reserve according to the expected credit loss during the entire duration of the financial instrument and calculate the interest income according to its book balance and actual interest rate; (3) In the third stage, if credit impairment

occurs after the initial recognition, the Company shall measure the loss reserve according to the expected credit loss during the entire duration of the financial instrument, and calculate the interest income according to its amortized cost (book balance minus impairment reserve already drawn) and the actual interest rate.

(1) Lower credit risk financial instruments measure loss reserve method

For financial instruments with lower credit risk at the balance sheet date, the Company may directly assume that the credit risk of such instruments has not increased significantly since the initial recognition, without comparing them with the credit risk at the time of their initial recognition.

If the default risk of the financial instrument is low, the debtor has a strong ability to perform its contractual cash flow obligations in the short term, and even if there are adverse changes in the economic situation and business environment in a longer period of time, it may not necessarily reduce the borrower's ability to perform its contractual cash flow obligations, the financial instrument is regarded as having a low credit risk.

(2) How to measure loss reserve for receivables and lease receivables

① Receivables that do not contain significant financing components. For receivables that are formed from transactions regulated by Accounting Standard for Business Enterprises No. 14 - Revenue and do not have a significant financing component, the Company adopts a simplified approach that always measures the loss reserve against expected credit losses over the entire duration.

Depending on the nature of the financial instrument, the Company assesses whether credit risk is significantly increased on the basis of individual financial assets or a portfolio of financial assets. The Company divides notes receivable and accounts receivable into several combinations according to credit risk characteristics, and calculates expected credit losses on the basis of the combination. The basis for determining the combination is as follows:

Accounts receivable Portfolio 1: combination of related parties within the scope of consolidation

Accounts receivable Portfolio 2: aging portfolio

Notes Receivable Portfolio 1: Banker's Acceptance receivable

Notes Receivable Portfolio 2: Commercial Acceptance receivable

For the accounts receivable divided into portfolios, the company, by referring to the historical credit loss experience, combined with the current situation and the forecast of future economic conditions, prepares the comparison table of the expected credit loss rate between the age of accounts receivable and the entire duration of accounts receivable to calculate the expected credit loss. For notes receivable divided into portfolios, the Company calculates expected credit losses based on default risk exposure and expected credit loss rate over the entire duration by referring to historical credit loss experience, combining current situation and forecast of future economic conditions.

Accounts receivable -- a comparison of the aging of an aging portfolio with the expected credit loss rate over its entire life

Aging of account	Expected credit loss rate of accounts receivable (%)
Within 1 Year	1.00
1-2 Years	5.00
2-3 Years	10.00
3-4 Years	30.00
4-5 Years	50.00
More than 5 Years	100.00

② Receivables and lease receivables with a significant financing component.

For receivables with a significant financing component and for lease receivables regulated by Accounting Standard for Business Enterprises No. 21 - Leases, the Company measures the loss reserve in accordance with the general method known as the "three-stage" model.

(3) Other methods of measuring loss reserves for financial assets

For financial assets other than the above, such as debt investments, other debt investments, other receivables, long-term receivables other than lease receivables, the Company measures the loss reserve in accordance with the general method, namely the "three-stage" model.

The Company takes the following factors into account when assessing whether credit risk is significantly increased in the event of credit impairment of the measurement financial instruments:

The Company divides other receivables into several combinations according to the nature of the amounts, and calculates the expected credit loss on the basis of the combination. The basis for determining the combination is as follows:

Other receivables Portfolio 1: Combination of related parties within the scope of consolidation

Other receivables Portfolio 2: Financing margin portfolio

Other receivables Portfolio 3: Export tax rebates receivable portfolio

2. Accounting for expected credit losses

In order to reflect the changes of the credit risks of financial instruments since the initial recognition, the Company remeasures the expected credit losses on each balance sheet date, and the resulting increase in the loss reserve or reversal amount shall be recorded into the current profit and loss as impairment losses or gains. Write off the carrying value of the financial asset listed in the balance sheet or into the estimated liabilities or into other comprehensive income (debt investment measured at fair value and its changes into other comprehensive income).

(XII) Inventories

1. Classification of inventories

Inventory refers to finished products or commodities held by the Company in daily activities for sale, products in the process of production, materials and materials consumed in the process of production or provision of services, etc. It mainly includes raw materials, turnover materials (packaging, low-value consumable, etc.), commissioned processing materials, products in process, homemade semi-finished products, finished products (stock goods), etc.

2. Accounting method for dispatching inventories:

When the inventory is dispatched, the monthly weighted average method is adopted to determine the actual cost of delivery.

3. Basis for determining net realizable value

On the balance sheet date, the inventory shall be measured according to the lower of the cost and net realizable value, and the inventory decline reserve shall be calculated according to the single inventory item. However, for the inventory with a large quantity and a low unit price, the inventory decline reserve shall be calculated according to the inventory category.

On the balance sheet date, the inventory shall be measured by the lower of cost and net realizable value, and the inventory depreciation reserve shall be calculated according to the difference between the cost of inventory class and net realizable value. The net realizable value of the inventory directly used for sale shall be determined by the estimated selling price of the

inventory less estimated selling expenses and related taxes in the normal course of production and operation; For inventories that need to be processed, the net realizable value shall be determined by the estimated selling price of finished products produced in the normal course of production and operation after deducting the estimated cost, estimated selling expenses and related taxes to be incurred upon completion; On the balance sheet date, if a part of the same inventory has a contract price, but the other part does not have a contract price, its net realizable value shall be determined respectively, and the corresponding cost shall be compared with it to determine the amount to be withdrawn or transferred back from the reserve for inventory declines respectively.

4. Inventory system

The company's inventory system is the perpetual inventory system.

5. Amortization method of low-value consumables and packages

Low - value consumable goods and packaging are amortized by one - pass method.

(XIII) Contract assets and contract liabilities

1. Contract assets

The Company presents as a contractual asset the right to receive consideration for goods or services transferred to the Customer, subject to factors other than the passage of time. Provision for impairment of contracted assets shall be made according to the expected credit loss method of financial instruments. For contract assets that do not contain a material financing component, the Company adopts a simplified method to measure loss provisions. For contract assets that contain significant financing components, the Company measures loss provisions in accordance with the general method.

In case of impairment loss on contract assets, "asset impairment loss" shall be debited according to the amount to be written down, and the impairment provision for contract assets shall be credited; The reverse entry is made when the asset impairment provision has been transferred back.

2. Contract liabilities

Obligations of the Company to transfer goods or services to the Customer for consideration received or receivable from the customer shall be listed as contractual liabilities.

The Company presents contractual assets and contractual liabilities under the same contract on a net basis.

(XIV) Long-term equity investments

1. Initial investment cost determination

For the long-term equity investment obtained from the enterprise merger, if the enterprise merger is under the same control, the initial investment cost of the long-term equity investment shall be taken as the share of the owner's equity of the merged party in the book value of the final controlling party's consolidated financial statements on the merger date; In the case of enterprise merger not under the same control, the initial investment cost of long-term equity investment shall be taken as the merger cost determined on the purchase date; For long-term equity investment obtained by cash payment, the initial investment cost is the actual purchase price paid; For the long-term equity investment obtained by issuing equity securities, the initial investment cost shall be the fair value of the equity securities issued; The initial cost of long-term equity investment obtained through debt restructuring shall be determined in accordance with the relevant provisions of Accounting Standards for Enterprises "CASBE 12 – Debt Restructuring"; For long-term equity investment obtained by exchange of non-monetary assets, the initial investment cost shall be determined in accordance with relevant provisions of Accounting Standards for Business Enterprises "CASBE 7 – Non-cash Assets Exchange".

2. Subsequent measurement and recognition method of profit or loss

For long-term equity investments with control relationship, it is accounted for with cost method; for long-term equity investments with joint control or significant influence relationship, it is accounted for with equity method. The company for equity investment consortium, one part of through risk investment institutions, mutual funds, trust companies or similar subject, including cast the insurance fund, indirect holding, whether the above subject has a significant influence on this part of the investment, the company in accordance with the accounting standards for enterprises "CASBE 22 – Financial Instruments: Recognition and Measurement", and the rest of the equity method accounting.

3. Determine the basis of joint control and significant influence on the invested entity

Of the invested entity has joint control, refers to an arrangement returns have a significant impact on activity must go through the participants agreed to share control decisions, including the sale and purchase of goods or services, financial assets management, purchase and disposal of the assets, research and development activities, and financing activities, etc.; Having a significant influence on the invested entity refers to having a significant influence when holding more than 20% to 50% of the voting capital of the invested entity. Or, although less than 20%, has a significant impact if one of the following conditions is met: representation on the board of directors or a similar authority of the invested entity; To participate in the policy making process of the investee; Dispatching management personnel to the invested units; The invested entity relies on the technology or technical data of the investment company; Having important transactions with the invested units.

(XV) Investment property

The Company's investment property categories, including leased land use rights, leased buildings, land use rights held and ready to be transferred after appreciation. The initial measurement of investment property is carried out according to the cost, and the subsequent measurement is carried out according to the cost model.

The average life method is adopted for the depreciation of leased buildings in the Company's investment property, and the specific accounting policy is the same as that of fixed assets. The land-use right leased in investment property and the land-use right held and transferred after appreciation shall be amortized by the straight-line method. The specific accounting policies are the same as those for intangible assets.

(XVI) Fixed assets

1. Recognition principles of fixed assets

Fixed assets are tangible assets held for use in the production of goods or rendering of services, for rental to others, or for administrative purposes, and expected to be used during more than one accounting year. Fixed assets are recognized if, and only if, it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the assets can be measured reliably.

2. Depreciation method of different categories of fixed assets

The company's fixed assets are mainly divided into: buildings and structures, machinery, electronic equipment, transport facilities, etc. The depreciation method adopts the average life method. The service life and estimated net salvage value of fixed assets shall be determined according to the nature and usage of various types of fixed assets. At the end of the year, the service life, estimated net salvage value and depreciation method of the fixed assets shall be rechecked. If there is any difference from the original estimate, corresponding adjustment shall be made. In addition to the fixed assets that have been fully depreciated but are still in use and the land that is separately priced and recorded, the Company will calculate and depreciate all the fixed assets.

Categories	Useful life (years)	Estimated residual value proportion (%)	Annual depreciation rate (%)
Buildings and structures	15-35	3.00	2.77-6.47
Machinery	10-15	3.00	6.47-9.70
Transport facilities	6-8	3.00	12.13-16.17
Electronic equipment	4-11	3.00	8.82-24.25
Other equipment	4-11	3.00	8.82-24.25

(XVII) Construction in progress

1. Construction in progress is recognized if, and only if, it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. Construction in progress is measured at the actual cost incurred to reach its designed usable conditions.

2. Construction in progress is transferred into fixed assets at its actual cost when it reaches the designed usable conditions. When the auditing of the construction in progress was not finished while reaching the designed usable conditions, it is transferred to fixed assets using estimated value first, and then adjusted accordingly when the actual cost is settled, but the accumulated depreciation is not to be adjusted retrospectively.

(XVIII) Borrowing costs

1. Recognition principle of capitalization of borrowing costs

Borrowing costs incurred by the Company that can be directly attributed to the purchase, construction or production of assets eligible for capitalization shall be capitalized and included in the cost of relevant assets; Other borrowing costs shall be recognized as expenses according to the

amount incurred when incurred and recorded into current profits and losses. The assets that meet the capitalization conditions refer to the fixed assets, investment real estate, inventory and other assets that need to go through a fairly long period of purchase, construction or production activities to reach the predetermined state of being usable or saleable.

2. Calculation method of capitalization amount

Capitalization period refers to the period from the beginning of capitalization of borrowing costs to the end of capitalization. Periods of suspension of capitalization of borrowing costs are not included. Capitalization of borrowing costs shall be suspended if abnormal interruption occurs in the purchase, construction or production process and the interruption lasts for more than 3 consecutive months.

The borrowing of a special loan shall be determined according to the amount of the interest expense actually incurred in the current period of the special loan, minus the interest income obtained from depositing the unused loan funds in the bank or the investment income obtained from temporary investment; Occupied general borrowings shall be calculated and determined according to the weighted average of the accumulated asset expenditure exceeding the portion of special borrowings multiplied by the capitalization rate of occupied general borrowings, and the capitalization rate shall be the weighted average interest rate of general borrowings; If there is a discount or premium on the loan, the amount of discount or premium to be amortized in each accounting period shall be determined according to the effective interest rate method, and the amount of interest for each period shall be adjusted.

The effective interest rate method is a method to calculate the amortized discount or premium or interest expense of a loan according to the effective interest rate. The effective interest rate is the future cash flow of the loan during its expected life, discounted as the interest rate used in the current book value of the loan.

(XIX) Intangible assets

1. The valuation method of intangible assets

The Company's intangible assets are initially measured at cost. The purchased intangible assets

shall be regarded as the actual cost according to the actual price paid and related expenses. The actual cost of intangible assets invested by investors shall be determined according to the value stipulated in the investment contract or agreement, but if the value stipulated in the contract or agreement is unfair, the actual cost shall be determined according to the fair value. For self-developed intangible assets, the cost shall be the total amount of expenses incurred before reaching the intended use.

The Company's subsequent measurement methods for intangible assets are as follows: Intangible assets with limited service life shall be amortized by the straight-line method, and the service life and amortization method of intangible assets shall be rechecked at the end of the year. If there is any difference from the original estimate, corresponding adjustment shall be made; Intangible assets with uncertain service life are not amortized, but at the end of the year, the service life shall be rechecked. When there is conclusive evidence that the service life is limited, the service life shall be estimated and amortized according to the straight-line method.

Intangible assets with limited useful life are amortized as follows:

Items	Amortization period (years)
Software	3-10
patent right and non-patented technology	5-10
land use right	40-50

2. The judgment basis of uncertain service life

The Company will not be able to foresee the period of time that the asset will bring economic benefits to the Company, or the intangible assets with uncertain service life are identified as intangible assets with uncertain service life. The judgment basis of uncertain service life is: it comes from contractual rights or other legal rights, but the contract or legal provisions do not specify the service life; Based on the industry situation or relevant experts' arguments, it is still impossible to judge the period when intangible assets bring economic benefits to the company.

