

TOPBAND 拓邦
Shenzhen Topband Co., Ltd.
Semi-annual Report 2023



Topband Investor Relations Applet

August 2023

Section I Important Notes, Contents and Definitions

The Board of Directors, the Board of Supervisors and directors, supervisors and senior executives of the Company hereby assure that the content set out in the Semi-annual Report is true, accurate and complete. It shall be free from false records, misleading statements or major omissions, and shall bear individual and joint legal liabilities therein.

Wu Yongqiang, the principal of the Company, Luo Muchen, accounting head, and Luo Muchen, accounting department head (the person in charge of accounting department) hereby guarantee the truth, accuracy and completeness of the financial report in this Semi-annual Report.

All directors have attended the Board Meeting at which this Semi-annual Report was scrutinized.

Forward-looking statements such as future plans and development strategies covered in the Report involve uncertainty, so they do not represent the Company's profit forecasts, nor are they regarded as the substantive commitment to investors.

The Company is not faced with significant risks affecting its financial position and sustainable profitability, but may be with such risks as a decline in market demand due to the domestic and international macroeconomic downturn, technology upgrading, intensified competition in the industry, fluctuations in the prices of raw materials and fluctuations in exchange rates. For more detailed risk information, please see "Risks faced by the Company and countermeasures" in Section III of the Report. Investors are kindly requested to be alert to investment risks.

The Company plans not to pay cash dividend, to issue bonus shares, or to increase the share capital by capital reserve.

This report has been prepared in Chinese and translated into English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

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Directory of documents for future reference

- I. Accounting statements containing the signatures and seals of the legal representative, the finance chief and the accounting department head.
- II. The originals of all the company documents publicly disclosed in newspapers designated by the CSRC during the reporting period and the original manuscripts of announcements.
- III. The original of the Semi-annual Report 2023 bearing the signature of the chairman.

All the above documents are ready and complete, and are available for reference at the office of the Board of Directors of the Company.

Interpretations

Terms	Refer to	Contents
Company, the Company, Topband	Refer to	Shenzhen Topband Co., Ltd.
RMB, RMB ten thousand	Refer to	RMB, RMB ten thousand
CSRC	Refer to	China Securities Regulatory Commission
Exchange	Refer to	Shenzhen Stock Exchange
Reporting period	Refer to	January 1, 2023 - June 30, 2023
Articles of Association	Refer to	Articles of Association of Shenzhen Topband Co., Ltd.
Huizhou Topband	Refer to	Huizhou Topband Electrical Technology Co., Ltd.
YAKO Automation	Refer to	Shenzhen YAKO Automation Technology Co., Ltd.
HCD	Refer to	Shenzhen Allied Control System Co., Ltd.
Topband Software	Refer to	Shenzhen Topband Software Technology Co., Ltd.
ORVIBO	Refer to	Shenzhen ORVIBO Technology Co., Ltd.
Ningbo Topband	Refer to	Ningbo Topband Intelligent Control Co., Ltd.
Meanstone Intelligent	Refer to	Shenzhen Meanstone Intelligent Technology Co., Ltd.
HANSC Intelligent	Refer to	Shenzhen HANSC Intelligent Technology Co., Ltd.
Hong Kong Topband	Refer to	Topband (Hong Kong) Co., Ltd.
Topband Romania	Refer to	Topband Smart Europe Company Limited
Topband Mexico	Refer to	Topband Mexico Company Limited
Topband Battery	Refer to	Shenzhen Topband Battery Co., Ltd.
Ninghui Lithium Battery	Refer to	Taixing Ninghui Lithium Battery Co., Ltd.
HVAC	Refer to	Heating, Ventilation and Air Conditioning
IOT	Refer to	Internet of Things
AI	Refer to	Artificial Intelligence
BLDC Motor	Refer to	Brushless DC Motor
BG and BU	Refer to	Business Group and Business Unit
IPD	Refer to	Integrated Product Development
ISC	Refer to	Integrated Supply Chain
PLC	Refer to	Programmable Logic Controller
AIGC	Refer to	Artificial Intelligence Generated Content
1C3S	Refer to	Cells, BMS, EMS and PCS

Section II Company Profile and Primary Financial Indicators

I. Company profile

Stock abbreviation	Topband	Stock code	002139
Listed stock exchange	Shenzhen Stock Exchange		
Chinese name of the Company	Shenzhen Topband Co., Ltd.		
Chinese abbreviation of the Company name (if any)	Topband		
Name of the Company in foreign language (if any)	Shenzhen Topband Co., Ltd.		
Name of the Company in foreign language (if any)	Topband		
Legal representative of the Company	Wu Yongqiang		

II. Contact person and contact information

	Secretary of the Board of Directors	Representative of securities affairs
Name	Wen Zhaohui	Zhang Yuhua
Address	Topband Industrial Park, Keji Second Road, Shiyan Sub-district, Bao'an District, Shenzhen	Topband Industrial Park, Keji Second Road, Shiyan Sub-district, Bao'an District, Shenzhen
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Fax	0755-26957440	0755-26957440
Email	wenzh@topband.com.cn	zhangyuhua@topband.com.cn

III. Miscellaneous

1. Contact information of the Company

Whether the registered address, office address and its postal code, website, e-mail address and other information of the Company have changed during the reporting period

Applicable Not applicable

There was no change in the registered address, office address and its postal code, website, e-mail address and other information of the Company during the reporting period. For details, see the Annual Report 2022.

2. Information disclosure and storage place

Whether the information disclosure and storage locations of the Semi-annual Report have changed during the reporting period

Applicable Not applicable

There was no change in the website of the stock exchange and the name and website of the media for disclosure

of the Company's Semi-annual Report, as well as the location where the Company's Semi-annual Report is available during the reporting period. For details, see the Annual Report 2022.

3. Other relevant information

Whether other relevant information of the Company has changed during the reporting period

Applicable Not applicable

IV. Main accounting data and financial indicators

Whether the Company is required to retroactively adjust or restate the accounting data of previous years

Yes No

Reasons for retrospective adjustments or restatements

Accounting policy changes

	Reporting period	Same period previous year		Increase or decrease in this reporting period over the same period of last year
		Before adjustment	After adjustment	After adjustment
Operating income (RMB)	4,256,121,153.72	4,228,003,137.57	4,228,003,137.57	0.67%
Net profit attributable to shareholders of listed companies (RMB)	258,040,692.16	246,508,271.38	246,657,151.65	4.62%
Net profit attributable to shareholders of listed companies after deducting non-recurring profit and loss (RMB)	254,103,854.80	204,656,056.10	204,804,936.37	24.07%
Net cash flow from operating activities (RMB)	527,842,471.18	74,886,255.39	74,886,255.39	604.86%
Basic earnings per share (RMB/share)	0.20	0.20	0.20	0
Diluted earnings per share (RMB/share)	0.20	0.20	0.20	0
Weighted return on average equity	4.37%	4.77%	4.77%	-0.40%
	End of the reporting period	End of the previous year		Change at the end of the current reporting period compared with the end of the previous year
		Before adjustment	After adjustment	After adjustment
Total assets (RMB)	10,907,788,528.08	10,364,556,848.34	10,373,993,325.99	5.15%
Net assets attributable to shareholders of listed companies (RMB)	6,072,708,579.15	5,728,523,458.33	5,729,233,981.14	6.00%

Reasons of the accounting policy change

Changes in the accounting policies adopted by the Company during the reporting period: The Ministry of Finance released and implemented the Circular on Issuing Interpretation No. 16 of Accounting Standards for Business Enterprises (hereinafter referred to as "Interpretation No. 16") on November 30, 2022, in which, the requirement on the "accounting practice for deferred income taxes related to assets and liabilities generated by individual transactions which shall not be exempted from initial confirmation" shall be implemented from January 1, 2023. If, at the beginning of the earliest period of the financial statements to which the Interpretation No. 16 applies for the first time, taxable temporary differences and deductible temporary differences arise from lease liabilities and right-of-use assets recognized as a result of a single transaction to which the Interpretation No. 16 applies, as well as from recognized projected liabilities related to abandonment obligations and related assets, the Company will adjust the cumulative effects to the opening retained earnings and other related financial statement items in the earliest period for which the financial statements are presented in accordance with the provisions of the Interpretation No. 16 and those of the Accounting Standards for Business Enterprises No. 18 - Income Taxes.

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

1. Differences in net profit and net assets between financial reports disclosed in accordance with International Accounting Standards and those disclosed in accordance with PRC GAAP at the same time

Applicable Not applicable

There is no difference in net profit and net assets between financial reports disclosed in accordance with International Accounting Standards and those disclosed in accordance with PRC GAAP during the reporting period.

2. Difference between the net profit and net assets in the financial reports disclosed in accordance with both foreign accounting standards and Chinese accounting standards at the same time

Applicable Not applicable

There is no difference in net profit and net assets between financial reports disclosed in accordance with Overseas Accounting Standards and those disclosed in accordance with PRC GAAP during the reporting period.

VI. Items and amount of non-recurring profit and loss

Applicable Not applicable

Unit: RMB

Items	Amount	Description
Profits and losses on disposal of non-current assets (including the write-off portion of the provision for asset impairment)	-6,219,093.14	
Government subsidies included in current profits and losses (except those that are closely related to the normal business of the Company, conform to national policies and regulations and are continuously enjoyed in a fixed or quantitative manner according to certain standards)	13,429,284.92	
Profits and losses due to fair value changes arising from the holding of tradable financial assets and liabilities, as well as the investment income from the disposal of tradable financial assets and liabilities and available-for-sale financial assets, except for the effective hedging business related to the normal business of the Company	-5,414,897.34	
Other non-operating income and expenses other than those mentioned above	3,716,436.80	
Minus: amount affected by income tax	1,329,800.01	
Amount affected by minority shareholders' equity (after tax)	245,093.87	
Total	3,936,837.36	

Details of other items of profits and losses that conform to the definition of non-recurring profit and loss:

Applicable Not applicable

None.

Explanation of defining the non-recurring profit and loss items listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profit and Loss as recurring profit and loss items

Applicable Not applicable

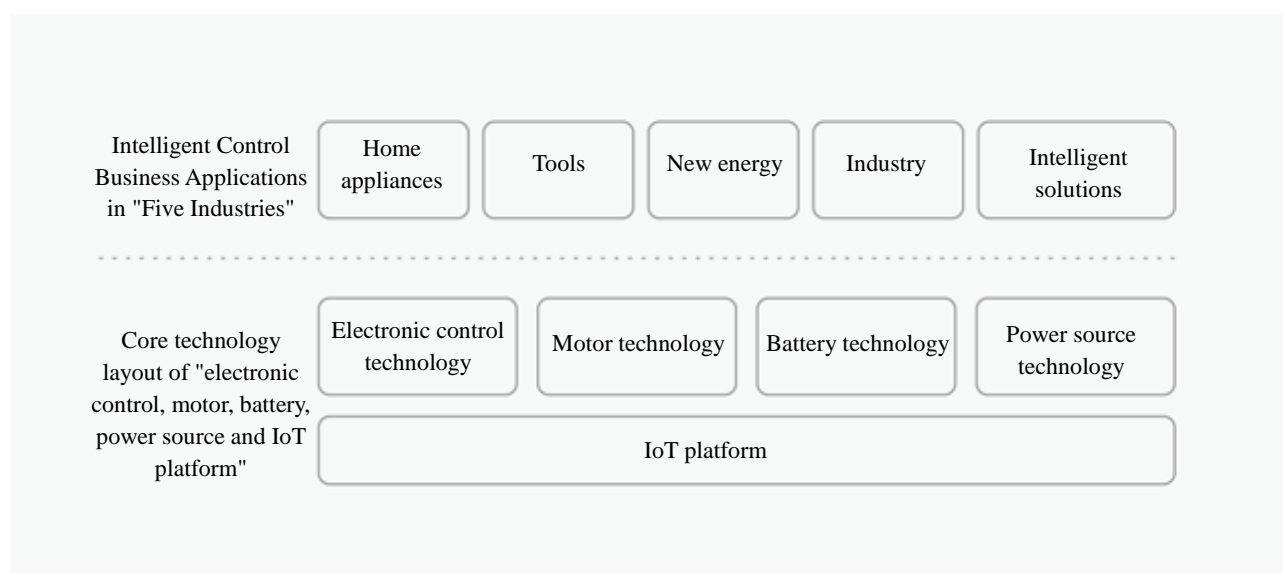
There is no such situation of defining the non-recurring profit and loss items listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profit and Loss as recurring profit and loss items in the Company

Section III Management Discussion and Analysis

I. Main business engaged by the Company during the reporting period

(I) Primary business and products of the Company

The Company's primary business is the R&D, production, and sales of intelligent control system solutions, i.e., with the "electronic control, motor, battery, power source and IoT platform" technology of electric control, motor, battery, power supply, and Internet of Things platform as the core, providing a variety of custom solutions for household appliances, tools, new energy, industrial, intelligent solutions, and other industries. The Company is a global leader in intelligent control solutions for the household appliance and tool industries and an innovation leader in the new energy, industrial and intelligent solution sectors.



1. The Company's core technology: "electronic control, motor, battery, power source and IoT platform"

1.1 Electronic control technology. The electrical control technology is the core of a microelectronic computer to achieve intelligent control technology, involving sensing, power electronics, signal processing, communication, interactive, power and energy conversion, electromagnetic compatibility, and many other technical fields. The Company has formed hundreds of electronic control technology platforms, which can completely cover the needs of products in five major industries.

1.2 Motor technology. Motor technology converts electrical energy into kinetic energy. The Company has formed dozens of advanced motor technology platforms focusing on such products as coreless motors, brushless

DC motors (BLDC), stepper motors and servo motors. Among them, the Company is at the leading level in the field of tool motors and motion control in China. Motion control refers to the real-time control of the position, speed and direction of mechanical moving parts, so that they move following the expected trajectory and the specified movement parameters. A motion control system generally consists of HMI, controller, drive, motor and other components. It is a core component of intelligent manufacturing equipment, the prerequisite and foundation for realizing intelligent manufacturing.

1.3 Battery technology. Battery technology is the technology where energy is stored and managed. Its core technologies include battery material application, cell design and manufacturing, and battery system integration. Battery material application technologies include positive and negative electrode materials, electrolytes, diaphragms, and other related application technologies; cell design and manufacturing include electrochemical architecture design and manufacturing process technologies such as coating, laminating/winding, and forming; battery system integration consists of a series of technologies such as battery assembly, thermal management, collision and leakage safety, accurate measurement of voltage/current/temperature signals, battery state estimation and cell equalization. The technology spans multiple fields of material science, electrochemistry, electronics, and control engineering. After years of accumulation, the Company has formed a complete design, development customization, and production technology capability from cell technology (CELL) and battery management technology (BMS) to battery pack (PACK) and EMS (Energy Management System).