At the end of each year, the service life of intangible assets with uncertain service life is reviewed, mainly in a bottom-up way. The departments related to the use of intangible assets conduct basic review to evaluate whether the judgment basis of uncertain service life has changed.

3. Specific criteria for research and development stages of internal research and development

projects, as well as specific criteria for development stage expenditures to meet the capitalization conditions

Expenditure in the research phase of internal research and development projects shall be recorded into current profits and losses when incurred; The expenditure in the development stage shall be transferred to the accounting of intangible assets if it meets the conditions of being recognized as intangible assets.

Specific criteria for dividing the research phase and development phase of an internal research and development project: (1) it is technically feasible to complete the intangible asset so that it can be used or sold; (2) it has the intention to complete the intangible asset and use or sell it; (3) The way in which intangible assets generate economic benefits, including being able to prove that there is a market for the products produced by using the intangible assets or that there is a market for the intangible assets themselves, and that the intangible assets will be used internally, being able to prove their usefulness; (4) it has the support of sufficient technology, financial resources and other resources to complete the development of the intangible asset and has the ability to use or sell the intangible asset; (5) The expenditure attributable to the development stage of the intangible asset can be measured reliably.

(XX) Impairment of part of long-term assets

If long-term equity investment, investment real estate measured by the cost model, fixed assets, intangible assets of construction in progress and other long-term assets show signs of impairment on the balance sheet date, the impairment test shall be conducted. If the result of the impairment test shows that the recoverable amount of the asset is lower than its carrying value, the impairment reserve shall be calculated and booked into the impairment loss according to the difference.

The recoverable amount is the higher between the net fair value of the asset less the disposal charge and the present value of the expected future cash flows of the asset. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined based on the asset group to which the asset belongs. An asset group is the smallest set of assets that can independently generate cash inflows.

Goodwill shown separately in the financial statements, regardless of whether there is

evidence of impairment, shall be tested for impairment at least annually. In the impairment test, the carrying value of goodwill is apportion to the group of assets or combination of asset groups expected to benefit from the synergies of the business combination. If the test results show that the recoverable amount of the asset group or the asset group combination containing the apportion of goodwill is lower than its carrying value, the corresponding impairment loss shall be recognized. The amount of impairment loss shall first offset the book value of goodwill apportion to the asset group or asset group combination, and then offset the book value of other assets in proportion to the proportion of the book value of assets other than goodwill in the asset group or asset group combination.

Once the above-mentioned asset impairment loss is recognized, the part whose value can be recovered shall not be transferred back in the following period.

(XXI) Long-term prepayments

Long-term prepayments are expenses that have been recognized but with amortization period over one year (excluding one year). They are recorded with actual cost, and evenly amortized within the beneficiary period or stipulated period. If items of long-term prepayments fail to be beneficial to the following accounting periods, residual values of such items are included in profit or loss.

(XXII) Employee benefits

Employee benefits refers to various forms of remuneration or compensation provided by the Company for obtaining services provided by employees or for terminating labor relations. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

1. Short-term employee benefits

During the accounting period when employees provide services for the company, the actual short-term compensation is recognized as liabilities and booked into the current profits and losses, except for those required or allowed to be booked into the cost of assets by the accounting standards for enterprises. The employee welfare expense incurred by the Company shall be included in the current profit and loss or the cost of relevant assets according to the actual amount when it is actually incurred. If the employee welfare fee is non-monetary welfare, it shall be measured at fair value. The company for the medical treatment insurance premium of worker pay, industrial injury insurance,

birth insurance premium of social insurance premiums and housing accumulation fund, and according to the rules extraction of the trade union and employee education funds and provide services in the workers of the accounting period, according to the provisions stipulated in the basic and provision ratio calculate and determine the corresponding compensation amount, and confirm corresponding liabilities, Include current profit or loss or related asset cost.

2. Post-employment benefits

During the accounting period when employees provide services, the payable amount calculated according to the set depository plan shall be recognized as liabilities and recorded into the current profit and loss or the cost of relevant assets. According to the formula determined by the expected cumulative benefit unit method, the welfare obligation arising from the set benefit plan shall be attributed to the period of service provided by the employee, and shall be included in the current profit and loss or the cost of relevant assets.

3. Termination benefits

Termination benefits provided to employees are recognized as an employee benefit liability for termination benefits, with a corresponding charge to profit or loss at the earlier of the following dates: a. when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; or b. when the Company recognizes cost or expenses related to a restructuring that involves the payment of termination benefits.

4. Other long-term employee benefits

Other long-term employee benefits provided by the company to the employees that meet the conditions for setting up an escrow plan shall be dealt with in accordance with the provisions on setting up an escrow plan; In addition, identify and measure other long-term employee benefit net liabilities or net assets according to the relevant provisions of the defined benefit plan.

(XXIII) Provisions

An obligation related to a contingent event is recognized as a projected liability when it is a current obligation undertaken by the Company and the performance of the obligation is likely to result in an outflow of economic benefits and the amount of the obligation can be measured reliably. The Company shall make initial measurement according to the best estimate of the expenditure required to fulfill the relevant current obligations. If there exists a continuous range of expenditure

required and various outcomes within the range are equally likely to occur, the best estimate shall be determined as the intermediate value within the range; If more than one project is involved, calculate the best estimate based on the various possible outcomes and the associated probabilities.

On the balance sheet date, the book value of the projected liabilities shall be reviewed. If there is conclusive evidence that the book value does not truly reflect the current best estimate, the book value shall be adjusted according to the current best estimate.

(XXIV) Revenue

The Company has fulfilled its performance obligation under the contract, that is, when the customer obtains control of the relevant commodity or service, it recognizes revenue according to the transaction price apportioned to the performance obligation. To acquire the control right of relevant goods refers to to be able to dominate the use of the goods and obtain almost all the economic benefits from them. Performance obligation refers to the commitment of the company in the contract to transfer clearly distinguishable commodities to the customer. Transaction Price represents the amount of consideration that the Company expects to be entitled to collect as a result of the transfer of goods to the Customer, excluding monies received on behalf of third parties and monies that the Company expects to refund to the Customer.

Whether the performance obligation is to be performed within a certain period of time or at a certain point depends on the terms of the contract and relevant legal provisions. If the performance obligation is performed within a certain period of time, the Company recognizes revenue according to the progress of performance. Otherwise, the Company recognizes revenue at a point at which the customer acquires control of the relevant assets.

If one of the following conditions is met, the performance obligation shall be performed within a certain period of time; otherwise, the performance obligation shall be performed at a certain point: (1) The customer obtains and consumes the economic benefits arising from the Company's performance at the same time as the Company's performance; (2) The customer can control the goods under construction during the company's performance; (3) The commodities produced by the Company during the performance of the Contract have irreplaceable uses, and the Company has the right to collect payment for the accumulated performance completed so far throughout the contract period.

For performance obligations performed within a certain period of time, the Company recognizes revenue in accordance with the progress of performance during that period. If the performance progress cannot be reasonably determined and the incurred costs are expected to be compensated, the revenue shall be recognized according to the amount of incurred costs until the performance progress can be reasonably determined. For performance obligations performed at a certain point, revenue is recognized at the point when the customer acquires control of the relevant goods or services. In determining whether the customer has acquired control of the goods, the Company considers the following indications: (1) the Company has a current collection right in respect of the goods, i.e. the customer has a current payment obligation in respect of the goods; (2) the Company has transferred the legal title of the goods to the Customer, that is, the customer has the legal title of the goods; (3) The Company has physically transferred the commodity to the customer, that is, the customer has physically possessed the commodity; (4) The Company has transferred the major risks and rewards in the ownership of the commodities to the Customer, that is, the customer has obtained the major risks and rewards in the ownership of the commodities; (5) The customer has accepted the goods; (6) Other signs indicating that the customer has acquired control of the goods.

Specific methods of revenue recognition

The Company mainly sells video conferencing products, integrated cabling products, intelligent electrical products, communication basic products and other products. The above product sales business of the company is a performance obligation performed at a certain point, and the product revenue recognition shall meet the following conditions: The company has delivered the products to the purchaser according to the contract and accepted them by the purchaser, and the amount of sales revenue of the products has been determined, the payment for goods has been recovered or the receipt of payment has been obtained, and the relevant economic benefits are likely to flow in, and the costs related to the products can be measured reliably.

(XXV) Contract cost

The contract cost of the Company includes the incremental cost incurred to obtain the contract and the contract performance cost. Incremental costs incurred to acquire a contract ("contract acquisition costs") are costs that would not have been incurred otherwise. If the cost is expected to

be recovered, the Company will recognize it as a contract acquisition cost as an asset.

The cost incurred by the Company to perform the contract, which does not fall within the scope of accounting standards for enterprises such as inventory and meets the following conditions at the same time, shall be recognized as an asset as the contract performance cost:

1. The costs are directly related to a current or expected contract and include direct labor, direct materials, manufacturing expenses (or similar expenses), costs expressly borne by the User and other costs incurred solely as a result of the contract;
2. The cost increases the Company's resources for future performance obligations;
3. This cost is expected to be recovered.

The Company will recognize the contract performance costs as assets, the amortization period of the initial recognition does not exceed one year or a normal business cycle, in the balance sheet into the "inventory" item; If the amortization period is more than one year or one normal operating cycle at the time of initial recognition, "other non-current assets" will be included in the balance sheet.

The Company shall record the acquired costs of contracts recognized as assets into the "other current assets" item in the balance sheet if the amortization period at the initial recognition does not exceed one year or one normal operating cycle. If the amortization period is more than one year or one normal operating cycle at the time of initial recognition, "other non-current assets" will be included in the balance sheet.

The Company amortizes the assets recognized for contract acquisition cost and contract performance cost (hereinafter referred to as "assets related to contract cost") on the same basis as the commodity revenue recognized for the assets and records them into the current profit and loss. If the amortization period of the asset formed by the incremental cost of acquiring the contract does not exceed one year, it shall be included in the current profit and loss at the time of occurrence.

If the carrying value of the asset related to the contract cost is higher than the difference between the following two items, the Company will calculate and withdraw the excess part of the impairment reserve and recognize it as the asset impairment loss:

1. The remaining consideration expected to be obtained from the transfer of commodities related to the asset;

2. Estimate the cost to be incurred for the transfer of the related goods.

If the difference between the foregoing two items is higher than the carrying value of the asset due to the change of the factors of impairment in the previous period, it shall revert to the original provision for asset impairment and be included in the current profit and loss, provided that the carrying value of the asset after the reversal shall not exceed the carrying value of the asset on the date of reversal assuming no provision for impairment.

(XXVI) Government grants

1. Types of government subsidies and accounting treatment

Government subsidy refers to the monetary assets or non-monetary assets that the Company obtains free of charge from the government (but does not include the capital invested by the government as the owner). If the government subsidy is a monetary asset, it shall be measured according to the amount received or receivable. Where government subsidies are non-monetary assets, they shall be measured at fair value; If the fair value cannot be obtained reliably, it shall be measured according to the nominal amount.

Government subsidies related to daily activities shall be included in other income according to the economic business essence. Government subsidies unrelated to daily activities shall be included in non-operating income.

Government documents clearly stipulate that government subsidies for the purchase and construction of long-term assets or the formation of long-term assets by other means shall be recognized as government subsidies related to assets. If the government documents do not specify the object of subsidy, and long-term assets can be formed, the part of government subsidy corresponding to the value of the asset shall be regarded as the government subsidy related to the asset, and the rest shall be regarded as the government subsidy related to the income. It is difficult to distinguish between government subsidies as a whole as government subsidies related to benefits. Government subsidies related to assets are recognized as deferred income. The amount recognized as deferred income shall be recorded into current profits and losses in a reasonable and systematic manner during the useful life of the relevant asset.

Government subsidies other than those related to assets shall be recognized as government subsidies related to earnings. If the government subsidies related to earnings are used to compensate the relevant expenses or losses of the enterprise in the subsequent period, they shall be recognized as deferred earnings and recorded into the current profit and loss during the period when the relevant expenses are recognized. If it is used to compensate the relevant expenses or losses already incurred by the enterprise, it shall be directly recorded into the current profit and loss.

If the company obtains a policy preferential loan discount interest, and the finance allocates the discount interest funds to the lending bank, and the lending bank provides the loan to the Company at the policy preferential interest rate, the actual amount of the loan is taken as the recorded value of the loan, and the relevant borrowing costs are calculated according to the loan principal and the policy preferential interest rate; If the finance directly appropriates the discount interest funds to the Company, the Company will offset the corresponding discount interest against the relevant borrowing costs.

2. Confirmation of government subsidies

Government grants are recognized when the conditions attached to government grants are met and can be received. The government subsidy measured according to the amount receivable shall be confirmed at the end of the period when there is solid evidence that it can meet the relevant conditions stipulated in the financial support policy and is expected to receive the financial support funds. Government subsidies other than those measured according to the amount receivable shall be recognized when the amount of subsidies is actually received.

(XXVII) Deferred income tax assets and liabilities

1. Deferred tax assets or deferred tax liabilities are calculated and recognized based on the difference between the carrying amount and tax base of assets and liabilities (and the difference of the carrying amount and tax base of items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

2. A deferred tax asset is recognized to the extent of the amount of the taxable income, which it is most likely to obtain and which can be deducted from the deductible temporary difference. At the

balance sheet date, if there is any exact evidence that it is probable that future taxable income will be available against which deductible temporary differences can be utilized, the deferred tax assets unrecognized in prior periods are recognized.

3. Recognize deferred tax liabilities for taxable temporary differences related to investments in subsidiaries and associates, unless the Company has control over the timing of the reversal of the temporary differences and it is likely that the reversal will not occur in the foreseeable future. For deductible temporary differences related to investments in subsidiaries and associates, deferred tax assets are recognized when such temporary differences are likely to be reversed in the foreseeable future and the amount of taxable income used to offset the deductible temporary differences is likely to be obtained in the future.

(XXVIII) Leases

1. Accounting treatment of leased assets

On the commencement date of the lease term, the Company recognizes the right to use assets and lease liabilities for leases other than short-term leases and leases of low-value assets, and recognizes depreciation expense and interest expense, respectively, during the lease term.

The Company uses the straight-line method for each period of the lease term to charge lease payments for short-term leases and leases for low-value assets to current expenses.

(1) Right-of-use asset

The right-of-use asset is initially measured at cost, which includes: 1) the initial measurement amount of the lease liability; 2) the lease payments made on or before the start date of the lease term, if there is a lease incentive, deduct the amount of the lease incentive already enjoyed ; 3) Initial direct costs incurred by the lessee; 4) The lessee is expected to incur costs to dismantle and remove the leased asset, restore the site where the leased asset is located, or restore the leased asset to the state agreed upon in the lease terms

The company depreciates right-of-use assets on a straight-line basis. If it can be reasonably determined that the ownership of the leased asset will be obtained at the expiration of the lease term, the company shall accrue depreciation over the remaining useful life of the leased asset. If it cannot be reasonably determined that the ownership of the leased asset can be obtained when the lease term expires, the company shall accrue depreciation within the shorter of the lease term and the remaining

useful life of the leased asset.

In accordance with the Accounting Standards for Enterprises “CASBE 8 - Asset Impairment”, the company determines whether the assets used for use have been impaired and carries out accounting treatment.

(2) Lease liability

The lease liability is initially measured at the present value of the outstanding lease payments on the commencement date of the lease term. The lease payment amount includes: 1) the fixed payment amount (including the substantial fixed payment amount). If there is a lease incentive, the lease incentive related amount shall be deducted; 2) variable lease payments depending on the index or ratio; 3) the amount expected to be paid according to the security residual value provided by the lessee; 4) the exercise price of the purchase option, the premise is that the lessee is reasonable to determine the exercise of the option; 5) Payment for exercising the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease;

The Company uses the lease embedded interest rate as the discount rate; If it is impossible to reasonably determine the interest rate embedded in the lease, the incremental borrowing rate of the Company shall be used as the discount rate. The Company calculates the interest expense of the lease liability in each period of the lease term at a fixed periodic interest rate and records it as a financial expense. The cyclical rate refers to the discount rate or the revised discount rate adopted by the Company.

Variable lease payments that are not included in the measurement of lease liabilities are recorded in current profit and loss when they are actually incurred.

If the Company changes the evaluation result of the option to renew the lease, terminate the lease or purchase the lease, it will re-measure the lease liability according to the present value calculated by the changed lease payment amount and the revised discount rate, and adjust the book value of the right asset accordingly. In the event of a change in the actual lease payment, the estimated payable amount of the guarantee residual or the variable lease payment depending on the index or ratio, the lease liability shall be re-measured according to the present value calculated by the changed lease payment and the original discount rate, and the carrying value of the right asset shall be adjusted accordingly.

2. Accounting treatment of leased assets

(1) Operating lease accounting treatment

In each period of the lease term, the Company adopts the straight-line method to recognize the lease receipts from the operating leases as rental income. The Company capitalizes the initial direct expenses incurred in connection with the operating lease and stages them into current earnings during the lease term on the same basis of recognition as rental income.

(2) Accounting treatment of finance lease

On the lease commencement date, the Company recognizes the difference between the sum of the financial lease receivable, the unguaranteed residual value and its present value as unrealized financing income, and recognizes it as lease income in each period in which the rent is received in the future. The initial direct expenses incurred by the Company in connection with the leasing transaction are included in the initial recorded value of the finance lease receivable.

(XXIX) Explanation of changes in major accounting policies and accounting estimates

There are no changes in accounting policies and estimates during the current period.

IV. Taxes

(I) Main taxes and tax rates

Taxes	Tax bases	Tax rates
Value-added tax (VAT)	The output tax shall be calculated on the basis of the sales of goods and taxable service income calculated in accordance with the provisions of the tax law. After deducting the input tax allowed to be deducted in the current period, the balance shall be the VAT payable.	13%、6%、5%、3%
Housing property tax	For housing property levied on the basis of price, housing property tax is levied at the rate of 1.2% of the balance after deducting 30% of the cost; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of rent revenue.	1.2%、12%
Urban maintenance and construction tax	Turnover tax payable	7%
Education surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%
Enterprise income tax	Taxable income	15%、25%

Taxpayers	Income tax rate
Nanjing Putian Telege Intelligent Building Co., Ltd	15%

Taxpayers	Income tax rate
Nanjing Putian Datang Information Electronic Co., Ltd.	15%
Taxpayers other than the above-mentioned	25%

(II) Tax preferential policies

1. Nanjing Putian Telege Intelligent Building Co., Ltd obtained high-tech enterprise certificate in November, 2021, valid for 3 years. From 2021 to 2023, the enterprise income tax shall be paid at the reduced tax rate of 15%.

2. The subsidiary, Nanjing Putian Datang Information Electronic Co., Ltd., obtained high-tech enterprise certificate in November, 2021, valid for 3 years. From 2021 to 2023, the enterprise income tax shall be paid at the reduced tax rate of 15%.

3. The seventh branch of the subsidiary Nanjing communication equipment factory is a social welfare enterprise, which complies with the provisions of Guo Shui Fa [2007] No. 067 and enjoys the preferential tax policies of immediate collection and refund of value-added tax and plus deduction of wages of the disabled.

4. The subsidiaries, Nanjing Putian Datang Information Electronic Co., Ltd. were certified as software enterprises, and some of the software products produced by Nanjing South Telecommunications Company Limited and Nanjing Putian Network Co., Ltd. are entitled to enjoy the preferential tax policy of VAT refund upon collection in accordance with the provisions of Cai Shui [2011] No.100.

V. Notes to items of consolidated financial statements

1. Cash and bank balances

(1) Details

Items	Closing balance	Opening balance
Cash on hand		343.39
Cash in bank	121,936,719.47	164,384,398.00
Other cash and bank balances	12,970,766.25	9,479,083.96
Total	134,907,485.72	173,863,825.35
Including: Total amount deposited abroad		
Deposit money with finance company	40,900,846.78	24,074,373.95

2. Notes receivable

(1) Categories

Items	Closing balance	Opening balance
Bank acceptance	351,500.00	2,222,820.00
Trade acceptance	9,181,085.40	26,807,458.99
Less: Provision for bad debts	459,054.27	1,340,372.95
Total	9,073,531.13	27,689,906.04

(2) Provision for bad debts of notes receivable

Categories	Closing balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Receivables with provision for bad debts made on a collective basis	9,532,585.40	100.00	459,054.27	4.82	9,073,531.13
Total	9,532,585.40	—	459,054.27	4.82	9,073,531.13

Categories	Opening balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Receivables with provision for bad debts made on a collective basis	29,030,278.99	100.00	1,340,372.95	4.62	27,689,906.04
Total	29,030,278.99	—	1,340,372.95	4.62	27,689,906.04

1) Notes receivable with bad debt provision in combination

Items	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Trade acceptance	9,181,085.40	459,054.27	5.00
Bank acceptance	351,500.00		—
Total	9,532,585.40	459,054.27	—

(Continued)

Items	Opening balance		
	Book balance	Provision for bad debts	Provision proportion (%)

Trade acceptance	26,807,458.99	1,340,372.95	5.00
Bank acceptance	2,222,820.00		
Total	29,030,278.99	1,340,372.95	—

(1) Bad debt provisions for notes receivable accrual, recovered or reversed in the current period

Items	Opening balance	Changes in the current period				Closing balance
		Accrual	Recovery	Write-off	Others	
Receivables with provision made on an individual basis						
Receivables with provision for bad debts made on a collective basis	1,340,372.95	-881,318.68				459,054.27
Trade acceptance	1,340,372.95	-881,318.68				459,054.27
Total	1,340,372.95	-881,318.68				459,054.27

(4) Notes receivable that have been endorsed or discounted at the end of the period and are not yet due on the balance sheet date

Items	The confirmation amount shall be terminated at the end of the period	The confirmation amount has not been terminated at the end of the period
Bank acceptance		
Trade acceptance	244,930.92	
Total	244,930.92	

3. Accounts receivable

(1) Disclosure according to aging

Ages	Closing balance	Opening balance
Within 1 year	276,440,584.12	185,688,715.74
1 to 2 years	52,009,833.30	58,022,885.76
2 to 3 years	28,279,051.54	30,502,728.20
3 to 4 years	26,896,581.06	34,953,804.10
4 to 5 years	60,625,693.40	60,019,462.10
Over 5 years	126,938,094.01	129,317,629.98
Less: Allowance for doubtful accounts	193,580,598.37	193,889,013.84
Total	377,609,239.06	304,616,212.04

(2) According to the bad debt calculation and withdrawal method classification disclosure

Categories	Closing balance	
	Book balance	Provision for bad debts

	Amount	% to total	Amount	Provision proportion (%)
Receivables with provision made on an individual basis	83,047,069.48	14.54	83,047,069.48	100.00
Receivables with provision made on a collective basis	488,142,767.95	85.46	110,533,528.89	22.64
Aging combination	488,142,767.95	100	110,533,528.89	22.64
Total	571,189,837.43		193,580,598.37	33.89

Categories	Opening balance			
	Book balance		Provision for bad debts	
	Amount	% to total	Amount	Provision proportion (%)
Receivables with provision made on an individual basis	75,571,063.55	15.16	75,571,063.55	100.00
Receivables with provision made on a collective basis	422,934,162.33	84.84	118,317,950.29	27.98
Aging combination	422,934,162.33	100	118,317,950.29	27.98
Total	498,505,225.88		193,889,013.84	38.89

1) Accounts receivable with provision made on an individual basis

Debtors	Book balance	Provision for bad debts	Ages	Provision proportion (%)	Reasons
Dongpo Xi Laos Co., Ltd.	19,708,086.54	19,708,086.54	4 to 5 years	100.00	Unable to recover
Mr. Xu	17,591,683.74	17,591,683.74	Over 5 years	100.00	Unable to recover
China Tower Corporation Ltd.	13,819,926.92	13,819,926.92	Over 5 years	100.00	Unable to recover
Jilin Lidi Information Technology Co., Ltd	5,999,750.00	5,999,750.00	Over 3 years	100.00	Unable to recover
China Railway communication Signal Shanghai Engineering Group Co., Ltd	4,884,353.27	4,884,353.27	4-5 years 3,114,600.94; Over 5 years 1,769,752.33	100.00	Unable to recover
Other	21,043,269.01	21,043,269.01	1-5 years	100.00	Unable to recover
Total	83,047,069.48	83,047,069.48			

2) Accounts receivable with provision made on a collective basis

① Combination 1: Aging combination

Ages	Closing balance			Opening balance		
	Book balance	Provision proportion (%)	Provision for bad debts	Book balance	Provision proportion (%)	Provision for bad debts
Within 1 year	276,930,737.12	1.00	2,769,307.37	185,668,485.74	1.00	1,856,684.85

Ages	Closing balance			Opening balance		
	Book balance	Provision proportion (%)	Provision for bad debts	Book balance	Provision proportion (%)	Provision for bad debts
1 to 2 years	51,639,505.86	5.00	2,581,975.30	58,022,885.76	5.00	2,901,144.29
2 to 3 years	24,121,399.72	10.00	2,412,139.98	26,585,163.67	10.00	2,658,516.37
3 to 4 years	25,108,327.97	30.00	7,532,498.39	34,953,804.10	30.00	10,486,141.24
4 to 5 years	30,210,378.87	50.00	15,105,189.44	34,576,719.05	50.00	17,288,359.53
Over 5 years	80,132,418.41	100.00	80,132,418.41	83,127,104.01	100.00	83,127,104.01
Total	488,142,767.95		110,533,528.89	422,934,162.33		118,317,950.29

(3) Bad debt provision

Categories	Opening balance	Change in current period				Closing balance
		Accrual	To withdraw or turn back	Cancel after verification	Other changes	
Receivables with provision made on an individual basis	75,571,063.55	8,933,927.61	1,457,921.68			83,047,069.48
Receivables with provision made on a collective basis	118,317,950.29	7,784,421.40				110,533,528.89
Total	193,889,013.84	1,149,506.21	1,457,921.68			193,580,598.37

(4) Details of the top 5 debtors with largest balances

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Dongpo Xi Laos Co., Ltd.	19,708,086.54	3.45	19,708,086.54
Mr. Xu	17,591,683.74	3.08	17,591,683.74
China Tower Corporation Ltd.	13,819,926.92	2.42	13,819,926.92
China Mobile Group Guangdong Company Limited.	11,190,098.50	1.96	111,900.99
Hebei FAR-EAST Communication SYSTEM Engineering Co., Ltd.	9,051,714.63	1.58	337,685.46
Total	71,361,510.33	12.49	51,569,283.65

4. Receivables financing

Items	Closing balance	Opening balance
Notes receivable (Bank acceptance)	15,035,046.06	30,668,999.36

5. Advances paid

(1) Age analysis

Ages	Closing balance		Opening balance	
	Amount	% to total	Amount	% to total

Ages	Closing balance		Opening balance	
	Amount	% to total	Amount	% to total
Within 1 year	19,224,124.92	83.27	6,186,930.98	32.42
1-2 years	932,853.27	4.04	8,653,927.80	45.35
2-3 years	673,841.09	2.92	746,082.95	3.91
Over 3 years	2,255,106.97	9.77	3,494,882.49	18.32
Total	23,085,926.25	100.00	19,081,824.22	100.00