1.4 Power source technology. Power technology is an electrical energy conversion technology that safely, efficiently, and intelligently transforms the front-end input into the required output for the load. The Company has various analog power supply, switching power supply, and digital power supply technology platforms with different power levels and types. It can provide charging, inverter, and various customized power supply and charging pile solutions.

1.5 IoT platform. The IoT platform is a collection of the sensing layer, connection layer, and application layer technologies, mainly including connection management, device management, and applications. The Company has formed a complete technical capability from IoT module and intelligent terminal to APP and PaaS IoT cloud platform. It has developed solutions for more than ten business scenarios.

2. The Company's main products: customized system solutions for five major industries, i.e., household appliances, tools, new energy, industrial, and intelligent solutions.

2.1 Intelligent control of household appliances

The Company provides a range of customized products and services, from product concept, design, and development to manufacturing and delivery for branded customers in the household appliance industry. The products are mainly involved in controller and motor categories, including home appliance master control, power control, motor drive and control, display control, etc. The products are mainly used in various fields, such as HVAC, kitchen appliances, cleaning appliances, health care, lighting, and intelligent home.

2.2 Intelligent control of tools

The tool industry mainly includes power, garden, and other professional tools. The Company provides customized products and services, from concept, design, and development to manufacturing and delivery for branded customers in the tool industry. The Company's lines of business cover electronic control, motor, and battery, and its products include controller, motor, and BMS, as well as modules and complete units.

2.3 New energy

The new energy business mainly focuses on two major application areas: small and medium-sized energy storage and new energy vehicles. Small and medium-sized energy storage service providers: Provide customers with components and system solutions with its independent and controllable cells, BMS, PCS and EMS (1C3S) core technology in the field of household energy storage, portable energy storage, communication base station energy storage and industrial and commercial energy storage. Core component supplier for new energy vehicles: Based on the "electronic control, motor, battery, power source and IoT platform" technology, the Company provides customized solutions of charging equipment and intelligent controllers for new energy vehicles, other special vehicles, and E-bikes.

2.4 Industrial control

In the industrial sector, the Company's main business covers the R&D, production, and sales of control, drive, motor and other products, provision of PLCs, motion control cards, stepper/servo drives, motors, and other core components for downstream automation equipment customers, as well as provision of motion control solutions based on the industry processes.

In the industrial automation sector, stepper and servo drives are widely used in 3C electronics, PV, batteries, medical equipment, semiconductor equipment, and other sub-sectors. We are to helping automation equipment manufacturers improve equipment design performance, reduce equipment manufacturing costs, and accelerate the development of new equipment. In the robotics sector, the Company's coreless motors are used in the electric jaws of industrial robots and other medium- and high-end applications, characterized by high precision and high cost

performance, with a strong overload capacity, high energy conversion efficiency, a lightweight design and other strengths. The servo drive system is applied in the industrial robots, such as multi-joint, SCARA robots, with high stability, ease of use, compatibility and other strengths.

2.5 Intelligent solutions

The Company's intelligent solutions take AIoT (Artificial Intelligence Internet of Things) technology platform and intelligent product innovation capabilities as the core, and target at "medical, food, housing and transportation", "industry, catering, hotels, parks", and other sub-segment scenarios. We grasp the new opportunities of intelligent upgrade, data collection and analysis, human-machine interaction and intelligent manufacturing, and actively integrate into the mainstream IoT ecosystems, including Matter, so as to provide customers with integrated intelligent solutions of "innovative products + AIoT platform + customized services".

(II) The industry in which the Company operates

1. Basic situation of the industry

The intelligent control industry to which the Company belongs is promising from the long run, with trillion-dollar markets. Applications cover all walks of life, mainly in household appliances, smart homes, intelligent buildings, power tools, robots, industrial automation, automotive electronics, new energy, medical equipment and other sectors. Main intelligent controllers in the industry are high-tech products that take automatic control and computer technologies as the core and integrate sensing, microelectronics, power electronics, and many other technology categories. They play the role of "nerve center" and "brain" in various kinds of systems.

The future will be intelligent and low-carbon, and being intelligent and low-carbon will be a long-term and sustained reform with wide-ranging and far-reaching impact. It deeply affects the modern life while changing the product forms. The industry is full of historic opportunities for intelligent, scenario-based, green and low-carbon products. With more application of the intelligent products, the continued integration and development of intelligent control technology and 5G, IoT, AI and cloud computing, and other new technologies, accelerated iteration of all kinds of products, constantly increased intelligence, and the emergence of new products, new forms, and new modes, more new opportunities will be available to intelligent control products in the medical, food, housing, transportation, enterprises, cities and other intelligent and low-carbon applications, making the intelligent controller industry more promising.

2. Position in industry

As a global leading provider of intelligent control solutions, the Company focuses on intelligent control,

upholds the value of "Agile Innovation Partner", and drives its development through technological innovation. At present, we have established the "electronic control, motor, battery, power source and IoT platform" comprehensive technology system, and provide customized intelligent control solutions for downstream customers in the household appliance, tool, new energy, industrial, and intelligent solution industries. With the three unique capabilities of "platform-based technology innovation capability, partner-based customer service capability, and systematic rapid response capability" as the core, the Company has been forging ahead and established close partnerships with many leading customers in the industry. The Company is now a leader in intelligent control solutions for the household appliances and tools and an innovation leader in the new energy and industrial sectors.

II. Analysis of core competitiveness

1. Platform-based technology innovation capability.

The Company takes technology as the gene of enterprise development and considers innovation as the core competence of the Company. The Company has the industry-leading platform technology innovation capability, forming a complete technology platform covering various core technology areas of intelligent control integration solutions. The Company has the ability of deep understanding of various control mechanisms, independent implementation, and continuous innovation, covering the core technologies of intelligent control algorithm, motor control, lithium battery, sodium battery, sensing, human-machine interaction, image recognition, digital power supply, embedded software, temperature control, heating, and cooling, etc. In addition, the Company has a rich product line that forms many product platforms. Each core product platform has been verified in mass production to ensure quality and reliability. We can quickly provide customers with high-quality, differentiated custom solutions to meet their needs. In addition, the Company has the industry's unique "controller + motor + battery + power supply" total solution capability, with the ability to continuously develop innovative solutions in new categories, which can help customers innovate in the competition to win. In addition, the Company has the industry's unique "controller + motor + battery + power" total solution capability, with the ability to continuously develop innovative new category solutions, which can help customers in the competitive innovation to win.

2. Partnership customer service capability.

The Company values long-term development, takes value co-creation and value win-win as the development concept, and develops long-term partnership with customers. Supported by platform-based technology innovation capability, the Company continues to gain insight into customer needs, creates in-depth co-creations with customers, establishes organizational customer relationships, and builds partner-based customer service capabilities. Based on multi-region layout, the Company has established international production bases mainly covering Pearl River Delta, Yangtze River Delta, Southeast Asia, North America, and Europe. It also establishes international operation centers to improve its ability to serve nearby through management capabilities, resource allocation and other aspects. A number of overseas offices have been set up for close cooperation with customers. The Company has established close partnerships with excellent customers at home and abroad in various business areas. Based on long-term cooperation and mutual development, we have formed a good image and brand reputation in the industry, widely recognized and generally praised by our customers.

3. Systematic rapid response capability.

As intelligent technology evolves and uncertainty increases, the pace of global innovation iteration is accelerating, and companies increasingly need to be more agile in their operations to serve their customers. Based on a deep understanding of the intelligent control business, the Company has created a strong platform system from the implementation of IPD ideas in the R&D and design process, the core customer ISC changes in the supply chain system, the laboratory and quality assurance system, and the intelligent manufacturing platform system to build a customer-centric process-oriented organization, internalizing the Company's superior capabilities into agile operational capabilities, and the agile system will further strengthen the Company's advantages, and the two form a mutually reinforcing and virtuous development, thus achieving sustainable, high-quality growth.

III. Analysis of main business

Overview

In the first half of 2023, the global economy as a whole recovered moderately. In the second quarter, the domestic economy recovered at a slow pace, but worldwide inflationary pressures, Russia-Ukraine conflict, and the Fed's interest rate hike still persist, resulting in insufficient economic growth driving forces. After the panic stockpiling in the past few years, some industries are still making efforts to realize de-stocking in the first half

of 2023, and the overall progress of de-stocking becomes slower subject to the slowdown of the economy. The Company upholds the business philosophy of "long-term development" and has a deep base of leading customers. In addition, with technological innovation, product strength and enhanced internal operational capabilities, the Company consolidates cooperation with leading customers for a higher market share. During the reporting period, the Company increased its investment in international business and enhanced its global delivery capability to provide customers with more agile, efficient and secure delivery. The Company's basic, growing business, and innovative businesses together develop steadily and have resilience. The Company adheres to the innovation-driven strategy, continues to expand the application of "electronic control, motor, battery, power source and IoT platform" core technology and product platform in the industry, and maintains the promising application of intelligent control in a number of sectors to reduce the cyclical impact of a single downstream market in the industry.

With the upcoming end of the Fed's interest rate hike, and the fall of the U.S. overall and core PCE inflations, the real estate gradually picks up to promote the rise in demand for related consumer durables; in addition, with the increased income of Chinese residents, moderate push of policies, and the fall of inventories, the economy and end demand began to improve. In the intelligent society, AI will be widely used, and intelligent controllers will have more powerful intelligence and self-learning capabilities, better adapt to user needs, and provide a more intelligent control experience. Based on data collection, analysis, and utilization, big data is expected to drive intelligent decision-making and innovation. With the development of IoT technology and the rise of smart homes, smart industries and other fields, a variety of devices and systems are connected through the Internet to form a huge network, realizing intelligent interoperability and collaboration between devices. All aspects of the production process can be realized through automation and intelligent technology for higher production efficiency and quality. The intelligent society will bring historic opportunities to the intelligent control industry, so we remain firmly optimistic about the continued growth of the industry.

In the efforts of all the staff of Topband, during the reporting period, the Company achieved revenue of RMB 4.256 billion, up 0.67% YoY, net profit attributable to shareholders of listed companies of RMB 258 million, up 4.62% YoY, and net profit attributable to shareholders of listed companies after non-recurring profit and loss of RMB 254 million, up 24.07% YoY. In particular, the revenue and net profit in Q2 improved significantly compared with Q1. Specifically, the revenue in Q2 amounted to RMB 2.261 billion, up 13.34%

compared with Q1, and the net profit attributable to the parent company after non-recurring gains and losses amounted to RMB 163 million, up 78.28%.

(I) During the reporting period, the revenue amounted to RMB 4.256 billion, up 0.67% YoY. The Company's business development in the first half of 2023 is as follows:

1. Tools: according to Frost & Sullivan, the global tool market experienced steady growth from 2018 to 2022, with the market size growing from USD 82 billion to USD 103 billion, and a compound annual growth rate (CAGR) of 5.9% from 2018 to 2022. However, due to the overspending and hoarding of tool products in 2021, the market demand for tool products slowed down in 2022, and the de-stocking continued in the industry to the first half of 2023. As the Company's basic business segment, tools created sales revenue of RMB 1.62 billion in the first half of 2023, up 0.83% YoY.

The Company has been added to the supplier list of a number of leading customers in the tool field. We provide a wide range of technology and product platforms, involving power tools, outdoor garden tools and cleaning supplies, and lead the transformation of the industry for electrified and cordless products. We provide downstream customers with one-stop solutions including controllers, motors, battery packs, and complete units.

With the further recovery of the global economy, the supply chains become more stable, and the de-stocking is intensified in supermarkets, with further electrification and cordless reform in the tool industry. The size of the global tool market is expected to reach USD 131 billion in 2027, with a CAGR of 4.7% compared with 2023. In the mid-and-long term, the tools can be applied in more and more scenarios. There is still much room for increasing the penetration rate of our products in the market outside Europe and the United States, and the growth of the Company's product platforms and leading customers' growth in size will help further increase the Company's market share in this segment.

2. Household appliance: In the short term, although inflationary pressures, slow recovery of real estate sales, and other factors still persist, China's residents have become more and more willing to consume and the market confidence has gradually rebounded from the beginning of this year. In the first half of the year, the export growth rate of household appliances turned positive, and the recovery of demand for household appliances became a clear trend. The rigid demand for household appliances rose first, and the demand or different categories of household appliances are recovering at different paces.

As the Company's basic business segment, household appliance created sales revenue of RMB 1.5 billion in the first half of 2023, a slight decrease of 0.98% YoY, mainly due to the Company's shift to superior

categories on the basis of the original dispersed categories. In particular, the sales of air conditioner and washing machine in large appliances are growing faster; superior categories such as smart bathrooms, thermostats, wall-hung stoves, personal care, and other products have achieved rapid growth; new air fryers, electric grills, and other categories are growing faster. Induction cookers, coffee makers, and other traditional small household appliances categories declined slightly.

In the mid-and-long term, overseas demand is resilient, with great potential for development in Asia-Pacific, the Middle East, Latin America, and other emerging markets. The trend of domestic consumption upgrade remains unchanged. Small electrical appliances for kitchens, care, cleaning, and other purposes continue to be launched, and the domestic sales are expected to achieve faster growth. The Company has been engaged in the household appliance sector for many years, and the products supplied have been enriched, including the initial controllers to the power modules, screen display control, voice interaction, thermostats and other categories, as well as the new categories such as household appliances, general household appliances, commercial and other fields, with new businesses developed continuously. In recent years, the Company's market share in terms of European, American, and Japanese household appliance customers is increasing, and the original disadvantage of a low share of large customers in the household appliance segment will gradually be transformed into a business growth advantage. As the Company's basic business segment, household appliances are expected to maintain a stable growth trend together with growth in the industry in the future.

3. New energy segment. The Company's new energy business is mainly based on the "1C3S" technology, currently focusing on two major areas: energy storage and new energy vehicles. As the Company's growing business, the new energy segment created sales revenue of RMB 914 million in the first half of 2023, up 6.56% YoY, higher than the Company's overall revenue growth.

Energy storage is a fast-growing emerging sector. With the advancement of low-carbon society, the market demand for renewable energy increases, accompanied by rapid industry development and intensified cost competition. In the face of changes in supply and demand in the industry, the Company has actively responded to with many actions. Externally, the Company strengthens cooperation with strategic customers, accelerates the utilization of business opportunities, and expands the international market; internally, it strengthens capability building, firmly believes in the direction of business development without being afraid of market fluctuations and environmental impact, and improves its capabilities in proactive planning of products, including the planning of products' market competitiveness and of the cost competitiveness. By improving production efficiency, reducing material costs, and equipment costs, we provide products with more cost advantages; and

by increasing technological innovation, we enhance product competitiveness. New products such as energy storage inverters, sodium-ion batteries, industrial and commercial energy storage solutions, and optical storage and charging machines continued to emerge during the reporting period. In terms of brands and market shares, the Company launches independently controllable component products, independent brand products and all-in-one products in parallel, and actively expands the application of household, industrial and commercial storage products in Europe, America, Asia, South Africa, West Africa, and other countries, accommodating the differentiated needs of different types of customers, such as machine factories, operators, and government agencies.