(2) Details of the top 5 debtors with largest balances

Debtors	Closing balance	Proportion to the total balance of advances paid (%)
Jiangsu Shuntian International Group Machinery Import and Export Co., Ltd	4,769,385.38	20.66
Huawei TECHNOLOGIES Co., Ltd.	561,815.30	2.43
Beijing Tengchuang Xingda Technology Co., Ltd.	402,364.86	1.74
Jiangsu Baishi Dali Network Technology Co., Ltd.	326,106.20	1.41
Rizhao Sida Information Technology Co., Ltd.	313,987.81	1.36
Total	6,373,659.55	27.60

6. Other receivable

Items	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	62,744,482.83	56,070,287.57
Less: Allowance for doubtful accounts	43,164,342.30	44,353,986.38
Total	19,580,140.53	11,716,301.19

(1) Other receivables categorized by nature

Categories	Closing balance	Opening balance
Provisional payment receivable	49,164,042.51	39,559,820.38
Deposit	11,412,780.50	13,816,308.52
Travel allowance	396,391.93	608,332.22
Other	1,771,267.89	2,085,826.45
Less: Allowance for doubtful accounts	43,164,342.30	44,353,986.38
Total	19,580,140.53	11,716,301.19

(2) Age analysis

Ages	Closing balance	Opening balance
Within 1 year	9,951,491.10	8,928,722.74

Ages	Closing balance	Opening balance
1 to 2 years	10,835,928.76	3,081,096.07
2 to 3 years	1,897,718.12	2,504,630.82
3 to 4 years	1,752,820.13	2,686,896.37
4 to 5 years	1,469,275.85	3,120,558.40
Over 5 years	36,837,248.87	35,748,383.17
Less: Allowance for doubtful accounts	43,164,342.30	44,353,986.38
Total	19,580,140.53	11,716,301.19

(3) Changes in provision for bad debts

Items	Phase I	Phase II	Phase III	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance		12,259,677.83	32,094,308.55	44,353,986.38
Opening balance in the current period				
--Transferred to phase II				
--Transferred to phase III				
--Reversed to phase II				
--Reversed to phase I				
Provision made in the current period		-1,189,644.08		-1,189,644.08
Provision recovered in current period				
Provision written off in current period				
Other changes				
Closing balance		11,070,033.75	32,094,308.55	43,164,342.30

(4) Bad debt provision

Portfolios	Opening balance	Change in current period				Closing balance
		Accrual	To withdraw or turn back	Cancel after verification	Other changes	
Other combinations	44,353,986.38	-1,189,644.08				43,164,342.30

(5) Details of the top 5 debtors with largest balances

Debtors	Nature of receivables	Closing balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
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Debtors	Nature of receivables	Closing balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
Beijing Likangpu Communication Equipment Co., Ltd.	Temporary payment receivable	28,912,122.71	Over 5 years	46.08	28,912,122.71
Nanjing Putian Technology Co., Ltd.	Temporary payment receivable	1,777,119.72	Within 1 year 13,806.39 , 1-2 years 504,197.50, 2-3 years 404,315.31, 3-4 years 854,800.52	2.83	1,763,451.39
Potevio Company Limited	Security deposit	1,000,000.00	Over 5 years	1.59	1,000,000.00
Nanjing Putian Communication Industry Co., Ltd.	Temporary payment receivable	805,545.63	4-5 years 179,184.19, Over 5 years 626,361.44	1.28	805,545.63
Beijing Lekang Real Estate Management Co., Ltd.	Security deposit	394,005.08	Within 1 year	0.63%	19,700.25
Total		32,888,793.14	—	52.41	32,500,819.98

7. Inventories

(1) Details

Items	Closing balance			Opening balance		
	Book balance	Provision for write-down	Carrying amount	Book balance	Provision for write-down	Carrying amount
Raw materials	27,395,715.67	10,282,406.93	17,113,308.74	27,176,586.65	11,431,889.29	15,744,697.36
Work in rocess	8,334,760.53	2,797,339.41	5,537,421.12	6,222,900.12	2,797,339.41	3,425,560.71
Goods on hand	94,090,365.14	41,262,254.64	52,828,110.50	102,664,462.27	41,363,720.25	61,300,742.02
Goods dispatched	130,995,137.12	58,874,166.90	72,120,970.22	145,488,617.47	59,779,466.22	85,709,151.25
Products on consignment for sales	1,105,275.12	804,691.99	300,583.13	1,064,779.21	804,691.99	260,087.22
Total	261,921,253.58	114,020,859.87	147,900,393.71	282,617,345.72	116,177,107.16	166,440,238.56

(2) The increase or decrease of the inventory decline reserve and the impairment reserve of contract performance cost

Items	Opening balance	Increase Decrease		Increase Decrease		Closing balance
		Accrual	Others	Reversal or write-off	Others	
Raw materials	11,431,889.29			1,149,482.36		10,282,406.93
Work in process	2,797,339.41					2,797,339.41
Goods on hand	41,363,720.25			101,465.61		41,262,254.64
Goods dispatched	59,779,466.22			905,299.32		58,874,166.90

Items	Opening balance	Increase Decrease		Increase Decrease		Closing balance
		Accrual	Others	Reversal or write-off	Others	
Products on consignment for sales	804,691.99					804,691.99
Total	116,177,107.16			2,156,247.29		114,020,859.87

8. Other current assets

Items	Closing balance	Opening balance
Input VAT to be credited	4,913,406.41	3,432,231.67
Total	4,913,406.41	3,432,231.67

9. Long-term equity investments

Investees	Opening balance	Increase/Decrease								Closing balance	Closing balance of provision for impairment
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/Profit declared for distribution	Provision for impairment	Others		
I. Subsidiary											
Nanjing Putian Hotel Co., Ltd.	1,294,510.00									1,294,510.00	1,294,510.00
II. Joint ventures											
SEI-Nanjing Putian Optical Network Co., Ltd.	10,422,321.80			-9,717.35						10,412,604.45	
Total	11,716,831.80			-9,717.35						11,707,114.45	1,294,510.00

10. Other equity instrument investments

Items	Closing balance	Opening balance	Dividend income	The cumulative gains	The cumulative loss	Amount of other comprehensive income transferred to retained earnings	The reason designated as measurement at fair value and its change included in other comprehensive income	Other comprehensive income is transferred to retained earnings
Nanjing Yuhua Electroplating Factory	420,915.00	420,915.00						
Hangzhou Honyar Electrical Co.,Ltd.	321,038.00	321,038.00						

Items	Closing balance	Opening balance	Dividend income	The cumulative gains	The cumulative loss	Amount of other comprehensive income transferred to retained earnings	The reason designated as measurement at fair value and its change included in other comprehensive income	Other comprehensive income is transferred to retained earnings
Beijing Likong Communication Equipment Co., Ltd.					1,854,910.00			
Total	741,953.00	741,953.00			1,854,910.00			

Note: The investment in Nanjing Yuhua Electroplating Factory, Hangzhou Honyar Electrical Co.,Ltd. and Beijing Likong Communication Equipment Co., Ltd. are classified as other equity instrument investments, the Company measured it at fair value through other comprehensive income.

11. Investment property

(1) Investment real estate measured at cost

Items	Buildings and structures
I. Original book value	
1. Opening balance	40,129,313.41
2. Increase	
3. Decrease	
4. Closing balance	40,129,313.41
II. Accumulated depreciation and amortization	
1. Opening balance	19,778,073.38
2. Increase	612,080.64
(1) Accrual or amortization	612,080.64
3. Decrease	
4. Closing balance	20,390,154.02
III. Provision for impairment	
IV. Carrying amount	
1. Closing balance	19,739,159.39
2. Opening balance	20,351,240.03

12. Fixed assets

Categories	Closing balance	Opening balance
Fixed assets	96,291,272.44	98,643,676.71
Liquidation of fixed assets		
Less: Impairment provision	725,962.56	725,962.56
Total	95,565,309.88	97,917,714.15

(1) Fixed assets

1) Details

Items	Buildings and structures	Machinery equipment	Electronic equipment	Transport facilities	Other equipment	Total
I. Original book value						
1. Opening balance	122,417,144.93	45,316,591.74	23,002,008.74	3,888,742.90	17,542,315.66	212,166,803.97
2. Increase		1,004,513.27	113,911.91	277,048.68	44,377.44	1,439,851.30
(1) Acquisition		1,004,513.27	113,911.91	277,048.68	44,377.44	1,439,851.30
3. Decrease	586,802.28	157,223.68	489,063.84	526,349.00	173,936.62	1,933,375.42
(1) Disposal/Scrapping	586,802.28	157,223.68	489,063.84	526,349.00	173,936.62	1,933,375.42
4. Closing balance	121,830,342.65	46,163,881.33	22,626,856.81	3,639,442.58	17,412,756.48	211,673,279.85

Items	Buildings and structures	Machinery equipment	Electronic equipment	Transport facilities	Other equipment	Total
II. Accumulated depreciation						
1. Opening balance	48,456,225.13	26,920,074.59	18,316,990.42	3,564,933.91	16,264,903.21	113,523,127.26
2. Increase	2,153,800.04	790,591.69	564,472.59	58,763.98	67,294.66	3,634,922.96
(1) Acquisition	2,153,800.04	790,591.69	564,472.59	58,763.98	67,294.66	3,634,922.96
3. Decrease	484,263.91	144,837.45	470,398.41	510,558.53	165,984.51	1,776,042.81
(1) Disposal/Scrapping	484,263.91	144,837.45	470,398.41	510,558.53	165,984.51	1,776,042.81
4. Closing balance	50,125,761.26	27,565,828.83	18,411,064.60	3,113,139.36	16,166,213.36	115,382,007.41
III. Provision for impairment						
1. Opening balance	539,124.00	11,550.65			175,287.91	725,962.56
2. Increase						
3. Decrease						
4. Closing balance	539,124.00	11,550.65			175,287.91	725,962.56
IV. Carrying amount						
1. Closing balance	71,165,457.39	18,586,501.85	4,215,792.21	526,303.22	1,071,255.21	95,565,309.88
2. Opening balance	73,421,795.80	18,384,966.50	4,685,018.32	323,808.99	1,102,124.54	97,917,714.15

2) Fixed assets temporarily idle

Items	Original book value	Accumulated depreciation	Provision for impairment	Carrying amount	Remarks
Machinery equipment	219,385.00	202,981.30	11,550.65	4,853.05	
Electronic equipment	36,000.00	34,920.00		1,080.00	
Other equipment	342,985.18	157,407.73	175,287.91	10,289.54	
Total	598,370.18	395,309.03	186,838.56	16,222.59	

3) Fixed assets with certificate of titles being unsettled

Items	Carrying amount	Reasons for unsettlement
Buildings and structures	35,211,555.82	Unable to handle

13. Construction in progress

Categories	Closing balance	Opening balance
Construction in progress project	803.89	
Engineering materials		
Less: Impairment provision		
Total	803.89	

14. Intangible assets

(1) Details

Items	Land use right	Software	Total
I. Original book value			
1. Opening balance	12,131,153.63	26,656,046.83	38,787,200.46
2. Increase			
3. Decrease			
4. Closing balance	12,131,153.63	26,656,046.83	38,787,200.46
II. Accumulated depreciation			
1. Opening balance	10,512,343.86	7,781,392.84	18,293,736.70
2. Increase	135,201.28	317,144.81	452,346.09
(1) Acquisition	135,201.28	317,144.81	452,346.09
3. Decrease			
4. Closing balance	10,647,545.14	8,098,537.65	18,746,082.79
III. Provision for impairment			
4. Closing balance			
IV. Carrying amount			
1. Closing balance	1,483,608.49	18,557,509.18	20,041,117.67
2. Opening balance	1,618,809.77	18,874,653.99	20,493,463.76

15. Long-term prepayments

Items	Opening balance	Increase	Amortization	Other decrease	Closing balance
Renovation expenditure	3,953,824.45		756,292.56		3,197,531.89

16. Deferred tax assets and deferred tax liabilities

(1) Details of unrecognized deferred tax assets

Items	Closing balance	Opening balance
Deductible temporary difference	351,950,817.36	357,780,952.89
Deductible losses	287,795,091.18	297,743,081.95
Total	639,745,908.54	655,524,034.84

(2) Maturity years of deductible losses of unrecognized deferred tax assets

Maturity years	Closing balance	Opening balance	Remarks
Year 2023	4,729,689.33	4,729,689.33	
Year 2024	125,729,965.87	125,729,965.87	
Year 2025			
Year 2026	60,739,146.99	93,920,899.53	
Year 2027	55,274,218.94	56,541,198.42	
Year 2028	24,267,158.92		

Maturity years	Closing balance	Opening balance	Remarks
Year 2029	1,622,476.49	1,622,476.49	
Year 2030	1,188,328.53	1,188,328.53	
Year 2031	9,791,047.64	10,250,907.64	
Year 2032	3,128,208.76	3,759,616.14	
Year 2033	1,324,849.71		
Total	287,795,091.18	297,743,081.95	

17. Short-term borrowings

(1) Details

Borrowing conditions	Closing balance	Opening balance
Pledged borrowings		50,000,000.00
Mortgaged borrowings	52,000,000.00	32,800,000.00
Secured borrowings		30,036,727.77
Credit borrowings	40,000,000.00	
Total	92,000,000.00	112,836,727.77

18. Accounts payable

(1) Classification by account age

Items	Closing balance	Opening balance
Within 1 year (including 1 year)	311,804,735.30	291,414,050.48
More than 1 year	106,526,884.87	179,453,232.59
Total	418,331,620.17	470,867,283.07

(2) Significant accounts payable with age over one year

Name of creditor	Closing balance	Reasons for unsettlement
SEI-Nanjing Putian Optical Network Co., Ltd.	20,258,725.66	Not yet settled
Potevio Company Limited	18,016,137.43	Not yet settled
Nanjing Xingping Industrial Co., Ltd	10,197,028.71	Not yet settled
Xi'an Huasheng Communication Co., Ltd	5,924,163.75	Not yet settled
Yixing Hongyan Electric Appliances Co., Ltd.	2,663,672.16	Not yet settled
Jiangsu Cable Union New Media Technology Co., Ltd.	2,124,515.08	Not yet settled
Total	59,184,242.79	

19. Advances received

Items	Closing balance	Opening balance
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Items	Closing balance	Opening balance
Within 1 year (including 1 year)		240,585.08
More than 1 year		
Total		240,585.08

20. Contract liabilities

Items	Closing balance	Opening balance
Payment for goods	20,979,225.57	15,048,811.36

21. Employee benefits payable

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Short-term employee benefits	17,473,887.86	69,527,465.54	69,387,632.09	17,613,721.31
Post-employment benefits - defined contribution plan		10,473,977.01	10,473,977.01	
Termination benefits		5,267,311.00	5,267,311.00	
Total	17,473,887.86	85,268,753.55	85,128,920.10	17,613,721.31

(2) Details of short-term employee benefits

Items	Opening balance	Increase	Decrease	Closing balance
Wage, bonus, allowance and subsidy	3,625,349.25	53,370,986.46	53,370,986.46	3,625,349.25
Employee welfare fund		3,572,340.54	3,572,340.54	
Social insurance premium		4,374,179.42	4,374,179.42	
Including: Medicare premium		3,797,414.92	3,797,414.92	
Occupational injuries premium		262,950.54	262,950.54	
Maternity insurance premium		313,813.96	313,813.96	
Housing provident fund	3,216,865.05	4,862,418.49	4,862,418.49	3,216,865.05
Trade union fund and employee education fund	10,616,677.03	570,983.87	431,150.42	10,756,510.48
Short-term absences from work with compensation				
Others	14,996.53	2,776,556.76	2,776,556.76	14,996.53
Total	17,473,887.86	69,527,465.54	69,387,632.09	17,613,721.31

(3) Details of defined contribution plan

Items	Opening balance	Increase	Decrease	Closing balance
Basic endowment insurance premium		10,071,012.32	10,071,012.32	
Unemployment insurance premium		402,964.69	402,964.69	
Company annuity payment				

Items	Opening balance	Increase	Decrease	Closing balance
Total		10,473,977.01	10,473,977.01	

22. Taxes payable

Items	Closing balance	Opening balance
VAT	1,458,946.39	3,347,506.52
Enterprise income tax	916,617.07	2,752,400.75
Individual income tax	103,150.18	185,396.12
Urban maintenance and construction tax	99,951.81	411,899.55
Housing property tax	259,536.61	265,078.20
Land use tax	74,502.60	76,065.10
Education surcharge&local education surcharge	81,429.52	292,071.40
Other tax	10,542.74	60,103.57
Total	3,004,676.92	7,390,521.21

23. Other payables

Items	Closing balance	Opening balance
Interest payable		
Dividend payable	1,692,213.38	1,692,213.38
Other payables	55,499,718.99	57,514,067.70
Total	57,191,932.37	59,206,281.08

(1) Dividend payable

Items	Closing balance	Opening balance
Dividend of ordinary shares	1,692,213.38	1,692,213.38

(2) Other payables

Items	Closing balance	Opening balance
Temporary receipts payable	35,054,415.64	34,476,014.33
Unsettled installation cost	6,326,109.41	8,160,449.74
Deposits	2,720,169.34	6,273,154.05
Operating expenses	11,327,213.60	7,860,725.92
Others	71,811.00	743,723.66
Total	55,499,718.99	57,514,067.70

24. Other current liabilities

Items	Closing balance	Opening balance
VAT collected in advance	2,098,763.96	1,691,302.29

25. Long-term borrowings

Items	Closing balance	Opening balance	利率区间
Pledged borrowings	105,800,000.00	105,800,000.00	4.05%
Secured borrowings	70,000,000.00		3.75%-3.8%
Total	175,800,000.00	105,800,000.00	

26. Share capital

Items	Opening balance	Movements					Closing balance
		Issue of new shares	Bouns shares	Reserve transferred to shares	Others	Subtotal	
Total shares	215,000,000						215,000,000

27. Capital reserve

Items	Opening balance	Increase	Decrease	Closing balance
Share premium	137,786,640.63			137,786,640.63
Other capital reserve	59,311,274.77			59,311,274.77
Total	197,097,915.40			197,097,915.40

28. Other comprehensive income (OCI)

Items	Opening balance	Current period cumulative						Closing balance
		Current period cumulative before income tax	Less: Other comprehensive income in the previous period is transferred to profit and loss	Less: Other comprehensive income recorded in the previous period is transferred to retained income in the current period	Less: Income tax	Attributable to parent company	Attributable to non-controlling shareholders	
Other comprehensive income reclassified into profit and loss	-1,854,910.00							-1,854,910.00
Including: The amount of financial assets reclassified into other comprehensive income	-1,854,910.00							-1,854,910.00
Total	-1,854,910.00							-1,854,910.00

(一)

29. Surplus reserve

Items	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	589,559.77			589,559.77

30. Undistributed profit

Items	Current period cumulative	Preceding period comparative
Balance before adjustment at the end of preceding period	-388,837,228.89	-341,446,683.34
Add: Increase due to adjustment (or less: decrease)		
Opening balance after adjustment	-388,837,228.89	-341,446,683.34
Add: Net profit attributable to owners of the parent company	-10,961,896.92	-27,711,297.33
Less: Appropriation of statutory surplus reserve		
Dividend payable on ordinary shares		
Closing balance	-399,799,125.81	-369,157,980.67

31. Operating revenue/Operating cost

(1) Details

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
I.Main operations	383,298,786.87	299,488,292.86	399,867,521.60	317,772,069.20
II.Other operations	9,241,090.82	3,710,714.81	7,445,094.75	5,672,139.94
Total	392,539,877.69	303,199,007.67	407,312,616.35	323,444,209.14

(2) Operating income in the current period is classified according to the time of revenue recognition

Revenue recognition time	Main operations	Other operations
Confirm at a certain point	383,298,786.87	9,241,090.82

32. Taxes and surcharges

Items	Current period cumulative	Preceding period comparative
Urban maintenance and construction tax	621,601.17	886,803.62
Education surcharge&local education surcharge	443,890.10	633,135.16
Housing property tax	730,291.64	510,691.74
Land use tax	227,340.96	241,844.10
Other tax	164,525.82	87,907.72
Total	2,187,649.69	2,360,382.34

33. Selling expenses

Items	Current period cumulative	Preceding period comparative
Employee benefits	28,376,975.75	28,150,107.87
Transport and damage to transport	1,987.65	2,789.81
Business entertainment	6,564,653.21	5,453,239.19
Travelling expenses	2,381,148.79	1,715,412.46
Office expenses	341,015.16	403,205.74
Sales service charges	616,688.77	1,726,174.39
Promotion expenses	383,834.27	638,232.78
Conference expenses	127,194.12	61,939.66
Equipment maintain fees	7,343.54	149,510.58
Others	1,762,488.31	2,331,597.58
Total	40,563,329.57	40,632,210.06

34. Administrative expenses

Items	Current period cumulative	Preceding period comparative
Employee benefits	24,081,525.57	20,644,875.51
Consulting and intermediary fees	1,813,579.86	1,038,068.26
Depreciation and amortization	2,882,003.89	3,088,563.05
Office expenses	1,293,967.44	1,505,366.57
Lease expenses	292,909.38	284,527.03
Travelling expense	197,048.41	197,659.84
Business entertainment	321,276.18	400,308.41
Funding for Party Building		208,638.07
Others	1,795,638.51	931,423.36
Total	32,677,949.24	28,299,430.10

35. R&D expenses

Items	Current period cumulative	Preceding period comparative
Employee benefits	14,555,116.56	20,115,664.25
Intermediate test fee	1,149,722.68	1,182,015.12
Travelling expenses	589,520.39	49,288.12
Material use	392,274.68	364,611.56
Depreciation and amortization	505,136.51	817,844.36
Commissioned development	1,513,752.55	19,150.94
Others	716,644.65	1,094,144.20

Items	Current period cumulative	Preceding period comparative
Total	19,422,168.02	23,642,718.55

36. Financial expenses

Items	Current period cumulative	Preceding period comparative
Interest expenditures	4,046,684.70	5,291,794.15
Less: Interest income	309,650.00	779,954.73
Losses on foreign exchange		
Less: gain on foreign exchange	33,020.09	19,186.31
Financial institution fees	54,850.87	145,706.95
Others		
Total	3,758,865.48	4,638,360.06

37. Other income

Items	Current period cumulative	Preceding period comparative	Related to assets/Related to earnings
VAT will be refunded immediately	1,025,464.15	882,872.52	Related to earnings
Enterprises declare subsidies	250,000.00	75,000.00	Related to earnings
Jiangning District rescue eight freight subsidy development zone supporting	103,076.00	70,587.00	Related to earnings
Employee training subsidy	342,921.12	30,802.84	Related to earnings
Others	142,183.11	16,104.65	Related to earnings
Total	1,863,644.38	1,075,367.01	

38. Investment income

Items	Current period cumulative	Preceding period comparative
Long-term equity investment income calculated by the equity method	-9,717.35	-0.99
Investment income from disposal of long-term equity investments		-6,085,544.20
Investment income from the disposal of trading financial assets		337,205.48
Others	252,381.63	-4,791.06
Total	242,664.28	-5,753,130.77

39. Credit impairment loss

Items	Current period cumulative	Preceding period comparative
Bad debt loss of notes receivable	881,318.68	255,278.50
Bad debt loss of accounts receivable	308,415.47	-2,915,574.98
Bad debt loss of other receivables	1,189,644.08	-963,479.57

Items	Current period cumulative	Preceding period comparative
Total	2,379,378.23	-3,623,776.05

40. Assets impairment loss

Items	Current period cumulative	Preceding period comparative
Inventory write-down loss	-46,540.00	-9,993.42

41. Gains on asset disposal

Items	Current period cumulative	Preceding period comparative
Gains on disposal of fixed assets	42,412.44	59,868.36

42. Non-operating revenue

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Unpaid payables		2,603,295.76	
Penalty income	51,484.34	120,062.99	51,484.34
Others	24,275.66	18,869.74	24,275.66
Total	75,760.00	2,742,228.49	75,760.00

43. Non-operating expenditures

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Non-current assets damage and scrap loss	109,802.21	12,812.65	109,802.21
Penalty expenditures	624,965.01	2,000.00	624,965.01
Others	92,732.56	8,507.17	92,732.56
Total	827,499.78	23,319.82	827,499.78

44. Income tax expenses

(1) Details

Items	Current period cumulative	Preceding period comparative
Current income tax expense calculated in accordance with the tax law and relevant provisions	598,186.15	1,169,067.15
Deferred income tax expense		
Others	-86,511.42	2,245,778.53
Total	511,674.73	3,414,845.68

(2) Accounting profit and income tax expense adjustment process

Items	Amount
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Items	Amount
Profit before tax	-5,539,272.43
Income tax expenses based on tax rate applicable to the parent company	-1,384,818.11
Effect of different tax rate applicable to subsidiaries	-1,014,545.10
Effect of prior income tax reconciliation	-86,511.42
The effect of non-taxable income	2,429.34
The impact of non-deductible costs, expenses and losses	452,540.52
The effect of deductible temporary differences or deductible losses of deferred tax assets not recognized in the previous period	
The effect of deductible temporary differences or deductible losses on deferred tax assets was not recognized in the current period	6,097,352.95
Deduction of R&D expenditures	-3,554,773.45
Income tax expenses	511,674.73

45. Statement of cash flows

(1) Other cash receipts related to operating activities

Items	Current period cumulative	Preceding period comparative
Government grants	1,377,607.64	667,089.45
Interest income	307,689.80	743,957.45
Incomings and outgoings	27,363,612.17	28,296,437.67
Others	61,876.88	705,426.17
Total	29,110,786.49	30,412,910.74

(2) Other cash payments related to operating activities

Items	Current period cumulative	Preceding period comparative
Out-of-pocket expenses	23,331,416.49	31,053,868.58
Incomings and outgoings	26,051,460.15	22,452,728.53
Others	286,225.67	679,491.80
Total	49,669,102.31	54,186,088.91

(3) Other cash payments related to financing activities

Items	Current period cumulative	Preceding period comparative
Nanjing bank loan interest reduction refund	25,555.55	

(4) Other cash payments related to financing activities

Items	Current period cumulative	Preceding period comparative
Installment financing lease payments		1,138,717.12

46. Supplement information to the cash flow statement

(1) Supplement information to the cash flow statement

Items	Current period cumulative	Preceding period comparative
I. Reconciliation of net profit to cash flow from operating activities:		
Net profit	-6,050,947.16	-24,652,295.78
Add: Provision for credit impairment loss	46,540.00	9,993.42
Provision for assets impairment loss	-2,379,378.23	3,623,776.05
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets, and depreciation of investment real estate	4,247,003.60	4,725,569.41
Depreciation of right-of-use assets		
Amortization of intangible assets	452,346.09	523,769.42
Amortization of long-term prepayments	756,292.56	720,614.36
Loss on disposal of fixed assets, intangible assets and other long-term assets (Less: gains)	-42,412.44	-59,868.36
Fixed assets retirement loss (Less: gains)	109,802.21	12,812.65
Net exposure hedge loss (Less: gains)		
Losses on changes in fair value (Less: gains)		
Financial expenses (Less: gains)	4,046,684.70	5,291,794.15
Investment losses (Less: gains)	-242,664.28	5,753,130.77
Decrease of deferred tax assets (Less: increase)		
Increase of deferred tax liabilities (Less: decrease)		
Decrease of inventories (Less: increase)	20,696,092.14	8,708,640.42
Decrease of operating receivables (Less: increase)	-49,712,436.69	-84,356,904.37
Increase of operating payables (Less: decrease)	-58,009,405.97	-16,165,029.70
Others		
Net cash flows from operating activities	-86,082,483.47	-95,863,997.56
II. Significant investing and financing activities not related to cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets leased in under finance leases		
III. Net changes in cash and cash equivalents:		
Cash at the end of the period	121,936,719.47	123,632,374.19
Less: Cash at the beginning of the period	164,384,741.39	180,459,070.86