In terms of new energy vehicles, the Company focuses on charging equipment, thermal management, light-duty power exchange solutions and other key directions, and makes full use of its advantages in control technology and system solutions. With the rapid development of new energy vehicles, existing charging piles need to be updated and more new charging piles are in demand. The new power infrastructure with extra high voltage and charging piles as the representatives is in the peak of construction, and the industry will start a new round of growth period. In the charging scenario, the Company has expanded from controller products to mode-2 AC charging gun, mode-3 fixed, wall-mounted AC charging pile, integrated DC fast charger and other unit categories, accommodating the charging demand of new energy vehicles at the domestic and international markets. The Company also develops TOG (such as traffic investment and urban investment) customers to undertake charging pile and integrated operation projects.

4. Industrial control segment created sales revenue of RMB 137 million in the first half of 2023, up 1.03% YoY. The Company mainly provides downstream automation equipment and industrial robotics customers with PLCs, motion control cards, stepper/servo drives, motors, and other core components, as well as supporting motion control solutions based on the industry process. These products are widely used in 3C electronics, industrial robots, medical equipment, PV equipment, semiconductor equipment, dispensing, engraving, packaging machinery and other sectors.

Industrial control sector: General automation embodies more obvious cyclical characteristics. In the past few years, impacted by the macro economy, the Fed's interest rate hikes, and the turbulent international situation, the industry has experienced a long downward cycle, and the overall market is still in the recovery stage during the report period. With the in-depth promotion of "Made in China 2025" in the future, the scale of the intelligent manufacturing market will rise rapidly, and industrial manufacturing is expected to usher in a synchronized

recovery with the economy as a whole, pulling the demand of upstream core component enterprises. The domestic industrial control sector in the med-and-long term will benefit from "industrial upgrading + machine replacement", domestic replacement, digitalization, intelligence, and low-carbon development. In recent years, the attention of domestic industrial control customers has shifted from the efficiency to the security of supply. Domestic enterprises are superior in term of security of supply, product cost-effectiveness, fast response from engineers and other aspects. There are greater opportunities in the industry chain security and high-end manufacturing.

During the reporting period, the Company, based on the accumulated processes, product design, continuous improvement of product reliability, as well as quick response to user needs and feedback, has successfully met the needs of differentiated applications while enhancing the performance, and helped manufacturers of automation equipment improve the equipment design performance, reduce the cost of equipment manufacturing, and speed up the development of new equipment, so as to accelerate the degree of automation of the manufacturers. The Company is committed to becoming the "leader of efficient and easy-to-use servo and stepping products" in the industrial control sector. During the reporting period, by focusing on key sectors and key customers, the Company achieved substantial growth in revenue in 3C, PV, dispensing and other sectors, and rapid YoY growth in the servo system business thanks to the transformation and upgrading of the manufacturing and the accelerated domestic replacement pace.

Industrial robotics: As a manufacturing country, China has increasing demand for industrial robots. According to MIR, industrial robot sales grew slightly in the first half of 2023, with growth in Q2 compared with Q1. In particular, the market share of Chinese brands is further enhanced. In the market environment with weak demand, the Chinese enterprises achieved growth against the trend with their advantages in cost-effectiveness and differentiated design in niche areas.

In January 2023, the Ministry of Industry and Information Technology, along with 17 other agencies, created a new action plan called the "Robot + Application", which sets the target of doubling the robot density of the manufacturing in China by 2025 compared with 2020. With the increasing demand for independent control of high-end equipment, there is still great room for increasing the share of domestic brands. At the same time, AI and other new technologies empower the field of robotics, and AI natural language and embodied AI combining algorithms will further promote the intelligent and digital transformation of the manufacturing environment. In the industrial robotics sector, the Company has realized the batch application of servo drive systems and coreless motors. It also has expanded its business in mobile robot and other areas. Benefited from the domestic

replacement, intelligent upgrading of plants, and low-carbon development, the future will usher in a new round of boom cycle.

5. Intelligent solutions created sales revenue of RMB 74 million in the first half of 2023, down 11.08% YoY. The Company's intelligent solutions take AIoT (Artificial Intelligence Internet of Things) technology platform and intelligent product innovation capabilities as the core, and target at "medical, food, housing and transportation", "industry, catering, hotels, parks", and other sub-segment scenarios. We provide customers with integrated intelligent solutions of "innovative products + AIoT platform + customized services". AI empowers all sectors. The development of the AIGC model will facilitate the Company's technological advancement and application in robotics and HMI, and bring opportunities for the application of intelligent solutions in other sectors.

(II) During the reporting period, the Company achieved net profit after non-recurring gains and losses of RMB 254 million, up 24.07% YoY, mainly thanks to the following:

(1) Better profitability. In the first half of 2023, the industry to which the Company belongs is relatively stable in supply. By intensified cost reduction and increased efficiency in legacy business, and increased capabilities of new products to enhance the comprehensive profitability through technological innovation, the Company achieved a combined gross profit margin of 21.57% during the report period, up 2.49 percentage points YoY, with higher gross profit margins YoY in several sectors. At the same time, the continued depreciation of RMB in Q2 was conducive to increasing the profitability of the Company's export business.

2. Three items of period expenses (selling, R&D, and general and administrative): These expenses increased by about RMB 0.91 billion YoY, mainly for the investment in new businesses and new markets. In particular, R&D expenses increased by RMB 32 million YoY, mainly because at a period of rapid development, the Company captured new business and industrial applications with continuous innovation and insight into downstream demand, and increased R&D investment in inverter control system, energy storage inverter, charging pile, industrial and commercial BMS and other strategic key projects; selling expenses increased by RMB 18 million YoY, mainly including the exhibition expenses and market development costs for the Company's market development in the first half of the year; general and administrative expenses increased by RMB 41 million YoY, mainly due to the increased investment in Romania, Mexico and other overseas bases under the Company's development strategy of multiple regions and customer intimacy, which caused the increase of administrative expenses.

(III) During the reporting period, the Company achieved net profit attributable to the parent company of RMB 258 million, up 4.62% YoY, mainly thanks to the following:

In addition to the above factors affecting the net profit after non-recurring gains and losses, gains from changes in fair value of overseas investments decreased YoY in the reporting period.

(IV) During the reporting period, the Company realized net cash flow from operating activities of RMB 528 million, up 604.86% YoY, mainly thanks to the following:

During the reporting period, the Company increased its efforts in payment collection, with the amount of payments collected rising significantly YoY. Meanwhile, the upstream supply stabilized, so the Company's expenditure on stock preparation decreased, leading to a significant increase in net cash flows from operating activities.

YoY changes in Major Financial Metrics

Unit: RMB

	Reporting period	Same period previous year	YOY increase or decrease	Reason for change
Operating revenue	4,256,121,153.72	4,228,003,137.57	0.67%	No significant changes
Minus: operating cost	3,337,826,833.15	3,421,434,029.61	-2.44%	No significant changes
Selling expenses	143,034,445.61	125,180,825.48	14.26%	The increase in the employee benefits for personnel engaged in new businesses, as well as the increase in travel expenses and exhibition expenses incurred for the development of overseas markets.
Management expenses	201,474,565.60	160,894,026.46	25.22%	The increase in employee benefits as a result of the increase in staffing for the construction of overseas bases, and the increase in depreciation and amortization corresponding to the increase in investment in long-term assets at overseas bases.
Finance expenses	-50,992,475.24	-63,616,375.63	19.84%	The main reason is that the increase in the exchange rate of the US dollars against the RMB during this period resulted in a less exchange gain compared with the same period last year.
Income tax expenses	6,043,729.44	17,614,693.20	-65.69%	The increase in the deferred tax assets recognized in the reporting period as compared with the same period last year.
R&D investment	388,935,143.32	352,138,564.60	10.45%	The increased investment in strategic key projects such as inverter control system, energy storage inverter, charging pile, and industrial and commercial BMS.
Net cash flow from	527,842,471.18	74,886,255.39	604.86%	The Company made more efforts in payment

operating activities				collection, conducted de-stocking and controlled the scale of procurement, significantly decreasing the cash paid for goods purchased and realizing a substantial increase in net cash flows from operating activities.
Net cash flow from investment activities	-468,657,578.93	-487,956,696.27	3.96%	No significant changes
Net cash flow from financing activities	284,893,844.15	230,261,666.20	23.73%	The net increase in bank borrowings for the reporting period increased YoY due to the increase in funds required for investment in industrial parks.
Net increase in cash and cash equivalents	358,617,037.74	-162,322,238.96	320.93%	The increase in net cash flows from operating activities during the reporting period.

Significant changes in the Company's composition or source of profit in the reporting period

Applicable Not applicable

There was no significant change in the Company's composition or source of profit in the reporting period.

Composition of operating income

Unit: RMB

	Reporting period		Same period previous year		YOY increase or decrease
	Amount	Proportion in operating income	Amount	Proportion in operating income	
Total operating income	4,256,121,153.72	100%	4,228,003,137.57	100%	0.67%
By industry					
Intelligent control electronics industry	4,256,121,153.72	100.00%	4,228,003,137.57	100.00%	0.67%
By product					
Tools	1,620,045,611.60	38.06%	1,606,784,503.47	38.00%	0.83%
Home appliances	1,500,351,397.24	35.25%	1,515,196,016.05	35.84%	-0.98%
New energy	914,360,730.57	21.48%	858,103,466.53	20.30%	6.56%
Industry	136,712,993.99	3.21%	135,322,059.03	3.20%	1.03%
Intelligent solutions	73,910,121.99	1.74%	83,117,293.53	1.97%	-11.08%
Others	10,740,298.33	0.25%	29,479,798.96	0.70%	-63.57%
By region					
Domestic	1,634,215,062.54	38.40%	1,568,861,062.41	37.11%	4.17%
Export	2,621,906,091.18	61.60%	2,659,142,075.16	62.89%	-1.40%

The situation of industries, products or regions accounting for more than 10% of the Company's operating income or operating profit

Applicable Not applicable

Unit: RMB

	Operating revenue	Minus: operating cost	Gross profit rate	Increase or decrease of operating income over the same period of last year	Increase or decrease of operating costs over the same period of last year	Increase or decrease of gross profit rate over the same period of last year

By industry						
Intelligent control electronics industry	4,256,121,153.72	3,337,826,833.15	21.58%	0.67%	-2.44%	2.50%
By product						
Tools	1,620,045,611.60	1,239,424,039.28	23.49%	0.83%	-2.72%	2.79%
Home appliances	1,500,351,397.24	1,196,315,117.24	20.26%	-0.98%	-4.84%	3.23%
New energy	914,360,730.57	740,349,504.13	19.03%	6.56%	3.64%	2.28%
By region						
Domestic	1,634,215,062.54	1,328,687,403.28	18.70%	4.17%	3.73%	0.34%
Export	2,621,906,091.18	2,009,139,429.86	23.37%	-1.40%	-6.14%	3.87%

The Company's main business data for the last period adjusted according to the caliber at the end of the reporting period when the statistical caliber of the Company's main business data is adjusted in the reporting period

Applicable Not applicable

IV. Analysis of non-main business

Applicable Not applicable

Unit: RMB

	Amount	Proportion in total profit	Explanation of reasons	Whether it is sustainable
Investment income	-3,244,186.21	-1.23%	The gain or loss on long-term equity investments accounted for under the equity method during the reporting period.	No
Profit and loss from changes in fair value	-6,041,282.00	-2.29%	The main reason is the changes in fair value from forward exchange transaction during the reporting period	No
Asset impairment loss	-26,043,122.58	-9.85%	The main reason is the provision for inventory falling price reserves and credit impairment losses	No
Operating revenue	4,591,331.07	1.74%		No
Non-operating expenses	4,250,758.69	1.61%		No

V. Analysis of assets and liabilities

1. Significant changes in asset composition

Unit: RMB

	End of the reporting period		End of the previous year		Increase or decrease of proportion	Explanation of major changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary capital	1,761,580,444.38	16.15%	1,403,026,071.34	13.52%	2.63%	No significant changes
Accounts receivable	2,503,593,708.16	22.95%	2,549,734,039.66	24.58%	-1.63%	No significant changes
Inventory	1,752,305,670.79	16.06%	1,992,952,212.53	19.21%	-3.15%	The reduced stock preparation and de-stocking during the reporting period.
Investment property	104,823,590.34	0.96%	106,242,777.85	1.02%	-0.06%	No significant changes
Long-term equity investment	35,680,088.03	0.33%	23,550,658.91	0.23%	0.10%	No significant changes
Fixed assets	1,901,326,770.71	17.43%	1,840,358,093.74	17.74%	-0.31%	No significant changes
Construction in progress	360,390,687.64	3.30%	234,775,312.11	2.26%	1.04%	The increase in investment in the construction of Huizhou YAKO Automation Plant and Nantong Industrial Park during the reporting period.
Right-of-use assets	102,676,004.80	0.94%	106,196,901.87	1.02%	-0.08%	No significant changes
Short-term loans	460,000,000.00	4.22%	283,351,495.57	2.73%	1.49%	The main reason is that the short-term loan was added during the reporting period.
Contractual liabilities	206,595,293.99	1.89%	138,281,929.17	1.33%	0.56%	No significant changes
Long-term loans	818,120,000.00	7.50%	581,500,000.00	5.61%	1.89%	The increase in borrowings during the reporting period.
Lease liabilities	68,528,422.20	0.63%	73,610,791.09	0.71%	-0.08%	No significant changes

2. Major overseas assets

 Applicable Not applicable

Unit: RMB

Asset details	Reasons of formation	Asset size	Location	Operation mode	Control measures to ensure the safety of assets	Earning position	Proportion of foreign assets to net assets of the Company	Whether there is a significant risk of impairment
Operation Center in India	Investment and establishment	519,471,517.76	Pune, India	R&D, production and sales	Financial supervision and external audit	21,135,002.31	8.55%	No

Vietnam Dong Nai Operation Center	Investment and establishment	681,828,540.06	Dong Nai Province, Vietnam	R&D, production and sales	Financial supervision and external audit	66,399,774.68	11.23%	No
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3. Assets and liabilities measured at fair value Applicable Not applicable

Unit: RMB

Items	Opening balance	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	Amount sold in the current period	Other changes	Amount at the end of the year
Derivative financial assets								
1. Tradable financial assets (excluding derivative financial assets)	342,959,450.31		235,561,014.47		63,896,335.80	40,000,000.00		366,855,786.11
Subtotal of financial assets	342,959,450.31		235,561,014.47		63,896,335.80	40,000,000.00		366,855,786.11
Total of the above	342,959,450.31		235,561,014.47		63,896,335.80	40,000,000.00		366,855,786.11
Financial liabilities	0.00	6,041,282.00						6,041,282.00

Contents of other changes

None

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

 Yes No**4. Restricted asset rights by the end of the reporting period**

See Sections X, VII, and (LXXXI) of this report for details.