Items	Current period cumulative	Preceding period comparative
Add: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase of cash and cash equivalents	-42,448,021.92	-56,826,696.67

(2) Cash and cash equivalents

Items	Current period cumulative	Preceding period comparative
I. Cash	121,936,719.47	164,384,741.39
Including: Cash on hand		343.39
Cash in bank on demand for payment	121,936,719.47	164,384,741.39
Other monetary funds readily available for payment		
Money deposited with a central bank that can be used for payment		
Deposit of interbank funds		
Interbank debits		
II. Cash equivalents		
Including: bond investments maturing within three months		
III. Cash and cash equivalents at the end of the period	121,936,719.47	164,384,741.39
Including: restricted use of cash and cash equivalents by the parent company or subsidiaries within the Group		

47. Assets with title or use right restrictions

Items	Closing carrying amount	Reasons for restrictions
Cash and bank balances	12,970,766.25	Performance bond and litigation
Fixed assets	18,612,486.48	Mortgage
Intangible assets	3,452,615.18	Mortgage
Investment property	817,510.91	Mortgage
Total	35,853,378.82	

Note: We remind users of financial statements that, apart from the above assets with title or use right restrictions, in order to entrust the parent company to apply for loans from Bank, Jiangning Sub-branch, the Company pledged its holding equities to Potevio Company Limited, which include equity of Nanjing South Telecommunications Co Ltd. 33.17 million yuan(96.99% shares of stock equity), equity of Nanjing Putian Network Co., Ltd. 7.80 million yuan(78% shares of stock equity), equity of Nanjing Nanman Electrics Co., Ltd. 41.14 million yuan(100% shares of stock equity). As of June 30, 2023, Nanjing Mennekes Electric Co., Ltd. has not yet completed the pledge registration procedures. The parent company provides guarantee for the company's loan from CETC Finance Co., Ltd.. The company pledged 40% of its holding equities to the parent company, which include Nanjing Putian Tianji Building Intelligence Co., Ltd., 8.00 million yuan(40% shares of stock equity). The company has registered its equity pledge in the Jiangning District Market Supervision Administration in Nanjing, with a registration of 6 million yuan on June 21,

2023 and 2 million yuan on July 19, 2023.

48. Monetary items in foreign currencies

(1) Monetary items in foreign currencies

Items	Closing balance in foreign currencies	Exchange rate	RMB equivalent at the end of the period
Cash and bank balances			
Including: USD	98,775.83	7.2258	713,734.39

49. Government grants

(1) Details

Items	Amounts	Presented under	The amount recorded in the current profit and loss
VAT will be refunded immediately	1,025,464.15	Other income	1,025,464.15
Enterprises declare subsidies	250,000.00	Other income	250,000.00
Jiangning District rescue eight freight subsidy development zone supporting	103,076.00	Other income	103,076.00
Employee training subsidy	342,921.12	Other income	342,921.12
Others	142,183.11	Other income	142,183.11
Total	1,863,644.38		1,863,644.38

VI. Changes in the consolidation scope

None.

VII. Interest in other entities

(I) Interest in subsidiaries

1. Composition of subsidiaries

Subsidiaries	Place of registration	Main operating place	Business nature	Holding proportion (%)		Acquisition Method
				Direct	Indirect	
Nanjing Putian Changle Telecommunications Equipment Co., Ltd.	Nanjing City	Nanjing City	Manufacture	50.70		Set up
Nanjing Putian Telege Intelligent Building Ltd.	Nanjing City	Nanjing City	Manufacture	45.77		Set up
Nanjing South Telecommunications Company Limited	Nanjing City	Nanjing City	Manufacture	96.99	3.01	Set up
Nanjing Nanman Electrics Co., Ltd.	Nanjing City	Nanjing City	Manufacture	100.00		Merger of enterprises under different

Subsidiaries	Place of registration	Main operating	Business nature	Holding proportion (%)		Acquisition Method control
Nanjing Putian Network Co., Ltd.	Nanjing City	Nanjing City	Manufacture	78.00		Set up
Nanjing Putian Datang Information Electronic Co., Ltd.	Nanjing City	Nanjing City	Manufacture	40.00		Merger of enterprises under different control
Chongqing Puhua Information Technology Co., Ltd	Chongqing City Chongqing City	Chongqing City Chongqing City	Manufacture	100.00		Set up

Remarks on inconsistency between holding proportion owned and voting rights proportion owned in subsidiaries

a. The Company holds 45.767% of voting rights in Nanjing Putian Telege Intelligent Building Ltd., the other voting rights are decentralized. The Company has over half member of the Board of Directors, and it not only controls this company but also has a privileged variable return by taking part in Nanjing Putian Telege Intelligent Building Ltd's related activity. The Company has the ability to impact the amount of return and control over Nanjing Putian Telege Intelligent Building Ltd.

b. The company holds Nanjing Putian Datang Information Electronics Co., LTD. 40% equity, the company in Nanjing Putian Datang information electronics Co., LTD. As the number of board members more than half of the company's board of directors, has the power of Nanjing Putian Datang information Electronics Co., LTD., Be able to enjoy variable returns by participating in relevant activities of Nanjing Putian Datang Information Electronics Co., LTD., and have the ability to influence the amount of returns by using the power of Nanjing Putian Datang Information Electronics Co., LTD., and be able to control Nanjing Putian Datang Information Electronics Co., LTD.

2. Significant not wholly-owned subsidiaries

The serial number	Subsidiaries	Holding proportion of non-controlling shareholders	Non-controlling shareholders' profit or loss	Dividend declared to non-controlling shareholders	Closing balance of non-controlling interest
1	Nanjing Putian Telege Intelligent Building Ltd.	54.23%	5,504,757.07		62,660,379.88

3. Main financial information of significant not wholly-owned subsidiaries

Subsidiaries	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
Nanjing Putian Telege Intelligent Building Ltd.	239,225,227.64	34,818,420.82	274,043,648.46	158,498,046.61		158,498,046.61	220,616,216.69	35,771,362.31	256,387,579.00	150,992,737.00		150,992,737.00

Subsidiaries	Current period cumulative				Preceding period comparative			
	Operating revenue	Net profit	Total comprehensive income	Cash inflow from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash inflow from operating activities
Nanjing Putian Telege Intelligent Building Ltd.	170,832,000.76	10,150,759.85	10,150,759.85	-38,226,983.96	179,185,572.36	11,560,286.29	11,560,286.29	-54,336,160.51

(II) Interest in joint venture or associates

1. Aggregated financial information of insignificant joint ventures and associates

Items	Closing balance/Current period cumulative	Opening balance/Preceding period comparative
I.Joint ventures		
Total carrying amount of investments	10,412,604.45	10,422,192.16
Proportionate shares in the following items:		
Net profit	-19,434.71	-0.99
Other comprehensive income	-19,434.71	-0.99
Total comprehensive income		
II.Associated enterprises		
Total carrying amount of investments		
Proportionate shares in the following items:		
Net profit		
Other comprehensive income		
Total comprehensive income		

VIII. Risks related to financial instruments

The Company aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Company's financial performance. Based on such objectives, the Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Company has exposure to the following risks from its use of financial instruments, which mainly include: credit risk, liquidity risk, and market risk. Management have deliberated and approved policies concerning such risks, and details are:

(I) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

1. Credit risk management practice

(1) Evaluation method of credit risk

At each reporting date, the Company assesses whether the credit risk on a financial instrument

has increased significantly since initial recognition. When assessing whether the credit risk has increased significantly since initial recognition, the Company takes into account reasonable and supportable information, which is available without undue cost or effort, including qualitative and quantitative analysis based on historical data, external credit risk rating, and forward-looking information. The Company determines the changes in default risk of financial instruments during the estimated lifetime through comparison of the default risk at the balance sheet date and the initial recognition date, on an individual basis or a collective basis.

The Company considers the credit risk on a financial instrument has increased significantly when one or more of the following qualitative and quantitative standards are met:

1) Quantitative standard mainly relates to the scenario in which, on the balance sheet date, the probability of default in the remaining lifetime has risen by more than a certain percentage compared with the initial recognition;

2) Qualitative standard mainly relates to significant adverse changes in the debtor's operation or financial position, present or expected changes in technology, market, economy or legal environment that will have significant adverse impact on the debtor's repayment ability;

(2) Definition of default and credit-impaired asset

The Company defines a financial asset as in default when the financial instrument meets one or more of the following criteria, which are consistent with the definition of credit impairment incurred:

1) significant financial difficulty of the debtor;

2) a breach of binding clause of contract;

3) it is very likely that the debtor will enter bankruptcy or other financial reorganization;

4) the creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the creditor would not otherwise consider.

2. Measurement of expected credit losses

The key factors in the measurement of expected credit loss include the probability of default, loss rate of default, and exposure to default risk.

3. The beginning balance and ending balance of loss provision for financial instruments are detailed in Notes V(3), V(4) , V(6) and V(7) to these financial statements.

4. Exposure to credit risk and concentration of credit risk

The Company's credit risk is primarily attributable to cash and bank balances and receivables.

In order to control such risks, the Company has taken the following measures:

(1) Cash and bank balances

The Company deposits its bank balances and other cash and bank balances in financial institutions with relatively high credit levels, hence, its credit risk is relatively low.

(2) Receivables

The Company performs credit assessment on customers who uses credit settlement on a regular/continuous basis. The Company selects credible and well-reputed customers based on credit assessment result, and conducts ongoing monitoring on receivables, to avoid significant risks in bad debts.

As the Company's accounts receivable risk points are distributed across multiple partners and multiple customers, 12.49% of the Company's accounts receivable as of June 30, 2023 (Dec 31, 2022: 13.78%) originated from the top five customers with balances, and the Company does not have significant credit concentration risk.

The maximum amount of exposure to credit risk of the Company is the carrying amount of each financial asset on the balance sheet.

(II) Liquidity risk

Liquidity risk is the risk that the Company may encounter deficiency of funds in meeting obligations associated with cash or other financial assets settlement, which is possibly attributable to failure in selling financial assets at fair value on a timely basis, or failure in collecting liabilities from counterparts of contracts, or early redemption of debts, or failure in achieving estimated cash flows.

In order to control such risk, the Company utilized financing tools such as notes settlement, bank borrowings, etc. and adopts long and short financing methods to optimizing financing structures, and finally maintains a balance between financing sustainability and flexibility. The

Company has obtained credit limit from several commercial Nanjing Putian Telecommunications Co., Ltd. 2021 Annual Report 187 banks to meet working capital requirements and expenditures.

Financial instruments classified based on remaining time period till maturity

Items	Closing balance				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Short-term borrowings	92,000,000.00	92,000,000.00	92,000,000.00		
Notes payable					
Accounts payable	418,331,620.17	418,331,620.17	418,331,620.17		
Other payable	57,191,932.37	57,191,932.37	57,191,932.37		
Non-current liabilities due within one year					
Subtotal	567,523,552.54	567,523,552.54	567,523,552.54		

(Continued)

Items	Opening balance				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Short-term borrowings	112,836,727.77	112,836,727.77	112,836,727.77		
Notes payable					
Accounts payable	470,867,283.07	470,867,283.07	470,867,283.07		
Other payable	59,206,281.08	59,206,281.08	59,206,281.08		
Non-current liabilities due within one year					
Subtotal	642,910,291.92	642,910,291.92	642,910,291.92		

(III) Market risk

Market risk is the risk that the Company may encounter fluctuation in fair value of financial instruments or future cash flows due to changes in market price.

1. Interest risk

Interest risk is the risk that an enterprise may encounter fluctuation in fair value of financial instruments or future cash flows due to changes in market interest. The Company's fair value interest risks arise from fixed-rate financial instruments, while the cash flow interest risks arise from floating interest financial instruments. The Company determines the proportion of fixed-rate financial instruments and floating interest rate financial instruments based on the market environment, and maintains a proper financial instruments portfolio through regular review and

monitoring. The Company's interest risk relates mainly to bank borrowings with floating interest rate

2. Foreign currency risk

Foreign exchange risk refers to the risk that the fair value or future cash flow of a financial instrument may fluctuate due to changes in foreign exchange rates. The Company operates in mainland China and its main activities are denominated in renminbi, so the Company's exposure to foreign exchange movements is not material. The Company's foreign currency monetary assets and liabilities at the end of the period are detailed in the relevant notes to the financial statements.

IX. Fair value

(I) Details of fair value of assets and liabilities at fair value at the balance sheet date

Items	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Closing balance
I. Recurring fair value measurement				
1. Receivables financing			15,035,046.06	15,035,046.06
2. Other equity instrument investments			741,953.00	741,953.00
Total assets at recurring fair value measurement			15,776,999.06	15,776,999.06

(II) Valuation technique(s) and key input(s) for level 3 fair value at recurring and non-recurring fair measurement

1. For notes receivable, measured at par value.

2. For other equity instrument investments including Nanjing Yuhua Electroplating Factory and Hangzhou Honyar Electrical Co.,Ltd., due to no changes of operating environment and conditions and financial conditions of the invested enterprises, the Company measured at investment cost.

3. For other equity instrument investments including Beijing Likangpu Communication Equipment Co., Ltd., due to deterioration of operating environment and conditions and financial conditions of the invested enterprises, the Company measured at zero value.

X. Related party relationships and transactions

(I) Parent company

Parent company	Place of registration	Business nature	Registered capital (Ten thousand yuan)	Holding proportion over the Company (%)	Voting right proportion over the Company (%)
Glarun Group Co., Ltd.	No. 359 Jiangdong Middle Road, Jianye District, Nanjing	Electronic product development	1,000,000,000.00	53.49	53.49

(II) Status of the Company's subsidiaries

See Note "VII. Interests in Other Entities" for details.

(III) Joint ventures and associates of the Company

For the important joint ventures or associates of the enterprise, see Note "VII. Interests in Other Entities", other joint ventures or associates that have related party transactions with the Company in the current period, or have a balance of related party transactions with the Company in the previous period.