VI. Investment analysis**1. General situation** Applicable Not applicable

Investment in the reporting period (RMB)	Investment amount in the same period of last year (RMB)	Range of change
40,000,000.00	30,000,000.00	33.33%

2. Major equity investment obtained during the reporting period

Applicable Not applicable

3. Major non-equity investment obtained 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

Unit: RMB ten thousand

Types of derivatives investment	Initial investment amount	Profits and losses from changes in fair value in the current period	Changes in cumulative fair value included in equity	Purchase amount during the reporting period	Amount sold during the reporting period	Ending amount	Proportion of investment amount at the end of the period in net assets of the Company at the end of the reporting period
Trading of foreign exchange derivatives	72,499.62	-604.13	0.00	72,499.62	8,112.60	64,387.02	10.60%
Total	72,499.62	-604.13	0.00	72,499.62	8,112.60	64,387.02	10.60%
Explanation of accounting policies and specific accounting principles for hedging business during the reporting period, as well as whether there have been significant changes compared to the last reporting period	The Company has made corresponding accounting and presentation for foreign-exchange derivative transaction to be done according to Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 24 - Hedge Accounting, Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments issued by Ministry of Finance, and other regulations and guides. Foreign exchange derivative contracts were initially and subsequently measured using tradable financial assets, which fair value is priced by financial institutions based on open market trading data, and there has been no significant change compared to the last reporting period.						
Explanation of actual profits and losses in the reporting period	Amount included in current profit and loss from foreign-exchange derivative transaction conducted during the reporting period was approximately RMB 377,800.						
Explanation of hedging effect	The Company conducted forward exchange transaction, effectively reducing the risk of exchange fluctuations through reasonable RMB forward exchange transaction, focusing on future transaction costs and incomes, and achieving asset hedging with the aim of avoiding risks.						
Capital sources of derivatives investment	Self-own capitals						

<p>Risk analysis and control measures of derivatives positions in the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)</p>	<p>I. Risk analysis of forward exchange transaction</p> <p>The forward exchange transaction business carried out by the Company and its subsidiaries followed the principle of locking in exchange rate risk and not engaging in speculative or arbitrage trading operations. However, there were still certain risks in forward exchange transaction operations:</p> <ol style="list-style-type: none"> 1. Exchange rate fluctuation risk: In the event of significant fluctuations in exchange rates, if the forward settlement exchange rate stipulated in the confirmation letter for forward exchange transactions was lower than the real-time exchange rate on the settlement day, it will cause exchange losses. 2. Internal control risk: Because forward exchange transactions are highly specialized, risks may arise due to inadequate internal control systems. 3. Customer default risk: If the customer's accounts receivable are overdue and the payment cannot be collected within the predicted payment period, it will cause a delay in forward exchange settlement and result in losses for the Company. 4. Risk of payment collection prediction: In general, the Sales Department of the Company predicts payment collection based on customer orders and expected orders. Nonetheless, during the actual execution process, customers may adjust their own orders and the Company may make an inaccurate payment prediction, leading to the risk of delayed delivery of forward exchange settlement. 5. Legal risk: Changes in relevant laws or violations of relevant legal systems by counterparties may result in contracts being unable to be executed normally and cause losses to the Company. <p>II. Risk control measures</p> <ol style="list-style-type: none"> 1. The Company has formulated the Internal Control System for Forward Exchange Transactions, which provides clear regulations on the Company's foreign exchange transaction operating principles, approval authority, internal operating procedures, responsible departments and individuals, information isolation measures, and risk management for forward exchange transaction, and can meet the needs of practical operations, and its internal control and risk management measures formulated are practical and effective. 2. The finance center and audit department of the Company, as relevant responsible departments, have clear management positioning and responsibilities, and responsibilities are assigned to their positions. Through this hierarchical management, the risks of single person or individual department operations are fundamentally eliminated, and the speed of risk response is also improved while effectively controlling risks. 3. To prevent delayed delivery of forward exchange transactions, the Company attaches great importance to the management of accounts receivable and actively collects accounts receivable to avoid the phenomenon of overdue accounts receivable. 4 The Company engages in financial derivative transaction business with large commercial banks with legal qualifications, closely monitors relevant laws and regulations in the field, avoiding potential legal risks. 5. The Company's forward exchange transactions must be based on a cautious prediction for foreign currency receipts (payments) of the Company, and the foreign currency amount of the foreign exchange transaction contract must not exceed 90% of the annual planned total amount of foreign currency receipts (payments).The delivery period of forward exchange transactions needs to match the Company's predicted foreign currency collection time.
<p>Changes in market price or fair value of products of the invested derivatives during the reporting period, and the disclosure of specific methods used and relevant assumptions and parameters set in the analysis of the fair value of derivatives</p>	<p>Determine changes in fair value based on market quotes from external financial institutions.</p>
<p>Litigation (if applicable)</p>	<p>Not applicable</p>
<p>Disclosure date of Board of Directors announcement for approval of derivatives investment (if any)</p>	<p>January 14, 2023</p>
<p>Disclosure date of General Meeting of Shareholders announcement for approval of derivatives investment (if any)</p>	<p>-</p>
<p>Special opinions of independent directors on derivatives investment</p>	<p>The forward exchange transactions carried out by the Company is to meet the needs of normal production and operation, not solely for profit, and the Company has also formulated the Internal Control System for Forward Exchange Transactions to avoid and prevent exchange rate fluctuation risks</p>

and risk control of the Company	and strengthen risk management and control. For details, please refer to the Company's disclosure on Independent Opinions of Independent Directors on Related Matters on CNINFO (http://www.cninfo.com.cn) on January 14, 2023
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5. Usage of raised capitals Applicable Not applicable**(1) General use of raised capitals** Applicable Not applicable

Unit: RMB ten thousand

Year of raising capitals	Ways of raising capitals	Total amount of raised capitals	Total amount of raised capitals used in the current period	Total amount of raised capitals used	Total amount of raised capitals for change of purpose during the reporting period	Cumulative total amount of raised capitals with changed purposes	Cumulative total amount proportion of raised capitals with changed purposes	Total amount of unused raised capitals	Purpose and destination of unused raised capitals	Amount of raised capitals which have been idle for more than two years
2019	Public offering of convertible bonds	56,543.65	1,725.76	46,294.01	0	0	0.00%	10,249.64	Temporary replenishment and deposit in the special account for raised capitals	0
2021	Non-public offering of shares	103,684.71	17,663.64	58,298.96	0	61,000	58.83%	45,385.75	Temporary replenishment and deposit in the special account for raised capitals	0
Total	--	160,228.36	19,389.4	104,592.97	0	61,000	38.07%	55,635.39	--	0

General use of raised capitals**1. Actual amount and time of arrival of capitals raised****(1) Public offering of convertible corporate bonds to raise funds in 2019**

The Company publicly issued 5.73 million convertible corporate bonds on March 7, 2019, each with a par value of RMB 100, with a total amount of RMB 573 million, with the approval in the Reply of China Securities Regulatory Commission on the Approval of Public Offering of Convertible Corporate Bonds by Shenzhen Topband Co., Ltd. (ZJXX [2018] No. 1842). Through priority placement to original shareholders, offering of the balance after priority placement to original shareholders (including the part for which the original shareholders gave up priority placement) to public investors online through the trading system of Shenzhen Stock Exchange, and stand-by underwriting of the part with the subscription amount less than RMB 573 million by lead underwriters. Capitals with a total amount of RMB 573,000,000.00 were raised, and the net capitals raised were RMB 565,436,509.42 after deduction of all the issuance costs amounting to RMB 7,563,490.58.

The capitals arrived on March 13, 2019. Ruihua Certified Public Accountants (Special General Partnership) verified the arrival and issued the Capital Verification Report (RHYZ [2019] No. 48270001).

(2) Non-public offering of shares to raise capitals in 2021

Shenzhen Topband Co., Ltd. issued 92,105,263 RMB common stocks to specific targets in private at the price of RMB 11.40 per stock, with a par value of RMB 1 per stock, with the approval in the Reply of China Securities Regulatory Commission on the Approval of Non-public Offering of Shares by Shenzhen Topband Co., Ltd. (ZJXX [2020] No. 1865). The total amount of funds raised was RMB 1,049,999,998.20, and the net funds actually available for use were RMB 1,036,847,068.71 after deduction of all the issuance costs amounting to RMB 13,152,929.49 (tax-exclusive).

The funds were transferred to the Company's special account for raising funds on May 10, 2021. Baker Tilly China Certified Public Accountants (Special General Partnership) verified the arrival and issued the Capital Verification Report (TZYZ [2021] No. 29460) for the capitals.

2. Usage amount and balance of funds raised in 2023

(1) Use of capitals raised by public issuing of convertible bonds in 2019

As of June 30, 2023, the Company has invested RMB 462.9401 million in capital-raising projects. Among them, RMB 436.7053 million was directly invested in the capital-raising projects, and RMB 26.2348 million was returned before the raised capitals were put in place. On June 30, 2023, RMB 100 million idle raised capitals have been used to temporarily supplement the working capital; as of June 30, 2023, the balance of the raised capitals account is RMB 9.1115 million (including interest income).

(2) Non-public offering of shares to raise capitals in 2022

As of June 30, 2023, the Company has invested RMB 462.9401 million in capital-raising projects. In particular, the funds directly invested in the fund-raising projects amounted to RMB 480,510,400, the funds invested before the capital raised were returned in place RMB 45,398,700, and the funds used to pay for the fund-raising projects using bankers' acceptance bills and invested in the fund-raising projects with the capital raised in equal replacement RMB 57,080,500. On June 30, 2023, RMB 360 million of the idle capital raised was used to temporarily supplement the working capital, and RMB 80 million of the idle capital raised used for cash management; as of June 30, 2023, the balance of the fund-raising account was RMB 14,816,200 (including interest income).

(2) Situation of projects committed when raising capitals

Applicable Not applicable

Unit: RMB ten thousand

Committed investment projects and investment direction of over raised capitals	Whether the project has been changed (including some changes)	Total committed investment of raised capitals	Total investment after adjustment (1)	Amount invested during the reporting period	Accumulated investment by the end of the period (2)	Investment progress by the end of the period (3)=(2)/(1)	The date when the project is ready for use	Benefits achieved during the reporting period	Whether the expected benefits are achieved	Where there is any significant change in the feasibility of the project
Committed investment projects										
Construction project of Topband East China Operation Center	No	56,543.65	56,543.65	1,725.76	46,294.01	81.87%	Part of the project has been put into use	-1,075.12	Not applicable	No
Topband Huizhou No. 2 Industrial Park Project	Yes	73,684.71	12,684.71	0	4,539.87	35.79%			Not applicable	No

Topband Nantong Industrial Park Phase - I Stage - 1 Project	Yes	0	61,000	17,663.64	23,759.09	38.95%			Not applicable	No
Replenish the Company's working capital	No	30,000	30,000	0	30,000	100.00%			Not applicable	No
Subtotal of committed investment projects	--	160,228.36	160,228.36	19,389.4	104,592.97	--	--	-1,075.12	--	--
Investment direction of over raised capitals										
None										
Subtotal of investment of over-raised funds	--					--	--	0	--	--
Total	--	160,228.36	160,228.36	19,389.4	104,592.97	--	--	-1,075.12	--	--
Explanation of the situation and reasons of failing to reach the planned progress or expected income (by specific project) (including the reason for selecting "NA" for "whether the expected income has been achieved")	None									
Explanation of major changes in project feasibility	None									
Amount, use and progress of over raised capitals	Not applicable									
Change of implementation location of investment projects with raised capitals	Applicable									
	Changes occurred in previous years									
	<p>1. On January 8, 2022, the Company held the 18th Meeting of the 7th Board of Directors, deliberated and passed the Proposal on Implementation Mode, Subject and Location of Changes in Some Capital-raising Projects, and agreed that the Company should change the implementation subject, location and mode of the lithium battery business in the planned project. Specifically, the implementation place was changed from Huizhou, Guangdong Province to Nantong, Jiangsu Province.</p> <p>2. On August 18, 2022, the Company held the 27th (Extraordinary) Meeting of the 7th Board of Directors, deliberated and passed the Proposal on Changing Implementation Mode and Location Again in Some Capital-raising Projects, and agreed that the implementation mode and location of "Topband Nantong Industrial Park Phase - I Stage - 1 Project (Lithium Battery)", where the location was changed from "Area A, Nantong Free Trade Zone, Jiangsu" to "Nantong Economic & Technological Development Area, Jiangsu".</p>									
Adjustment of implementation mode of investment projects with raised capitals	Applicable									
	Changes occurred in previous years									
	<p>1. On January 8, 2022, the Company held the 18th Meeting of the 7th Board of Directors, deliberated and passed the Proposal on Implementation Mode, Subject and Location of Changes in Some Capital-raising Projects, and agreed that the Company should change the implementation subject, location and mode of the lithium battery business in the planned project. Specifically, the implementation mode was changed from the land acquisition for building construction to the direct purchasing of building with infrastructure constructed.</p> <p>2. On August 18, 2022, the Company held the 27th (Extraordinary) Meeting of the 7th Board of Directors, deliberated and</p>									