Joint ventures or associates	Relationships with the Company
SEI-Nanjing Putian Optical Network Co., Ltd.	Joint ventures

(IV) Other related parties of the Company

Related parties	Relationships with the Company
Nanjing branch of China Key System&Integrated Circuit Co.,Ltd.	An affiliated company of the ultimate controlling party
China Putian Corporation	An affiliated company of the ultimate controlling party
Potevio Company Limited	An affiliated company of the ultimate controlling party
The 55th Research Institute of China Electronics Technology Group Co., Ltd	An affiliated company of the ultimate controlling party
The 14th Research Institute of China Electronics Technology Group Co., Ltd	An affiliated company of the ultimate controlling party
The 7th Research Institute of China Electronics Technology Group Co., Ltd	An affiliated company of the ultimate controlling party
The 23th Research Institute of China Electronics Technology Group Co., Ltd	An affiliated company of the ultimate controlling party
The 28th Research Institute of China Electronics Technology Group Co., Ltd	An affiliated company of the ultimate controlling party
China Electronics Technology Finance Co., Ltd.	An affiliated company of the ultimate controlling party
CETC LES Information System Company Limited	An affiliated company of the ultimate controlling party
CETC Potevio SCIENCE&TECHNOLOGY Co., Ltd.	An affiliated company of the ultimate controlling party
CETC Technology (Nanjing) Electronic Information Development Co., Ltd.	An affiliated company of the ultimate controlling party
Putian EASTERN Communications Group Co., Ltd.	An affiliated company of the ultimate controlling party
Tianbo Electronic Information Technology Co., Ltd.	An affiliated company of the ultimate controlling party
Taiji Computer Corporation Limited	An affiliated company of the ultimate controlling party
Anhui Sun Create Electronics Co.,Ltd.	An affiliated company of the ultimate controlling party

Related parties	Relationships with the Company
Shanghai Potevio Co., Ltd.	An affiliated company of the ultimate controlling party
Potevio Information Technology Co., Ltd.	An affiliated company of the ultimate controlling party
Potevio Telecommunications Co., Ltd.	An affiliated company of the ultimate controlling party
Putian Rail Transit Technology (Shanghai) Co. LTD	An affiliated company of the ultimate controlling party
Nanjing Putian Communication Technology Industrial Park Co., Ltd.	An affiliated company of the ultimate controlling party
Nanjing Putian Information Technology Co., Ltd.	An affiliated company of the ultimate controlling party
Nanjing Putian Hongyan Electrical Technology Co., Ltd.	An affiliated company of the ultimate controlling party
Nanjing Lopu Technology Co., Ltd.	An affiliated company of the ultimate controlling party
Nanjing Lopu Co., Ltd.	An affiliated company of the ultimate controlling party
NANJING LES INFORMATION TECHNOLOGY CO.,LTD	An affiliated company of the ultimate controlling party
Nanjing Hikvision Digital Technology Co., Ltd.	An affiliated company of the ultimate controlling party
Nanjing Guorui Defense System Co., Ltd.	An affiliated company of the ultimate controlling party
Nanjing Rail Transit System Engineering Co., Ltd.	An affiliated company of the ultimate controlling party
The 28th Research Institute (Liyang) System Equipment Co.,LTD	An affiliated company of the ultimate controlling party
Hebei Far-East Communication System Engineering Co.,Ltd.	An affiliated company of the ultimate controlling party
Hangzhou HONYAR Electrical Co., Ltd.	An affiliated company of the ultimate controlling party
Hangzhou Hikvision Technology Co., Ltd.	An affiliated company of the ultimate controlling party
Eastern Communications Co., Ltd.	An affiliated company of the ultimate controlling party
Beijing Putian Taili Telecommunications Technology Co.,Ltd.	An affiliated company of the ultimate controlling party
Beijing Likangpu Telecommunications Equipment Co., Ltd.	A subsidiary of the company

(V) Related party transactions

1. Purchase of goods, receiving of services

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Hangzhou Hikvision Technology Co., Ltd.	Telecommunication products	566,256.71	
Nanjing Putian Hongyan Electrical Technology Co., Ltd.	Telecommunication products	293,753.99	30,796.47
CETC Technology (Nanjing) Electronic Information Development Co., Ltd.	Telecommunication products	236,439.39	
Nanjing Hikvision Digital Technology Co., Ltd	Telecommunication products		140,931.84

2. Sale of goods, rendering of services

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
The 28th Research Institute of China Electronics Technology Group Co., Ltd	Telecommunication products	8,735,812.40	1,420,289.21
The 14th Research Institute of China Electronics Technology Group Co., Ltd	Telecommunication products	3,500,757.44	

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Nanjing Rail Transit System Engineering Co., Ltd.	Telecommunication products	1,213,722.12	
Nanjing Guorui Defense System Co., Ltd.	Telecommunication products	1,159,161.82	
Hebei Far-East Communication System Engineering Co.,Ltd.	Telecommunication products	878,746.90	783,202.90
Taiji Computer Corporation Limited	Telecommunication products	292,513.71	
Putian Rail Transit Technology (Shanghai) Co. LTD	Telecommunication products	286,150.44	309,784.08
Tianbo Electronic Information Technology Co., Ltd.	Telecommunication products	152,783.18	
The 7th Research Institute of China Electronics Technology Group Co., Ltd	Telecommunication products	252,293.57	
Nanjing Lopu Co., Ltd.	Telecommunication products	52,110.62	
Nanjing Lopu Technology Co., Ltd.	Telecommunication products	113,151.77	
CETC EASTCOM COMMUNICATIONS GROUP Co.,Ltd.	Terminal and supporting facilities	80,998.50	25,809.65
The 28th Research Institute (Liyang) System Equipment Co.,LTD	Telecommunication products	68,995.74	
Eastern Communications Co., Ltd.	Telecommunication products	56,370.07	
Nanjing branch of China Key System&Integrated Circuit Co.,Ltd.	Processing		51,745.91
Nanjing Putian Hongyan Electrical Technology Co., Ltd.	Telecommunication products		10,619.47
Nanjing Putian Communication Technology Industrial Park Co., Ltd.	Labor expense		4,424.78
Beijing Putian Taili Telecommunications Technology Co.,Ltd.	Testing fee		3,150.44
CETC LES Information System Company Limited	Telecommunication products		592.04

3. Our company acts as the lessor

Name of Lessee	Status of leased assets	Lease income \ expenses recognized in the current period	Lease income and expenses confirmed in the previous period
Nanjing Lopu Co., Ltd.	Income from rent and property fees	197,619.05	197,619.05
The 14th Research Institute of China Electronics Technology Group Co., Ltd	Income from rent and property fees	1,075,252.26	

4. The company acts as the lessee

Name of Lessor	Status of leased assets	Lease income \ expenses recognized in the current period	Lease income and expenses confirmed in the previous period
Nanjing Putian Communication Technology Industrial Park Co., Ltd.	Rent and management fee	315,411.48	306,153.66

5. Related party guarantees

Guarantees	Guarantors	Amount guaranteed	Commencement date	Maturity date	Whether the guarantee is mature
Glarun Group Co., Ltd.	The company	55,000,000.00	2023/4/3	2029/4/2	No
Glarun Group Co., Ltd.	The company	15,000,000.00	2023/6/25	2029/6/24	No

6. Related party entrusted loan and interest expense

Name of related party	Entrusted loan and interest expense with parent company	Current period	Preceding period
Potevio Company Limited	Interest payments on entrusted loans	2,145,771.94	3,605,336.12
Potevio Company Limited	Principal balance of entrusted loan	105,800,000.00	145,000,000.00

7. Key management's emoluments

Items	Current period cumulative	Preceding period comparative
Key management's emoluments	1,518,223.00	1,329,391.00

8. Deposit and loan transactions with financial companies, etc

Name of related party	Book balance	Provision for bad debts
Deposit	40,900,846.78	24,074,373.95
Loan	70,000,000.00	

Items	Current period cumulative
Loan interest expense	458,638.89

(VI) Balance due to or from related parties

1. Balance due from related parties

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable					
	Potevio Information Technology Co., Ltd.	6,065,598.36	6,065,598.36	6,065,598.36	6,065,598.36
	The 28th Research Institute of China Electronics Technology Group Co., Ltd	5,106,770.00	51,067.70	4,111,020.00	41,110.20
	Potevio Company Limited	3,531,364.87	3,068,074.29	5,519,204.83	4,357,744.25
	CETC Potevio SCIENCE&TECHNOLOGY Co., Ltd.	2,988,000.00	29,880.00	2,988,000.00	29,880.00
	The 14th Research Institute of China Electronics Technology Group Co., Ltd	1,593,437.49	15,934.37		
	Hebei Far-East Communication System Engineering Co.,Ltd.	9,051,714.63	905,171.46	8,058,730.63	327,755.62
	Nanjing Rail Transit System	792,786.81	16,044.88	1,455,390.41	25,822.12

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Engineering Co., Ltd				
	Nanjing Guorui Defense System Co., Ltd.	505,598.73	5,055.99		
	Putian Rail Transit Technology (Shanghai) Co. LTD	323,350.00	3,233.50		
	NANJING LES INFORMATION TECHNOLOGY CO.,LTD	278,123.41	2,781.23		
	Taiji Computer Corporation Limited	261,274.32	2,612.74	888,289.70	8,882.90
	Tianbo Electronic Information Technology Co., Ltd.	177,585.77	1,775.86		
	Sun Create Electronics Co., Ltd.	133,262.43	11,252.98	183,262.43	26,252.98
	Nanjing Lopu Technology Co., Ltd.	121,921.50	1,219.22		
	CETC EASTCOM COMMUNICATIONS GROUP Co.,Ltd.	91,000.00	910.00	29,900.00	299.00
	Eastern Communications Co., Ltd.	63,698.19	636.98		
	The 28th Research Institute (Liyang) System Equipment Co.,LTD	54,489.80	544.90	190,083.00	9,504.15
	Nanjing branch of China Key System&Integrated Circuit Co.,Ltd.	10,832.51	108.33	65,333.00	65.33
	Shanghai Potevio Co., Ltd.	8,755,534.00	8,755,534.00	8,755,534.00	8,755,534.00
	Potevio Telecommunications Co., Ltd.	4,317,924.00	1,060,171.20	4,317,924.00	1,060,171.20
	Nanjing Lopu Co., Ltd.			44,000.00	2,200.00
	CETC LES Information System Company Limited			38,901.80	389.02
	The 55th Research Institute of China Electronics Technology Group Co., Ltd			14,900.00	149.00
Subtotal		44,224,266.82	19,997,607.99	42,726,072.16	20,711,358.13
Notes receivable					
	CETC Potevio SCIENCE&TECHNOLOGY Co., Ltd.			1,772,820.00	88,641.00
Other receivable					
	Potevio Company Limited	1,001,000.00	100,100.00	2,245,100.00	1,954,305.00
	Potevio Information Technology Co., Ltd.	367,800.00	367,800.00	367,800.00	367,800.00
	Nanjing Hikvision Digital Technology Co., Ltd	80,000.00	4,000.00	80,000.00	4,000.00
	The 23rd Research Institute of China Electronics Technology Group Co., Ltd	31,600.00	1,580.00	1,500.00	15.00
	CETC Potevio SCIENCE&TECHNOLOGY Co.,			91,100.00	4,555.00

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Ltd.				
	Tianbo Electronic Information Technology Co., Ltd.			141,000.00	7,050.00
	Hangzhou HONYAR Electrical Co., Ltd.			20,200.00	1,010.00
	Beijing Likangpu Telecommunications Equipment Co., Ltd.	28,912,122.71	28,912,122.71	28,912,122.71	28,912,122.71
Subtotal		30,392,522.71	29,385,602.71	31,858,822.71	31,250,857.71

2. Balance due to related parties

Items	Related parties	Closing balance	Opening balance
Accounts payable			
	Potevio Company Limited	16,314,294.20	18,016,137.43
	CETC Technology (Nanjing) Electronic Information Development Co., Ltd.	46,224.00	
	Nanjing Putian Hongyan Electrical Technology Co., Ltd.	63,782.00	
	Hangzhou Hikvision Technology Co., Ltd.		504,393.96
	Nanjing Putian Communication Technology Industrial Park Co., Ltd.		25,000.00
Subtotal		16,424,300.20	18,545,531.39
Contract liabilities			
	Potevio Company Limited	3,727,418.22	4,690,537.30
Other payables			
	China Putian Corporation	9,580,000.00	9,580,000.00
	Nanjing Putian Communication Technology Industrial Park Co., Ltd.	3,711,603.42	3,981,366.18
	Nanjing Putian Information Technology Co., Ltd.	2,368,068.69	2,525,332.52
	Potevio Information Technology Co., Ltd.	400,000.00	400,000.00
	Potevio Telecommunications Co., Ltd.	200,000.00	200,000.00
	Potevio Company Limited	118,973.06	118,973.06
Subtotal		16,378,645.17	16,805,671.76

XI. Commitments and contingencies

(I) Commitments

As of June 30, 2023, the Company has no material commitments to disclose.

(II) Contingencies

As of June 30, 2023, the Company had no material contingencies to disclose.

XII. Events after the balance sheet date

As of June 30, 2023, except as disclosed in this note X (1), the Company has no post-balance sheet events that need to be disclosed.

XIII. Events after the balance sheet date

Segment reports

1. Identification basis for reportable segments

Reportable segments are identified based on operating segments which are determined based on the structure of the Company's internal organization, management requirements and internal reporting system. The Company identified reportable segments based on products, which include video conferencing products, integrated wiring product, electrical products, wiring products, and other products. Assets and liabilities shared by different segments are allocated pro rata among segments.

The Company identified reportable segments based on products, assets and liabilities of each segment are the actual amount of its proportion in assets and liabilities, and revenue from main operations and cost of main operations are those generated or incurred by each product segment.