	<p>passed the Proposal on Changing Implementation Mode and Location Again in Some Capital-raising Projects, and agreed that the implementation mode and location of "Topband Nantong Industrial Park Phase - I Stage - 1 Project (Lithium Battery)", where the mode was changed from "the direct purchasing of plant with infrastructure constructed" to "the land acquisition for plant construction".</p>
Upfront investment and replacement of investment projects with raised capitals	<p>Applicable</p> <p>1. The Company invested RMB 26.2348 million in advance in the operation center project of Topband East China with self-raised capitals. Ruihua Certified Public Accountants (special general partnership) conducts a special audit on the above matters, and issues the Authentication Report on the Report of Shenzhen Topband Co., Ltd. on the Investment Projects with Self-raised Capitals in Advance (RHHZ [2019] No. 48250027). On July 25, 2019, the 25th Meeting of the 5th Board of Directors of the Company deliberated and passed the Proposal on Using Raised Capitals to Replace Self-raised Capitals Invested in Advance. The Company had replaced the above pre-invested self-financing funds on August 1, 2019.</p> <p>2. The Company invested RMB 45.3987 million in Topband Huizhou No. 2 Industrial Park Project with self-raised funds in advance. Baker Tilly China Certified Public Accountants (Special General Partnership) conducted a special audit on the matter above, and issued the Authentication Report of Pre-investment of Shenzhen Topband Co., Ltd. in the Investment Project of Funds Raised with Self-raised Funds (TZYZ [2021] No. 31911). The 10th Meeting of the 7th Board of Directors was held to review and approve the Proposal on Replacement of Pre-invested Self-raised Funds with Funds Raised on June 8, 2021. The Company had replaced the above pre-invested self-financing funds on June 10, 2021.</p> <p>The Board of Supervisors, Independent Directors and Sponsor Institutions of the Company all expressed their clear consent on the above matters.</p>
Temporary replenishment of working capital with idle capitals raised	<p>Applicable</p> <p>On December 19, 2022, the Company held the 30th Meeting of the 7th Board of Directors, deliberated and passed the Proposal on Temporarily Replenishing Working Capital with Some Idle Raised Capitals, and agreed that the Company should temporarily replenish working capital with no more than RMB 630 million of idle capitals raised, with a period of not more than 12 months. As of June 30, 2023, RMB 460 million of temporary supplementary current assets have been used.</p> <p>The Board of Supervisors, Independent Directors and Sponsor Institutions of the Company all expressed their clear consent on the matter.</p>
Amount and reasons of the balance of raised capitals in project implementation	<p>Not applicable</p>
Purpose and whereabouts of unused raised capitals	<p>1. On December 19, 2022, the Company held the 30th Meeting of the 7th Board of Directors, deliberated and passed the Proposal on Temporarily Replenishing Working Capital with Some Idle Raised Capitals, and agreed that the Company should temporarily replenish working capital with no more than RMB 630 million of idle capitals raised, with a period of not more than 12 months. As of June 30, 2023, RMB 460 million of temporary supplementary current assets have been used.</p> <p>The Board of Supervisors, Independent Directors and Sponsor Institutions of the Company all expressed their clear consent on the matter.</p> <p>2. On March 31, 2023, the Company held the 32nd Meeting of the 7th Board of Directors, deliberated and passed the Proposal on Cash Management with Some Idle Raised Capitals and Self-own Funds, and agreed that the Company should purchase short-term principal-protected bank financial products with no more than RMB 100 million of idle raised capitals and no more than RMB 600 million of self-own funds. The capitals can be used on a rolling basis within the amount above. As of June 30, 2023, the Company had used 80 million of the idle capital raised for cash management.</p> <p>The Board of Supervisors, Independent Directors and Sponsor Institutions of the Company all expressed their clear consent on the matter.</p> <p>3. The remaining unused raised capitals are deposited in the Company's special account for raising funds.</p>
Problems or other situations in the usage and disclosure of raised capitals	<p>None</p>

(3) Change of projects with raised capitals

Applicable Not applicable

There was no project with changes in the capital raised 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 major holding and equity participating companies

Applicable Not applicable

Situation of major subsidiaries and equity participating companies with an impact of 10% or more on net profit of the Company

Unit: RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Huizhou Topband Electrical Technology Co., Ltd.	Subsidiary	R&D, production, sales, import and export of electronic components	300 million	4,301,091,394.12	1,804,196,804.15	2,775,847,022.04	162,684,234.43	153,255,743.25
TOPBAND SMART DONG NAI (VIETNAM) COMPANY LIMITED	Sub-subsidiaries	R&D, production, sales, import and export of electronic components	USD 33.5 million	681,828,540.06	347,064,393.30	329,758,117.85	66,398,134.18	66,399,774.68

Situation of acquisition and disposal of subsidiaries during the reporting period

Applicable Not applicable

Explanation of major shareholding companies

None

IX. Situation of structured entity controlled by the Company

Applicable Not applicable

X. Risks faced by the Company and countermeasures

1. External risks such as the macro environment

Trade frictions and geopolitical tensions will also produce adverse influences on business confidence and investment. The Company may continue to face an uncertain external environment, so we will further strengthen risk identification and control for various businesses and regions and adjust strategies timely to minimize external influences.

2. Risks of technology upgrading

The intelligent controller industry technology, as the main business of the Company, is developing rapidly with fast product upgrading and short life cycle. Although the Company continues to invest in R&D and owns a number of invention and utility patents, there is still a risk that the technology will not be updated in time to meet market demand, or lag behind competitors in launching new products, resulting in a decline in the market share and profitability of the Company.

3. Exchange rate risk

The Company's revenue from export sales accounts for more than half of total revenue. In order to cope with the risk of exchangerate fluctuation, the Company will reduce and hedge foreign exchange risks by conducting RMB hedging business, international purchase and re-pricing of new product.

4. Other risks

There are many uncertainties in the current macro environment at home and abroad, and there are some factors that are unfavorable to the operation of the Company. For example, the China-United States trade war, shortage of raw materials, rising price, insufficient labor and customer credit risk will increase the uncertainty of the Company's operation.

Section IV Corporate Governance

I. Information on the annual and extraordinary general meetings of shareholders held during the reporting period

1. Information on the General Meeting of Shareholders during the reporting period

Meeting session	Meeting type	Investor participation ratio	Meeting date	Date of disclosure	Meeting resolution
2022 Annual General Meeting of Shareholders	Annual General Meeting of Shareholders	25.27%	2023/4/21	2023/4/22	<ol style="list-style-type: none"> 1. Deliberated and passed the Proposal on 2022 Annual Report and Abstract; 2. Deliberated and passed the Proposal on 2022 Final Financial Report; 3. Deliberated and passed the Proposal on 2022 Profit Distribution Plan; 4. Deliberated and passed the Proposal on Formulating the Shareholders' Dividend Plan for the Next Three Years (2023-2025) of Shenzhen Topband Co. Ltd.; 5. Deliberated and passed the Proposal on 2022 Work Report of the Board of Directors; 6. Deliberated and passed the Proposal on 2022 Work Report of the Board of Supervisors; 7. Deliberated and passed the Proposal on Remuneration of Company Directors in 2022; 8. Deliberated and passed the Proposal on Remuneration of Company Supervisors in 2022; 9. Deliberated and passed the Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021; 10. Deliberated and passed the Proposal on Application for Comprehensive Credit Line from Banks by the Company and Its Subsidiaries in 2023; 11. Deliberated and passed the Proposal on Renewing the Employment of Audit Institution in 2023.
The 1st Extraordinary General Meeting of Shareholders in 2023	Extraordinary General Meeting of Shareholders	24.12%	2023/6/21	2023/6/22	<ol style="list-style-type: none"> 1. Deliberated and passed the Proposal on Increasing the Company's Business Scope and Amending the Articles of Associations

2. The preferred shareholders with restored voting rights request to convene an Extraordinary General Meeting of Shareholders

Applicable Not applicable

II. Changes in directors, supervisors and senior executives

Applicable Not applicable

Name	Position	Type	Date	Reason
Xiang Wei	Chief financial officer	Outgoing	May 29, 2023	Resignation
Luo Muchen	Chief financial officer	Appointment	May 30, 2023	Appointment

III. Profit distribution and conversion of capital accumulation fund to share capital in the reporting period

Applicable Not applicable

The Company plans not to pay cash dividend, to issue bonus shares, or to increase the share capital by capital reserve for the first half.

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

Applicable Not applicable

1. Equity incentive

Implementation of the restricted stock incentive plan in 2021:

(1) On September 20, 2021, the 13th (Extraordinary) Meeting of the 7th Board of Directors deliberated and passed the Proposal on the Company's Restricted Stock Incentive Plan in 2021, and agreed to grant up to 34 million restricted stocks to the incentive object. The shares of this plan come from the shares repurchased by the Company's special repurchase account and the ordinary A shares issued by the Company to the incentive object. Among them, 14,838,920 shares in the Company's special repurchase securities account will be used as a source of some of the shares in the implementation of this plan, while the rest will be issued to the incentive object. The restricted period of the restricted stocks granted this time is 12 months, 24 months and 36 months from the date of completion of the granting and registration of the restricted stocks, and the restricted stocks will be lifted at a ratio of 30%, 30% and 40%, respectively.

(2) The Company held the 14th Meeting of the 7th Board of Directors and the 11th Meeting of the 7th Board of Supervisors on October 13, 2021, which deliberated and passed the Proposal on the Company's Restricted Stock Incentive Plan in 2021 (Draft) and Its Abstract, the Proposal on the Appraisal Management Measures for the Implementation of the Restricted Stock Incentive Plan in 2021, and the Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to the Company's Restricted Stock Incentive Plan in 2021 and agreed to grant 34 million restricted stocks to

1,250 incentive objects. The 11th Meeting of the 7th Board of Supervisors of deliberated and passed relevant proposals and verified the list of incentive objects in this incentive plan. Independent directors expressed independent opinions on this matter, and lawyers issued legal opinions.

(3) On October 15, 2021, the Company publicly announced the names and positions of the incentive objects in this incentive plan on the Company's internal OA office system, with a publicity period from October 15, 2021 to October 24, 2021. No organization or individual raised any objection to the list of incentive objects during the publicity period. On October 26, 2021, the Company disclosed the Audit Opinions of the Board of Supervisors on the List of Incentive Objects in the Restricted Stock Incentive Plan in 2021 and the Explanation of Publicity. The Board of Supervisors believed that the proposed incentive objects in this incentive plan did not have the situation that relevant laws and regulations do not allow them to be the incentive objects, and met the participation qualifications within the scope of the incentive objects in this incentive plan.

(4) On November 1, 2021, the Company held the 2nd Extraordinary General Meeting of Shareholders, which deliberated and passed the Proposal on the Company's Restricted Stock Incentive Plan in 2021 (Draft) and Its Abstract, the Proposal on the Appraisal Management Measures for the Implementation of the Restricted Stock Incentive Plan in 2021, and the Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to the Company's Restricted Stock Incentive Plan in 2021 and other relevant proposals related to the Incentive Plan, and authorized the Board of Directors to determine the grant date under the Incentive Plan, grant restricted stocks to incentive objects when they met the conditions and handle all matters required for the grant of restricted stocks.

(5) On November 2, 2021, the Company held the 16th (Extraordinary) Meeting of the 7th Board of Directors and the 13th (Extraordinary) Meeting of the 7th Board of Supervisors, which deliberated and passed the Proposal on Adjusting the Number of Stock Options Granted under the Restricted Stock Incentive Plan in 2021 and List of Incentive Objects and the Proposal on Granting Restricted Stocks to Incentive Objects. In view of the dismissal of the incentive object Ou Li specified in the Incentive Plan and the fact that Wang Cheng, Shen Zhiwen and Tian Conghui et al. voluntarily gave up the subscription of restricted stocks to be granted by the Company for personal reasons, the Board of Directors of the Company decided to cancel the restricted stocks to be granted to them. After the cancellation, the number of restricted stocks to be granted under the Incentive Plan was reduced from 34 million to 33.951 million, and the number of incentive objects decreased from 1,250 to 1,246. November 2, 2021 was determined as the grant date, and 33.951 million restricted stocks

were granted to 1,246 eligible incentive objects. The Board of Supervisors of the Company reviewed the list of incentive objects, and independent directors expressed their independent opinions and lawyers issued legal opinions.

(6) On December 7, 2021, the Company held the 17th (Extraordinary) Meeting of the 7th Board of Directors and the 14th (Extraordinary) Meeting of the 7th Board of Supervisors, which deliberated and passed the Proposal on Adjusting the Number of Stock Options Granted under the Restricted Stock Incentive Plan in 2021 and List of Incentive Objects. In view of the fact that 22 incentive objects such as Li Xiang, Yu Dingguo and Lu Yuanshan specified in the Incentive Plan voluntarily gave up their subscription of all the restricted stocks granted to them for personal reasons and 10 incentive targets such as Liao Xinmeng, Wang Cao and Liu Xiaoshi voluntarily gave up their subscription of some of the restricted stocks granted to them for personal reasons in the process of capital payment before share registration after the Board of Directors of the Company confirmed November 2, 2021 as the grant date under the Restricted Stock Incentive Plan in 2021, the Board of Directors of the Company adjusted the objects and the number of shares granted under the Restricted Stock Incentive Plan in 2021 according to the authorization of the 2nd Extraordinary General Meeting of Shareholders of the Company in 2021. After adjustment, the number of incentive objects under the Restricted Stock Incentive Plan in 2021 decreased from 1,246 to 1,224, and the number of restricted stocks granted decreased from 33.951 million to 33.54432 million. The Board of Supervisors of the Company reviewed the list of incentive objects, and independent directors expressed their independent opinions and lawyers issued legal opinions.

(7) On December 16, 2021, upon review and confirmation by the Shenzhen Stock Exchange and Shenzhen Branch of China Securities Depository and Clearing Co., Ltd., the Company completed the granting and registration of 187,054 million restricted stocks (new shares) and 14,838,920 restricted stocks (repurchased shares) involved in the restricted stock incentive plan in 2021. The above shares were listed on December 17, 2021.

(8) On March 30, 2022, the 23rd (Extraordinary) Meeting of the 7th Board of Directors deliberated and passed the Proposal on the Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021, and agreed to repurchase and cancel 201,000 restricted stocks that have been granted but not yet unlocked of 10 incentive objects, including Wu Song and Luo Qingshan in the restricted stock incentive plan in 2021, who resigned from the Company due to personal reasons. The above matters had been deliberated and passed by the 2021 Annual General Meeting of Shareholders.

(9) On July 25, 2022, the 26th Meeting of the 7th Board of Directors and the 22nd Meeting of the 7th Board of Supervisors deliberated and passed the Proposal on Adjusting the Repurchase Price of Restricted Stock Incentive Plan in 2021. The 2021 annual equity distribution plan was implemented, and the repurchase price was adjusted from RMB 7.23 per share to RMB 7.18 per share accordingly.

(10) On August 18, 2022, the 27th (Extraordinary) Meeting of the 7th Board of Directors and the 22nd (Extraordinary) Meeting of the 7th Board of Supervisors deliberated and passed the Proposal on the Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021, and agreed to repurchase and cancel 1.291 million restricted stocks that have been granted but not yet unlocked of 66 incentive objects, including Wei Yin and Li Xinwei in the restricted stock incentive plan in 2021, who resigned from the Company due to personal reasons. The above matters had been deliberated and passed by the 2nd Extraordinary General Meeting of Shareholders in 2022.

(11) On November 23, 2022, the 28th (Extraordinary) Meeting of the 7th Board of Directors and the 23rd (Extraordinary) Meeting of the 7th Board of Supervisors deliberated and passed the Proposal on Adjusting Corporate-level Performance Evaluation Indicators of Restricted Stock Incentive Plan in 2021, and agreed to adjust the corporate-level performance evaluation indicators of restricted stock incentive plan in 2021. Independent directors expressed independent opinions, the law firm issued legal opinions, and affiliated directors recused themselves from voting. The above matters had been deliberated and passed on the Third Extraordinary General Meeting of Shareholders in 2022.