2. Financial information of reportable segments

Products segment

Items	Video conferencing products	Integrated wiring product	Low voltage distribution products	Wiring products and others	Inter-segment offsetting	Total
Revenue from main operations	124,250,956.72	168,067,696.46	40,439,782.31	57,085,505.17	-6,545,153.79	383,298,786.87
Cost of main operations	91,449,608.57	132,437,584.59	31,614,066.07	50,407,922.16	-6,420,888.53	299,488,292.86
Total assets	252,430,577.78	274,043,648.46	155,953,990.28	440,074,424.99	-240,698,992.47	881,803,649.04
Total liabilities	143,033,563.03	158,498,046.61	103,960,756.76	518,278,028.30	-136,750,454.40	787,019,940.30

XIV. Notes to items of parent company financial statements

(I) Accounts receivable

1. Disclosure according to aging

Ages	Closing balance	Opening balance
Within 1 year	56,536,711.46	43,483,236.49
1 to 2 years	21,942,804.46	25,242,696.25
2 to 3 years	14,353,209.23	15,354,863.60
3 to 4 years	14,013,465.67	17,339,579.38
4 to 5 years	54,958,605.80	54,845,034.31
Over 5 years	102,157,063.06	103,377,145.03
Less: Allowance for doubtful accounts	154,035,050.54	155,462,979.31
Total	109,926,809.14	104,179,575.75

2. According to the bad debt calculation and withdrawal method classification disclosure

Categories	Closing balance			
	Book balance		Provision for bad debts	
	Amount	% to total	Amount	Provision proportion (%)
Receivables with provision made on an individual basis	72,018,149.02	27.28	72,018,149.02	100.00
Receivables with provision made on a collective basis	191,943,710.66	72.72	82,016,901.52	42.73
Among them: Combination 1: aging method	190,015,580.25	99.00	82,016,901.52	43.16
Combination 2: Receivables within the consolidated range	1,928,130.41	1.00		
Total	263,961,859.68	100.00	154,035,050.54	58.36

(Continued)

Categories	Opening balance			
	Book balance		Provision for bad debts	
	Amount	% to total	Amount	Provision proportion (%)
Receivables with provision made on an individual basis	68,961,269.79	26.56	68,961,269.79	100.00
Receivables with provision made on a collective basis	190,681,285.27	73.44	86,501,709.52	45.36
Among them: Combination 1: aging method	188,947,762.27	99.09	86,501,709.52	45.78
Combination 2: Receivables within the consolidated range	1,733,523.00	0.91		
Total	259,642,555.06	100.00	155,462,979.31	59.88

(1) Receivables with provision made on an individual basis

Debtors	Book balance	Provision for bad debts	Provision proportion (%)	Reasons
Dongpo Xi Laos Co., Ltd.	19,708,086.54	19,708,086.54	100.00	Unable to recover
Mr. Xu	17,591,683.74	17,591,683.74	100.00	Unable

Debtors	Book balance	Provision for bad debts	Provision proportion (%)	Reasons
				to recover
China Tower Corporation Limited	13,819,926.92	13,819,926.92	100.00	Unable to recover
China Railway Signal&Communication Shanghai Engineering Bureau Group Co.,Ltd.	4,884,353.27	4,884,353.27	100.00	Unable to recover
Others	16,014,098.55	16,014,098.55	100.00	Unable to recover
Total	72,018,149.02	72,018,149.02		

(2) Receivables with provision made on a collective basis

① Combination 1: Aging combination

Ages	Closing balance			Opening balance		
	Book balance	Provision proportion (%)	Provision for bad debts	Book balance	Provision proportion (%)	Provision for bad debts
Within 1 year	54,588,351.05	1.00	545,883.51	42,251,540.94	1.00	422,515.41
1 to 2 years	21,914,563.52	5.00	1,095,728.18	24,720,638.80	5.00	1,236,031.94
2 to 3 years	10,550,955.26	10.00	1,055,095.53	11,437,299.07	10.00	1,143,729.91
3 to 4 years	15,701,257.58	30.00	4,710,377.27	17,339,579.38	30.00	5,201,873.81
4 to 5 years	25,301,271.62	50.00	12,650,635.81	29,402,291.26	50.00	14,701,145.63
Over 5 years	61,959,181.22	100.00	61,959,181.22	63,796,412.82	100.00	63,796,412.82
Total	190,015,580.25		82,016,901.52	188,947,762.27		86,501,709.52

Combination 2: related parties

Ages	Closing balance			Opening balance		
	Book balance	Provision proportion (%)	Provision for bad debts	Book balance	Provision proportion (%)	Provision for bad debts
Within 1 year	1,928,130.41			1,211,465.55		
1 to 2 years				522,057.45		
Total	1,928,130.41			1,733,523.00		

3. Bad debt provision

Categories	Opening balance	Change in current period				Closing balance
		Accrual	To withdraw or turn back	Cancel after verification	Other changes	
Provision for bad debts	155,462,979.31	29,992.91	1,457,921.68			154,035,050.54

4. Details of the top 5 debtors with largest balances

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Dongpo Xi Laos Co., Ltd.	19,708,086.54	7.47	19,708,086.54
Mr. Xu	17,591,683.74	6.66	17,591,683.74
China Tower Corporation Limited	13,819,926.92	5.24	13,819,926.92
Hebei FAR-EAST Communication SYSTEM Engineering Co., Ltd.	9,051,714.63	3.43	337,685.46
Shanghai Potevio Co., Ltd.	8,755,534.00	3.32	8,755,534.00
Total	68,926,945.83	26.12	60,212,916.66

(II) Other receivable

Items	Closing balance	Opening balance
Interest receivable		
Dividends receivable	600,000.00	600,000.00
Other receivables	73,119,751.51	65,902,582.81
Less: Allowance for doubtful accounts	40,042,395.72	41,175,475.72
Total	33,677,355.79	25,327,107.09

1. Dividends receivable

(1) Details

Items	Closing balance	Opening balance
Nanjing Putian Datang Information Electronics Co., Ltd.	600,000.00	600,000.00

2. Other receivable

(1) Other receivable categorized by nature

Items	Closing balance	Opening balance
Temporary payment receivable	55,818,714.92	55,986,690.26
Deposit	472,846.00	7,751,311.73
Travel allowance	60,000.00	442,731.30
Others	16,768,190.59	1,721,849.52
Less: Allowance for doubtful accounts	40,042,395.72	41,175,475.72
Total	33,077,355.79	24,727,107.09

(2) Age analysis

Ages	Closing balance	Opening balance
Within 1 year	13,070,378.55	23,014,515.42
1 to 2 years	20,068,853.23	1,563,414.00

2 to 3 years	1,600,767.62	1,647,443.32
3 to 4 years	1,384,820.13	2,415,479.37
4 to 5 years	1,332,191.85	2,991,891.40
Over 5 years	35,662,740.13	34,269,839.30
Less: Allowance for doubtful accounts	40,042,395.72	41,175,475.72
Total	33,077,355.79	24,727,107.09

(3) Changes in provision for bad debts

Items	Phase I	Phase II	Phase III	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance		10,218,687.21	30,956,788.51	41,175,475.72
Opening balance in the current period				
--Transferred to phase II				
--Transferred to phase III				
--Reversed to phase II				
--Reversed to phase I				
Provision made in the current period		-1,133,080.00		-1,133,080.00
Provision recovered in current period				
Provision written off in current period				
Other changes				
Closing balance		9,085,607.21	30,956,788.51	40,042,395.72

(4) Bad debt provision

Categories	Opening balance	Change in current period				Closing balance
		Accrual	To withdraw or turn back	Cancel after verification	Other changes	
Losses on bad debts	41,175,475.72	-1,133,080.00				40,042,395.72

(5) Details of the top 5 debtors with largest balances

Debtors	Nature of receivables	Closing balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
Beijing Likangpu Telecommunications Equipment Co.,Ltd.	Temporary payment receivable	28,912,122.71	Over 5 years	39.54	28,912,122.71
NANJING PUTIAN TELECOMMUNICATIONS CO.,LTD.	Temporary payment receivable	1,777,119.72	1-4 years	2.43	1,763,451.39

Debtors	Nature of receivables	Closing balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
Potevio Company Limited	Security deposit	1,000,000.00	Over 5 years	1.37	1,000,000.00
Nanjing Putian Communication Industry Co., Ltd.	Temporary payment receivable	805,545.63	4-5 years 179,184.19, Over 5 years 626,361.44	1.10	805,545.63
Total		32,494,788.06		44.44	32,481,119.73

(III) Long-term equity investments

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investments in subsidiaries	113,409,068.64	1,294,510.00	112,114,558.64	113,409,068.64	1,294,510.00	112,114,558.64
Investments in associates and joint ventures	10,412,604.45		10,412,604.45	10,422,321.80		10,422,321.80
Total	123,821,673.09	1,294,510.00	122,527,163.09	123,831,390.44	1,294,510.00	122,536,880.44

1. Investments in subsidiaries

Investees	Opening balance	Increase	Decrease	Closing balance	Provision for impairment made in current period	Closing balance of provision for impairment
Nanjing Putian Changle Telecommunications Equipment Co., Ltd.	2,610,457.00			2,610,457.00		
Nanjing Putian Telege Intelligent Building Co., Ltd	3,320,003.45			3,320,003.45		
Nanjing Southern Telecom Co.,Ltd	33,175,148.00			33,175,148.00		
Nanjing Nanman Electrics Co., Ltd.	57,831,012.71			57,831,012.71		
Nanjing Putian Network Co.,Ltd.	7,741,140.41			7,741,140.41		
Nanjing Putian Datang Information Electronics Co Ltd	5,436,797.07			5,436,797.07		
NANJING PUTIAN TELECOMMUNICATIONS CO.,LTD.	1,294,510.00			1,294,510.00		1,294,510.00
Chongqing Puhua Information Technology Co., Ltd	2,000,000.00			2,000,000.00		
Total	113,409,068.64			113,409,068.64		1,294,510.00

2. Investments in associates and joint ventures

Investees	Opening balance	Increase/Decrease								Closing balance	Closing balance of provision for impairment
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/Profit declared for distribution	Provision for impairment	Others		
I. Joint ventures	10,422,321.80			-9,717.35						10,412,604.45	
SEI-Nanjing Putian Optical Network Co., Ltd.	10,422,321.80			-9,717.35						10,412,604.45	

(IV) Operating revenue/Operating cost**1. Operating income and operating costs are classified by major categories**

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
I.Main operations	44,665,542.44	41,053,987.42	48,561,617.50	44,909,870.82
II.Other operations	1,556,221.19	230,398.62	1,476,755.54	1,568,931.48
Total	46,221,763.63	41,284,386.04	50,038,373.04	46,478,802.30

2. Operating income in the current period is classified according to the time of revenue recognition

Revenue recognition time	Income from main business	Other business income
Confirm at a certain point	44,665,542.44	1,556,221.19

(V) Investment income

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under cost method		9,153,400.00
Investment income from long-term equity investments under equity method	-9,717.35	-0.99
Others	252,381.63	122,168.94
Total	242,664.28	9,275,567.95

XV Other supplementary information**(I) Schedule of non-recurring profit or loss**

Items	Amount	Remarks
1. Profit and loss on disposal of non-current assets, including the write-off part of the asset impairment provision	-67,389.77	
2. Approval beyond authority, or without formal approval documents, or incidental tax refund, reduction and exemption		
3. Government subsidies included in the current profit and loss (closely related to the business of the enterprise, except those enjoyed in accordance with the national unified standard quota or quantitative government subsidies)	838,180.23	
4. Capital occupancy fee charged to a non-financial enterprise that is included in the current profit and loss		
5. When the investment cost of a subsidiary, joint venture or associates is less than that of the investment, an enterprise shall enjoy the income generated from the fair value of the identifiable net assets of the invested entity		
6. Non - monetary assets exchange gains and losses		
7. Gains or losses from investing or managing assets on behalf of others		
8. Provisions for impairment of assets due to force majeure factors, such as natural disasters		

Items	Amount	Remarks
9. Debt restructuring gains and losses	-88,555.00	
10. Enterprise restructuring expenses, such as placement of staff expenses, integration costs, etc		
11. A gain or loss in excess of fair value resulting from a transaction at an appreciably unfair price		
12. The net profit and loss of the subsidiary from the beginning of the period to the merger date arising from the merger of enterprises under the same control		
13. Gains and losses arising from contingencies unrelated to the normal operation of the company's business		
14. In addition to the normal business of the company effective hedging related business, tradable financial assets, and other illiquid financial assets, derivative financial assets, changes in the fair value of the tradable financial liabilities have profit and loss, as well as the disposal of tradable financial assets, other illiquid financial assets, creditor's rights investment, transactional financial liabilities and other derivative financial liabilities of investment returns		
15. The receivables and contract assets for which impairment tests are carried out separately will be transferred back	1,457,921.68	
16. Gains and losses from entrusted loans		
17. Profits and losses arising from changes in the fair value of investment real estate that are measured using the fair value model		
18. The impact of one-time adjustment on current profit and loss according to taxation, accounting and other laws and regulations		
19. Custodial fee income obtained from entrusted operation		
20. Other non-operating income and expenses other than those described above	-301,000.94	
21. Other profit and loss items that meet the definition of non-recurring profit and loss		
22. Impact of income tax	64,780.32	
23. Amount of influence of minority shareholders	212,534.83	
Total	1,561,841.05	

(II) Return on net assets(RONA) and earnings per share(EPS)

Profit of the reporting period	Weighted average RONA (%)		EPS (yuan/share)			
	Current period	Preceding period	Basic EPS		Diluted EPS	
			Current period	Preceding period	Current period	Preceding period
Net profit attributable to shareholders of ordinary shares	-66.38	-51.49	-0.05	-0.13	-0.05	-0.13
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	-75.84	-45.63	-0.06	-0.11	-0.06	-0.11

Board of Directors of Nanjing Putian Telecommunications Co., Ltd.
August 29, 2023