(12) On December 27, 2022, given that 76 incentive objects, including Wu Song, Luo Qingshan, Wei Yin and Li Xinwei in the restricted stock incentive plan in 2021, resigned from the Company due to personal reasons and no longer met the conditions of becoming the incentive object, their restricted stocks that have been granted but not unlocked could not be unlocked and would be canceled after being repurchased by the Company. The above repurchase and cancellation matters were completed on December 27, 2022. After the repurchase and cancellation, the number of incentive objects in the restricted stock incentive plan in 2021 reduced from 1,224 to 1,148, and the general capital reduced from 1,271,027,372 shares to 1,269,535,372 shares.

(13) On March 29, 2023, the 32nd Meeting of the 7th Board of Directors and the 27th Meeting of the 7th Board of Supervisors, deliberated and passed the Proposal on Fulfillment of Restricted Share Release Conditions for 2021 Restricted Stock Incentive Plan after the First Restricted Stock Trade Period and Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021.

9,351,936 shares granted to 1,109 people under the 2021 Incentive Plan can be released after the first restricted stock trade period. Meanwhile, 39 people, including Li Chaoyi, Wang Caihui and Ding Bo, resigned and left the Company due to personal reasons, and four of the grantees, including Tang Yingjie and Shi Wenhui, of the incentive plan achieved a "Good" or "OK" level in the performance appraisal, resulted in the release of 80% of the restricted stock. It was approved to repurchase and deregister a total of 870,660 restricted shares formerly owned by the above 43 people that shall not be released. An independent director of the Company given his independent opinion for the approval, and the law firm issued the corresponding legal opinion.

(14) On April 25, 2023, the 33rd Meeting of the 7th Board of Directors and the 28th Meeting of the 7th Board of Supervisors deliberated and passed the Proposal on Adjusting the Repurchase Price of Restricted Stock Option Incentive Plan in 2021. Due to the equity distribution of the Company for the year 2022, the repurchase price of Restricted Stock was adjusted from RMB 7.18 to RMB 7.12 in accordance with (I) Adjustment method of repurchase price in Chapter XVI Principles for Repurchase and Deregistration of Restricted Stock in the 2021 Restricted Stock Incentive Plan (Draft Amendment). The Board of Supervisors reviewed the adjustment procedure, an independent director of the Company gave his independent opinion for the approval, and the law firm issued the corresponding legal opinion.

For details of the implementation of the restricted stock incentive plan in 2021, please refer to the Company's announcements on Securities Times and CNINFO (<http://www.cninfo.com.cn>) on September 22, 2021, October 14, 2021, November 2, 2021, November 3, 2021, December 9, 2021, December 16, 2021, December 20, 2021, March 31, 2022, July 26, 2022, August 19, 2022, September 24, 2022, December 28, 2022, March 31, 2023, and April 26, 2023.

2. Implementation of employee stock ownership plan

Applicable Not applicable

3. Other employee incentives

Applicable Not applicable

Section V Environmental and Social Responsibility

I. Major environmental issues

Whether the listed companies and their subsidiaries were key pollutant discharging organizations announced by the Environmental Protection Department

Yes No

Administrative punishment for environmental problems during the reporting period

Name of the Company or its subsidiaries	Reason for punishment	Description of violation	Punishment	Impacts on production and operation of the Company	Rectification measures of the Company
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Refer to other environmental information disclosed by key pollutant discharge companies

During the production of the Company, there are no heavy pollutions. The Company has always paid attention to its social public image, considers environmental protection as an important part of its corporation social responsibilities, and makes ensure that industrial solid wastes are effectively disposed of in accordance with regulations and the discharge of pollutants meets the national environmental protection standards.

The Company has passed the ISO14001:2015 environmental management system certification, also implements the HSPMQC080000 hazardous substances process management system, and has established a series of procedure documents in respect of environmental factor identification and evaluation, environmental monitoring and measurement management, environmental communication management, treatment and control of wastewater/exhaust gas/solid wastes, identification and control of hazardous substances, etc. to specify the environmental protection organization and responsibilities under the environmental management system of the Company. The certification of the system and the establishment of the related supporting systems by the Company indicate that it has achieved institutionalized and practicable arrangements in environmental protection.

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

Applicable Not applicable

Reasons for not disclosing other environmental information

Not applicable

II. Social responsibility

Not applicable

Section VI Important Matters

I. Completed commitments in the reporting period and uncompleted commitments within the time limit by the end of the reporting period by the Company's actual controller, shareholders, related parties, acquirers, the Company and other committed related parties

Applicable Not applicable

Reasons for commitments	Commitment Party	Commitment type	Commitment content	Commitment time	Commitment period	Performance
Commitments made during the initial public offering or refinancing	Wu Yongqiang	Commitments to horizontal competition	Mr. Wu Yongqiang, the actual controller of the Company, has promised that during the period of being the controlling shareholder and/or actual controller of the Company, he would not directly or indirectly engage in any business which was the same, similar or substantially competitive with the main business of the Company at present and in the future.	2007/6/12	Long-term performance	Fulfill the commitment strictly
	Ji Shuhai	Commitments to horizontal competition	Ji Shuhai, a director of the Company as a shareholder, has promised not to directly or indirectly engage in any business which was the same, similar or substantially competitive with the main business of the Company at present and in the future in any way during his term of office.	2007/6/12	Long-term performance	Fulfill the commitment strictly
	All directors and senior executives of the Company	Other commitments	1. I would not deliver benefits to other organizations or individuals free of charge or under unfair conditions and not damage the interests of the Company in other means.2. I fully supported and cooperated with the Company in regulating the duty consumption behavior of directors and senior executives. Any duty consumption behaviors would occur within the scope necessary for fulfilling my duty to the Company. I strictly accepted the supervision and management of the Company to avoid extravagance or excessive consumption.3. I would strictly abide by the relevant laws and regulations, the regulations and rules of the CSRC, the stock exchange and other regulatory institutions as well as the requirements of the Company's rules and regulations on the code of conduct of directors and senior executives. Besides, I would not use the	2020/4/29	On-going	Fulfill the commitment strictly

			<p>Company's assets to engage in investment and consumption activities unrelated to the performance of my duties.4. I would try my best to make the Company implement the compensation demand return measures.5. I would work hard to link the compensation system formulated by the Board of Directors or the Compensation Committee with the implementation of the Company's compensation return measures. At the same time, I would vote in favor of the compensation system proposal when the Board of Directors and the General Meeting of Shareholders of the Company deliberated (if I have vote/voting right). 6. If the Company would implement the employee equity incentive in the future, I would fully support the Company to link the arrangement of exercise conditions of the employee incentive with the implementation of the Company's compensation return measures. At the same time, I would vote in favor of the employee equity incentive proposal when the Board of Directors and the General Meeting of Shareholders of the Company deliberated (if I have vote/voting right).7. If I violate the above commitments, I would make an explanation and apologize publicly at the General Meeting of Shareholders and the designated newspapers and magazines designated by the CSRC. I voluntarily accept the self-discipline supervision measures taken by the stock exchange and China Association for Public Companies. If my breach of the commitment causes losses to the Company or the shareholders, I shall be liable for compensation in accordance with the law.</p>			
	Wu Yongqiang	Other commitments	<p>1. I would not abuse the position of the controlling shareholder/actual controller to interfere with the operation and management activities of the Company beyond my power and would not infringe the Company's interests under any circumstances.2. I would try my best to make the Company implement the compensation demand return measures.3. I would work hard to link the compensation system formulated by the Board of Directors or the</p>	2020/4/29	On-going	Fulfill strictly

		<p>Compensation Committee with the implementation of the Company's compensation return measures.4. I would work hard to link the exercise conditions (if any) of the corporate equity incentive to be published in the future with the implementation of the Company's compensation return measures.5. I would support the relevant proposals related to the implementation of the Company's compensation return measures and would vote for them (if I have voting right).6. After the issuance of this commitment, if there are other requirements in the relevant provisions of the regulatory institution on the compensation return measures and its commitment and the above commitments could not meet the relevant requirements of the regulatory institution, I promise that I would issue a supplementary commitment in accordance with the relevant provisions at that time.7. If I violate the above commitments, I would make an explanation and apologize publicly at the General Meeting of Shareholders and the designated newspapers and magazines designated by the CSRC. I voluntarily accept the self-discipline supervision measures taken by the stock exchange and China Association for Public Companies. If my breach of the commitment causes losses to the Company or the shareholders, I shall be liable for compensation in accordance with the law.</p>			
Whether the commitment was fulfilled on schedule	Yes				
If the commitment was not fulfilled within the time limit, the specific reasons for the failure and the next work plan shall be explained in detail.	Not applicable				

II. Non-operating capital occupation of listed companies by controlling shareholders and their related parties

Applicable Not applicable

There was no non-operating capital occupation of listed companies by controlling shareholders and their related parties in the reporting period of the Company.

III. External guarantee in violation of regulations

Applicable Not applicable

The Company had no external guarantee in violation of regulations during the reporting period.

IV. Appointment and dismissal of accounting firms

Whether the half-year financial statements have been audited

Yes No

The half-year financial statements of the Company have not been audited.

V. Explanation of the "non-standard audit report" of the Accounting Firm in the reporting period by the Board of Directors and the Board of Supervisors

Applicable Not applicable

VI. Explanation of the Board of Directors on the "non-standard audit report" of the previous year

Applicable Not applicable

VII. Matters related to bankruptcy reorganization

Applicable Not applicable

There were no matter related to bankruptcy reorganization during the reporting period.

VIII. Lawsuit

Major litigation and arbitration matters

Applicable Not applicable

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

Other lawsuits

Applicable Not applicable

IX. Punishment and rectification

Applicable Not applicable

X. Integrity condition of the Company, its controlling shareholders and actual controllers

Applicable Not applicable

XI. Major related transactions

1. Related transactions connected with the daily operation

Applicable Not applicable

The Company had no related transactions connected with daily operations during the reporting period.

2. Related transactions arising from acquisition and sale of assets or equity

Applicable Not applicable

The Company had no related transaction of acquisition or sale of assets or equity during the reporting period.

3. Related transactions of joint foreign investment

Applicable Not applicable

The Company had no related transaction of joint foreign investment during the reporting period.

4. Related creditor's right and debt transaction

Applicable Not applicable

The Company had no related creditor's right and debt transaction during the reporting period.

5. Transactions with associated financial companies

Applicable Not applicable

There was no deposit, loan, credit extension or other financial business between the Company and its related financial companies or between the related parties.

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

Applicable Not applicable

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

7. Other major related transactions

Applicable Not applicable

On January 12, 2023, the 31st Meeting of the 7th Board of Directors deliberated and passed the Proposal for Conclusion of a Procurement Framework Agreement with Shenzhen Jizhiguang Electronics Co., Ltd.; as of the end of the reporting period, the amount or the expected amount of the contracts concluded for the routine related party transactions of the Company were below the amount deliberated and passed.

Relevant inquires on websites where temporary reports on major related party transactions were disclosed

Title of temporary notice	Disclosure date of temporary notice	Name of website with temporary notice disclosed
Notice on Expected Routine Related Party Transactions in 2023	January 14, 2023	CNINFO (http://www.cninfo.com.cn)

XII. Major contracts and their performance

1. Trusteeship, contracting and lease

(1) Trusteeship

Applicable Not applicable

The Company had no trusteeship during the reporting period.

(2) Contracting

Applicable Not applicable

The Company had no contracting during the reporting period.

(3) Lease

Applicable Not applicable

The Company had no lease during the reporting period.

2. Material guarantee

Applicable Not applicable

Unit: RMB ten thousand

External guarantee of the Company and its subsidiaries (excluding guarantee for subsidiaries)										
Name of guarantee object	Date of disclosure of the relevant announcement of guarantee amount limit	Guarantee amount limit	Actual date of occurrence	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Whether it was completed	Whether the guarantee objects were related parties
Not applicable										
Total amount of guarantees provided for external parties approved in the reporting period (A1)			0	Total incurred amount of actual guarantees provided for external parties in the reporting period (A2)			0			
Total amount of external guarantee approved at the end of the reporting period (A3)			0	Total actual balance of external guarantee at the end of the reporting period (A4)			0			
Guarantee of the Company to its subsidiaries										
Name of guarantee object	Date of disclosure of the relevant announcement of guarantee amount limit	Guarantee amount limit	Actual date of occurrence	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Whether it was completed	Whether the guarantee objects were related parties
Ningbo Topband	2019/1/12	19,000		0	Joint liability guaranty			The tentative guarantee period shall not exceed 5 years from the date of signing the formal guarantee agreement	No	No
Ningbo Topband	2020/10/20	22,000	2020/11/5	22,000	Joint liability guaranty			Additional 3 years from effective date of guarantees to date of borrowing or maturity date of debts or date of advances	No 1	No
Total amount of guarantee for subsidiaries approved			0	Total actual amount of guarantee for			0			

during the reporting period (B1)		subsidiaries during the reporting period (B2)								
Total amount of approved guarantee for subsidiaries at the end of the reporting period (B3)	41,000	Total actual balance of guarantee for subsidiaries at the end of the reporting period (B4)	0							
Guarantee of the Company to its subsidiaries										
Name of guarantee object	Date of disclosure of the relevant announcement of guarantee amount limit	Guarantee amount limit	Actual date of occurrence	Actual guarantee amount 2	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Whether it was completed	Whether the guarantee objects were related parties
Huizhou YAKO Automation	2023/1/11	20,000	2023/1/16	2,146.20	Joint liability guaranty			3 years from maturity date of debts of guaranteed parties	No	No
Huizhou YAKO Automation	2023/1/11	20,000	2023/4/24	858.48	Joint liability guaranty			3 years from maturity date of debts of guaranteed parties	No	No
Huizhou YAKO Automation	2023/1/11	20,000	2023/6/29	1,430.80	Joint liability guaranty			3 years from maturity date of debts of guaranteed parties	No	No
Total amount of guarantee for subsidiaries approved during the reporting period (C1)		20,000		Total actual amount of guarantee for subsidiaries during the reporting period (C2)						4,435.48
Total amount of approved guarantee for subsidiaries at the end of the reporting period (C3)		20,000		Total actual balance of guarantee for subsidiaries at the end of the reporting period (C4)						4,435.48
Total amount of the corporate guarantee (i.e. the sum of the first three items)										
Total amount of guarantees approved in the reporting period (A1+B1+C1)		20,000		Total incurred amount of actual guarantees provided in the reporting period (A2+B2+C2)						4,435.48
Total amount of guarantee approved at the end of the reporting period (A3+B3+C3)		61,000		Total actual balance of guarantee at the end of the reporting period (A4+B4+C4)						4,435.48
The proportion of the total actual amount of guarantee (A4+B4+C4) in the Company's net assets				0.73%						
Including:										
Balance amount of guarantees provided to shareholders, real controlling parties and their related				0						

parties (D)	
Balance amount of debt guarantees directly or indirectly provided to guaranteed parties with debt-to-asset ratio above 70% (E)	0
Amount of guarantees with total amount guaranteed exceeding 50% of net assets (F)	0
Total amount of above 3 items of guarantees (D+E+F)	0
Note on liabilities to guarantee or evidence suggested possible joint liabilities for debt settlement in the reporting period incurred from unexpired guarantee contracts (if any)	None
Note on guarantees provided to external parties against the specified procedure (if any)	None

Note: 1. The bank loan involved in the guarantee the Company provided to its subsidiary Ningbo Topband has been repaid; however the bank line is still in the valid period, and if a guarantee emerges due to withdrawals under the bank credit line later, the Company will perform the related obligations for information disclosure in a timely manner.

2. According to relevant provisions in "3. Significant guarantees under III. Requirements for information disclosure in regular reports (V)" of Disclosure of Significant Events in the Self-Discipline and Supervision Guidance 1 for Companies Listed in Shenzhen Stock Exchange - Transactions, Part IV: 4.1 Issues Concerning Disclosures in Regular Reports (Revised in 2023), the "Actual amount guaranteed" in the "Subsidiary-to-subsubsidiary guarantees" shall be filled with the product of the amount a subsidiary guaranteed for the guaranteed subsidiary multiplied by the share proportion of the listed company in the subsidiary.

Explanation of details of complex guarantee

None

3. Finance management agent

Applicable Not applicable

Unit: RMB ten thousand

Specific types	Capital source of entrusted financing	Amount of entrusted financial management	Unexpired balance	Overdue amount not recovered	Accrued impairment amount of overdue and unrecovered wealth management
Bank financial products	Self-own capitals	4,389.63	568.72	0	0
Total		4,389.63	568.72	0	0

Specific situation of high-risk entrusted financial management with the significant single amount or low security and poor liquidity

Applicable Not applicable

Entrusted financial management was expected to be unable to recover the principal or there were other situations that may lead to impairment

Applicable Not applicable

4. Others major contracts

Applicable Not applicable

There were no other significant contracts in the reporting period of the Company.

XIII. Explanation of other major matters

Applicable Not applicable

1. Circulating of released restricted shares after the first restricted stock trade period of 2021 Restricted Stock Incentive Plan

On March 29, 2023, the 32nd Meeting of the 7th Board of Directors and the 27th Meeting of the 7th Board of Supervisors of the Company deliberated and passed the Proposal on Fulfillment of Restricted Share Release Conditions for 2021 Restricted Stock Incentive Plan after the First Restricted Stock Trade Period. 9,351,936 shares granted to 1,109 people under the 2021 Incentive Plan can be released after the first restricted stock trade period, and the shares released have been listed and circulated on April 12, 2023.

Refer to the notices the Company disclosed on the Securities Times and <http://www.cninfo.com.cn> on March 31, 2023 and April 7, 2023 respectively for details.

XIV. Major matters of subsidiaries of the Company

Applicable Not applicable

1. Land use right acquired through competitive auction by Huizhou Topband Electrical Technology Co., Ltd., a wholly-owned subsidiary of the Company

In February 2023, Huizhou Topband Electrical Technology Co., Ltd., a wholly-owned subsidiary of the

Company, participated in the competitive auction for the use right of a state-owned construction land organized via the on-line land and mining trading system of Huizhou Public Resources Trading Center, successfully acquired the use right of the land lot concerned, and signed an Acknowledgment of Public Trading Transaction and a Sales Contract for State-owned Construction Land Use Right with Huizhou Bureau of Natural Resources for the land use right of total 19,590 m² state-owned construction land, amounting to RMB 18.57 million.

Refer to the notice the Company disclosed on the Securities Times and <http://www.cninfo.com.cn> on February 21, 2023 for details.

2. Land use right acquired through competitive auction by Nantong Topband Youneng Technology Co., Ltd., a wholly-owned sub-subsidiary of the Company

In March 2023, Nantong Topband Youneng Technology Co., Ltd., a wholly-owned sub-subsidiary of the Company, participated in the competitive auction for the use right of a state-owned construction land organized by Nantong Bureau of Natural Resources and Planning, successfully acquired the use right of the land lot concerned, signed an Acknowledgment of On-line Transaction of State-owned Construction Land and a Nantong Economic and Technological Development Area Investment and Development Supervision Agreement and then entered into a Sales Contract for State-owned Construction Land Use Right with Nantong Bureau of Natural Resources and Planning within the specified time for the land use right of total 80,017.05 m³ state-owned construction land, amounting to RMB 30.7265 million.

Refer to the notice the Company disclosed on the Securities Times and <http://www.cninfo.com.cn> on April 6, 2023 for details.

Section VII Share Change and Shareholders

I. Share change

1. Share change

Unit: Share

	Before this change		Increase or decrease of change this time (+, -)					After this change	
	Quantity:	Proportion	Issuance of new shares	Stock dividend	Conversion of accumulation fund into shares	Others	Subtotal	Quantity:	Proportion
I. Shares with non-tradable conditions	229,172,867	18.05%				-9,993,811	-9,993,811	219,179,056	17.26%
1. Shares held by the state									0.00%
2. Shares held by state-owned legal persons									0.00%
3. Shares held by other domestic capital	229,061,867	18.04%				-9,960,511	-9,960,511	219,101,356	17.25%
Including: shares held by domestic legal persons									0.00%
Shares held by domestic natural person	229,061,867	18.04%				-9,960,511	-9,960,511	219,101,356	17.25%
4. Shares held by foreign investment	111,000	0.01%				-33,300	-33,300	77,700	0.01%
Including: shares held by overseas legal persons									0.00%
Shares held by overseas natural persons	111,000	0.01%				-33,300	-33,300	77,700	0.01%
II. Shares with unlimited tradable conditions	1,040,362,505	81.95%				9,993,811	9,993,811	1,050,356,316	82.74%
1. A shares	1,040,362,505	81.95%				9,993,811	9,993,811	1,050,356,316	82.74%
2. Domestic listed foreign shares									0.00%
3. Overseas listed foreign shares									0.00%
4. Others									0.00%
III. Total number of shares	1,269,535,372	100.00%	0	0	0	0	0	1,269,535,372	100.00%

Reasons for share change

 Applicable Not applicable

Approval of share change

 Applicable Not applicable

Transfer of share change

Applicable Not applicable

Implementation progress of share repurchase

Applicable Not applicable

On March 18, 2022, the 21st Meeting of the 7th Board of Directors and the 17th Meeting of the 7th Board of Supervisors of the Company deliberated and passed the Proposal on Topband Shares Repurchase Plan that the Company decided to repurchase its shares at a price no more than RMB 16.00/share (inclusive) through centralized bidding with its own fund no less than RMB 40 million and no more than RMB 60 million in total, and the Company disclosed the Stock Repurchase Report on March 22, 2022. Refer to the notice the Company disclosed on the Securities Times and <http://www.cninfo.com.cn> for details.

On March 17, 2023, the Company accumulatively repurchased 5,181,200 shares through centralized bidding with RMB 52,434,493.65 in total (excluding the transaction charge), accounting to 0.4081% of the current total stock of the Company, with the highest transaction price at RMB 13.48/share and the lowest transaction price at RMB 7.93/share. The Repurchase Plan was completed.

Progress in the implementation of the reduction of share repurchase through centralized bid

Applicable Not applicable

The impact of share changes on financial indicators such as basic earnings per share and diluted earnings per share in the latest year and the latest period, net assets per share attributable to ordinary shareholders of the Company, etc.

Applicable Not applicable

Other contents deemed necessary by the Company or required to be disclosed by the securities regulatory institution

Applicable Not applicable

2. Changes in non-tradable shares

Applicable Not applicable

Unit: Share

Name of shareholder	Number of non-tradable	Deterioration number of non-tradable	Increase number of non-	Number of non-tradable shares at the	Reasons for non-trading	Date of lifting sales restriction

	shares at the beginning of the period	shares in the current period	tradable shares in the current period	end of the period		
Wu Yongqiang	160,336,536	1,330,000 ¹	0	159,006,536	Executives lock-in shares	Not applicable
Ji Shuhai	20,488,981	0	0	20,488,981	Executives lock-in shares	Not applicable
Ma Wei	6,713,200	184,800	184,800	6,713,200	Lock-up shares for executives and incentive restricted stock options	Not applicable
Peng Ganquan	3,852,674	120,000	120,000	3,852,674	Lock-up shares for executives and incentive restricted stock options	Not applicable
Zheng Sijin	4,752,727	159,900	159,900	4,752,727	Lock-up shares for executives and incentive restricted stock options	Not applicable
Wen Zhaohui	2,078,345	54,900	54,900	2,078,345	Lock-up shares for executives and incentive restricted stock options	Not applicable
Xiang Wei	573,375	54,900	166,025	684,500	Lock-up shares for executives and incentive restricted stock options	Not applicable
Luo Muchen	50,000	15,000	2,500	37,500	Lock-up shares for executives and incentive restricted stock options	Not applicable
Dai Huijuan	239,709	0	0	239,709	Executives lock-in shares	Not applicable
Incentive objects of restricted stock incentive plan	30,087,320	8,762,436	0	21,324,884	Stock-option-incentive restricted stocks	The restricted stock options will be released based on the results of performance appraisal during 2023 and 2025.
Total	229,172,867	10,681,936	688,125	219,179,056	--	--

Note 1: Mr. Wu Yongqiang's lifted restricted stocks in this period are due to the securities company's system's failure to timely handle the lifting of restrictions on sales during the process of transferring shares to pledge in 2022, however, these shares are automatically be lifted from restrictions on sales after expiration in the first half of 2023.

II. Issuance and listing of securities

Applicable Not applicable

III. Number of shareholders and shareholding situation of the Company

Unit: Share

Total number of ordinary shareholders at the end of the reporting period		88,351		Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any) (see Note 8)			0	
Shareholding situation of ordinary shareholders holding more than 5% or top 10 ordinary shareholders								
Name of shareholder	Nature of shareholders	Proportion of shareholding	Number of ordinary shares held at the end of the reporting period	Changes in increase or decrease in the reporting period	Number of ordinary shares with limited tradable conditions	Number of ordinary shares with unlimited tradable conditions	Pledge, marking or freezing	
							Share status	Quantity:
Wu Yongqiang	Domestic natural person	16.70%	212,008,715	0	159,006,536	53,002,179	Pledge	40,000,000
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	4.04%	51,318,356	12,382,413	0	51,318,356		
Xie Renguo	Domestic natural person	2.23%	28,330,788	5,352,400	0	28,330,788		
Ji Shuhai	Domestic natural person	2.15%	27,318,642	0	20,488,981	6,829,661		
AMCM - self-own funds	Overseas legal person	1.46%	18,519,806	10,817,380	0	18,519,806		
Kuwait Investment Authority	Overseas legal person	0.98%	12,464,693	8,298,043	0	12,464,693		
China International Capital Corporation Limited - China Construction Bank - CICC Emerging Equity Collective Asset Management Plan	Others	0.92%	11,714,425	146,900	0	11,714,425		
Dajia Life Insurance Co., Ltd. - Universal Product	Others	0.84%	10,688,700	-2,239,100	0	10,688,700		
Industrial and Commercial Bank of China - Yinhua Xinsheng Mixed Securities Investment Fund with Flexible Configuration (LOF)	Others	0.71%	8,964,325	8,964,325	0	8,964,325		
Ma Wei	Domestic natural person	0.71%	8,950,934	0	6,713,200	2,237,734		
The top 10 ordinary shareholders of strategic investors or general legal persons due to placement of new shares (if any) (see Note 3)	Not applicable							

Explanation of the above shareholders' relationship or concerted action	Not applicable		
Explanation of the above shareholders' entrusting/entrusted voting rights and waiver of voting rights	Not applicable		
Special explanations for the existence of special repurchase accounts among the top 10 shareholders (if any) (see Note 11)	Not applicable		
Shareholding of the top 10 ordinary shareholders with unlimited tradable conditions			
Name of shareholder	Number of ordinary shares held with unlimited tradable conditions at the end of the reporting period	Type of shares	
		Type of shares	Quantity:
Wu Yongqiang	53,002,179	A shares	53,002,179
Hong Kong Securities Clearing Company Ltd.	51,318,356	A shares	51,318,356
Xie Renguo	28,330,788	A shares	28,330,788
AMCM - self-own funds	18,519,806	A shares	18,519,806
Kuwait Investment Authority	12,464,693	A shares	12,464,693
China International Capital Corporation Limited - China Construction Bank - CICC Emerging Equity Collective Asset Management Plan	11,714,425	A shares	11,714,425
Dajia Life Insurance Co., Ltd. - Universal Product	10,688,700	A shares	10,688,700
Industrial and Commercial Bank of China - Yinhua Xinheng Mixed Securities Investment Fund with Flexible Configuration (LOF)	8,964,325	A shares	8,964,325
Agricultural Bank of China - Harvest Emerging Industry Stock Securities Investment Fund	7,972,765	A shares	7,972,765
Yaokang Private Equity (Hangzhou) Co., Ltd. - Yaokang Zhiyuan Private Securities Investment Fund	7,876,900	A shares	7,876,900
Explanation of the relationship or concerted action between the top 10 ordinary shareholders with unlimited tradable conditions and between the top 10 ordinary shareholders with unlimited tradable conditions and the top 10 ordinary shareholders	Not applicable		
Explanation of the participation of the top 10 ordinary shareholders in securities margin trading (if any) (see Note 4)	Shareholder Mr. Xie Renguo holds 20,498,503 shares through the credit securities account.		

Whether the top 10 ordinary shareholders and the top 10 ordinary shareholders with unlimited sales conditions have conducted the agreed repurchase transactions during the reporting period

Yes No

IV. Variations in shareholding of directors, supervisors and senior executives

Applicable Not applicable

Name	Position	Position status	Number of shares held at the beginning of the period (shares)	Number of additional shares held in the current period (shares)	Number of shares reduced in the current period (shares)	Number of shares held at the end of the period (shares)	Number of restricted stocks granted at the beginning of the period (shares)	Number of restricted stocks granted in the current period (shares)	Number of restricted stocks granted at the end of the period (shares)

Wu Yongqiang	Chairman and general manager	Incumbent	212,008,715	0	0	212,008,715	0	0	0
Ji Shuhai	Director	Incumbent	27,318,642	0	0	27,318,642	0	0	0
Zheng Sibin	Director and deputy general manager	Incumbent	6,336,970	0	0	6,336,970	533,000	0	373,100
Ma Wei	Director and deputy general manager	Incumbent	8,950,934	0	0	8,950,934	616,000	0	431,200
Peng Ganquan	Director and deputy general manager	Incumbent	5,136,900	0	0	5,136,900	400,000	0	280,000
Wu Hang	Director	Incumbent	0	0	0	0	0	0	0
Huang Yuegang	Independent director	Incumbent	0	0	0	0	0	0	0
Hua Xiuping	Independent director	Incumbent	0	0	0	0	0	0	0
Li Xumeng	Independent director	Incumbent	0	0	0	0	0	0	0
Wen Zhaohui	Deputy General Manager and Secretary of the Board of Directors	Incumbent	2,771,127	0	0	2,771,127	183,000	0	128,100
Xiang Wei	Chief financial officer	Outgoing	764,500	0	80,000	684,500	183,000	0	128,100
Luo Muchen	Chief financial officer	Incumbent	50,000	0	0	50,000	50,000	0	35,000
Dai Huijuan	Supervisor	Incumbent	319,612	0	0	319,612	0	0	0
Kang Weiquan	Supervisor	Incumbent	0	0	0	0	0	0	0
Chen Jinzhou	Supervisor	Incumbent	0	0	0	0	0	0	0
Total	--	--	263,657,400	0	80,000	263,577,400	1,965,000	0	1,375,500

V. Variations in controlling shareholders or real controlling parties

Change of controlling shareholders during the reporting period

Applicable Not applicable

The controlling shareholder of the Company did not change during the reporting period.

Change of actual controller during the reporting period

Applicable Not applicable

The actual controller of the Company did not change during the reporting period.

Section VIII Information on Preferred Shares

Applicable Not applicable

The Company did not have preferred shares during the reporting period.

Section IX Relevant Information of Bonds

Applicable Not applicable

Section X Financial Report

I. Audit report

Whether the half-year financial statements were audited

Yes No

The half-year financial statements of the Company have not been audited.

II. Financial Statements

The unit of statements in the financial notes is: RMB

1. Consolidated Balance Sheet

Prepared by: Shenzhen Topband Co., Ltd.

June 30, 2023

Unit: RMB

Items	June 30, 2023	January 1, 2023
Current assets:		
Monetary capital	1,761,580,444.38	1,403,026,071.34
Settlement of provisions		
Lending funds		
Tradable financial assets	366,855,786.11	342,959,450.31
Derivative financial assets		
Notes receivable	52,662,917.91	51,791,758.90
Accounts receivable	2,503,593,708.16	2,549,734,039.66
Receivables financing	280,349,184.84	254,988,202.60
Prepayments	76,793,226.31	53,005,656.95
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	49,547,491.78	77,743,150.98
Including: interest receivable		
Dividends receivable		
Repurchase of financial assets for resale		
Inventory	1,752,305,670.79	1,992,952,212.53
Contract assets		
Assets held for sale		

Non-current assets due within one year		
Other current assets	201,107,414.42	155,126,777.31
Total current assets	7,044,795,844.70	6,881,327,320.58
Non-current assets:		
Loans and advances granted		
Debt investment		
Other debt investment		
Long-term payables		
Long-term equity investment	35,680,088.03	23,550,658.91
Other equity instrument investment		
Other non-current financial assets		
Investment property	104,823,590.34	106,242,777.85
Fixed assets	1,901,326,770.71	1,840,358,093.74
Construction in progress	360,390,687.64	234,775,312.11
Productive biological assets		
Oil and gas assets		
Right-of-use assets	102,676,004.80	106,196,901.87
Intangible assets	624,159,370.03	547,316,314.57
Development expenditure	98,718,799.74	100,947,313.14
Goodwill	110,732,042.84	110,732,042.84
Long-term deferred expenses	150,857,357.04	132,221,565.23
Deferred tax assets	128,452,075.82	117,953,736.35
Other non-current assets	245,175,896.39	172,371,288.80
Total non-current assets	3,862,992,683.38	3,492,666,005.41
Total assets	10,907,788,528.08	10,373,993,325.99
Current liabilities:		
Short-term loans	460,000,000.00	283,351,495.57
Loan from the Central Bank		
Borrowed funds		
Financial liabilities held for trading	6,041,282.00	
Derivative financial liabilities		
Notes payable	879,938,591.06	1,065,652,340.80
Accounts payable	1,657,592,848.38	1,606,446,204.02
Accounts collected in advance	1,598,192.95	1,130,165.23
Contractual liabilities	206,595,293.99	138,281,929.17
Financial assets sold for repurchase		
Deposit absorption and interbank deposit		
Acting trading securities		
Acting underwriting securities		
Employee compensation payable	139,529,765.78	206,979,773.15
Taxes payable	89,865,978.40	88,405,514.65
Other account payable	254,008,379.73	335,047,520.52

Including: interest payable		
Dividends payable		
Service charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	62,287,487.08	75,356,303.72
Other current liabilities	29,832,306.17	22,476,430.74
Total current liabilities	3,787,290,125.54	3,823,127,677.57
Non-current liabilities		
Insurance contract reserve		
Long-term loans	818,120,000.00	581,500,000.00
Bonds payable		
Including: preferred shares		
Perpetual capital securities		
Lease liabilities	68,528,422.20	73,610,791.09
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	11,128,331.28	13,370,250.14
Deferred tax liabilities	62,856,328.24	59,758,414.08
Other non-current liabilities		
Total non-current liabilities	960,633,081.72	728,239,455.31
Total liabilities	4,747,923,207.26	4,551,367,132.88
Owner's equity:		
Share capital	1,269,535,372.00	1,269,535,372.00
Other equity instruments		
Including: preferred shares		
Perpetual capital securities		
Capital reserves	2,299,130,218.51	2,266,142,198.44
Minus: treasury shares	216,643,357.63	284,257,854.91
Other comprehensive income	52,213,016.47	-8,479,622.35
Special reserves		
Surplus reserves	214,764,194.14	214,764,194.14
General risk provision		
Retained earnings	2,453,709,135.66	2,271,529,693.82
Total owner's equity attributable to the parent company	6,072,708,579.15	5,729,233,981.14
Minority shareholders' equity	87,156,741.67	93,392,211.97
Total owners' equity	6,159,865,320.82	5,822,626,193.11
Total liabilities and owners' equity	10,907,788,528.08	10,373,993,325.99

Legal representative: Wu Yongqiang

Person in charge of accounting: Luo Muchen

Head of accounting firm: Luo Muchen

2. Balance Sheet of Parent Company

Unit: RMB

Items	June 30, 2023	January 1, 2023
Current assets:		
Monetary capital	692,836,569.20	417,402,306.51
Tradable financial assets	243,989,473.48	243,989,473.48
Derivative financial assets		
Notes receivable	15,194,646.17	15,799,157.89
Accounts receivable	1,553,114,722.75	1,746,854,951.82
Receivables financing	214,782,721.89	188,468,485.11
Prepayments	12,894,230.35	40,076,367.47
Other receivables	723,132,112.18	902,544,005.07
Including: interest receivable		
Dividends receivable		
Inventory	109,450,100.74	182,264,664.43
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	3,873,490.73	0.00
Total current assets	3,569,268,067.49	3,737,399,411.78
Non-current assets:		
Debt investment		
Other debt investment		
Long-term payables		
Long-term equity investment	3,973,121,302.89	3,958,403,119.94
Other equity instrument investment		
Other non-current financial assets		
Investment property		
Fixed assets	140,904,771.69	137,310,278.44
Construction in progress	25,669,496.53	22,775,996.65
Productive biological assets		
Oil and gas assets		
Right-of-use assets	11,742,418.88	14,765,367.57
Intangible assets	176,160,162.92	164,654,805.95
Development expenditure	55,330,496.24	53,698,954.16
Goodwill		
Long-term deferred expenses	14,089,300.07	16,270,648.51
Deferred tax assets	39,241,062.53	33,648,975.07
Other non-current assets	14,372,295.32	8,686,283.92
Total non-current assets	4,450,631,307.07	4,410,214,430.21
Total assets	8,019,899,374.56	8,147,613,841.99
Current liabilities:		

Short-term loans	230,000,000.00	10,000.00
Financial liabilities held for trading	6,041,282.00	
Derivative financial liabilities		
Notes payable	1,036,308,580.24	968,645,962.43
Accounts payable	531,922,153.27	610,163,494.08
Accounts collected in advance		
Contractual liabilities	57,707,601.25	50,483,032.75
Employee compensation payable	80,832,665.04	107,895,045.76
Taxes payable	6,114,164.86	23,225,286.94
Other account payable	891,205,139.77	1,258,071,297.67
Including: interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	7,390,707.77	6,896,279.13
Other current liabilities	5,727,869.85	5,163,830.86
Total current liabilities	2,853,250,164.05	3,030,554,229.62
Non-current liabilities		
Long-term loans	300,000,000.00	300,000,000.00
Bonds payable		
Including: preferred shares		
Perpetual capital securities		
Lease liabilities	4,535,341.61	7,788,265.09
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	4,669,531.28	5,583,950.14
Deferred tax liabilities	32,268,205.04	32,610,663.86
Other non-current liabilities		
Total non-current liabilities	341,473,077.93	345,982,879.09
Total liabilities	3,194,723,241.98	3,376,537,108.71
Owner's equity:		
Share capital	1,269,535,372.00	1,269,535,372.00
Other equity instruments		
Including: preferred shares		
Perpetual capital securities		
Capital reserves	2,344,714,038.44	2,314,366,149.44
Minus: treasury shares	216,643,357.63	284,257,854.91
Other comprehensive income		
Special reserves		
Surplus reserves	214,735,675.68	214,735,675.68
Retained earnings	1,212,834,404.09	1,256,697,391.07
Total owners' equity	4,825,176,132.58	4,771,076,733.28
Total liabilities and owners' equity	8,019,899,374.56	8,147,613,841.99

3. Consolidated Income Statement

Unit: RMB

Items	2023 Half-year Statements	2022 Half-year Statements
I. Total operating income	4,256,121,153.72	4,228,003,137.57
Including: operating income	4,256,121,153.72	4,228,003,137.57
Interest income		
Premium earned		
Service charge and commission income		
II. Total operating cost	3,972,666,304.82	3,949,799,858.52
Including: operating cost	3,337,826,833.15	3,421,434,029.61
Interest expense		
Service charge and commission payment		
Surrender value		
Net compensation expenditure		
Net reserve amount set aside for insurance liability		
Policy dividend payment		
Reinsurance expenses		
Taxes and surcharges	24,032,385.59	21,060,144.67
Selling expenses	143,034,445.61	125,180,825.48
Management expenses	201,474,565.60	160,894,026.46
R&D expenses	317,290,550.11	284,847,207.92
Finance expenses	-50,992,475.24	-63,616,375.63
Including: interest expenses	19,596,648.04	14,644,344.03
Interest income	15,720,869.63	6,486,250.66
Plus: other income	17,194,559.29	17,072,867.62
Investment income (loss marked with "-")	-3,244,186.21	-1,247,660.53
Including: income from investment in associated enterprises and joint ventures	-941,734.97	-2,142,224.73
Derecognized gains from financial assets measured at amortized cost		
Exchange gains (loss marked with "-")		
Net exposure hedging income (loss marked with "-")		
Income from changes in fair value (loss marked with "-")	-6,041,282.00	31,603,205.99
Credit impairment losses (loss marked with "-")	-2,376,908.52	-10,907,334.70
Asset impairment loss (loss marked with "-")	-23,666,214.06	-46,406,707.31
Assets disposal revenue (loss marked with "-")	-1,279,902.83	-284,674.88
III. Operating profits (loss marked with "-")	264,040,914.57	268,032,975.24
Plus: non-operating income	4,591,331.07	1,154,014.66
Minus: non-operating expenses	4,250,758.69	3,118,394.89
IV. Total profit (total loss marked with "-")	264,381,486.95	266,068,595.01
Minus: income tax expense	6,043,729.44	17,614,693.20
V. Net profit (net loss marked with "-")	258,337,757.51	248,453,901.81
(I) Classification according to business continuity		

1. Net profit from continuing operations (net loss marked with "-")	258,337,757.51	248,453,901.81
2. Net profit of discontinued operation (net loss marked with "-")		
(II) Classification according to ownership		
1. Net profit attribute to shareholders of parent company (net loss marked with "-")	258,040,692.16	246,657,151.65
2. Profit/loss attributable to minority share-holders (net loss marked with "-")	297,065.35	1,796,750.16
VI. Net after-tax amount of other comprehensive income	60,692,638.82	18,153,909.87
Net after-tax amount of other comprehensive income attributable to the owner of the parent company	60,692,638.82	18,153,909.87
(I) Other comprehensive income that cannot be reclassified into profits or losses		
1. Re-measurement of changes in the defined benefit plans		
2. Other comprehensive income not available for transferring to profits or losses under equity method		
3. Changes in fair value of other equity instrument investment		
4. Changes in fair value of enterprise's own credit risk		
5. Others		
II. Other comprehensive income that is reclassified into profits and losses	60,692,638.82	18,153,909.87
1. Other comprehensive income that can be transferred into profits or losses under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provisions for credit impairment of other debt investment		
5. Cash flow hedging reserve		
6. Difference in translation of foreign currency financial statements	60,692,638.82	18,153,909.87
7. Others		
Net after-tax amount of other comprehensive income attributed to the minority of shareholders		
VI. Total comprehensive income	319,030,396.33	266,607,811.68
Total consolidated income attributable to the owners of the parent company	318,733,330.98	264,811,061.52
Total consolidated income attributable to minority shareholders	297,065.35	1,796,750.16
VIII. Earnings per share:		
(I) Basic earnings per share	0.20	0.20
(II) Diluted earnings per share	0.20	0.20

In case of consolidation under the same control in the current period, the net profit realized by the combined party before the consolidation is RMB 0, and the net profit realized by the combined party in the previous period is RMB 0.

Legal representative: Wu Yongqiang

Person in charge of accounting: Luo Muchen
Head of accounting firm: Luo Muchen

4. Income statement of parent company

Unit: RMB

Items	2023 Half-year Statements	2022 Half-year Statements
I. Operating income	2,251,996,133.85	2,459,847,476.95
Minus: operating cost	1,906,539,875.63	2,093,560,411.93
Taxes and surcharges	5,560,404.09	6,995,342.78
Selling expenses	90,986,205.50	83,222,342.05
Management expenses	97,211,587.17	90,353,899.12
R&D expenses	156,684,225.51	160,850,627.57
Finance expenses	-30,562,740.37	-47,026,844.29
Including: interest expenses	8,774,186.09	7,006,014.82
Interest income	6,279,923.28	3,453,311.38
Plus: other income	6,469,767.96	10,029,658.78
Investment income (loss marked with "-")	336,904.82	-31,393.79
Including: income from investment in associated enterprises and joint ventures	-40,895.19	-31,393.79
Derecognized gains from financial assets measured at amortized cost (loss marked with "-")		
Net exposure hedging income (loss marked with "-")		
Income from changes in fair value (loss marked with "-")	-6,041,282.00	
Credit impairment losses (loss marked with "-")	-1,870,859.80	-6,841,292.71
Asset impairment loss (loss marked with "-")	-1,949,576.95	-4,678,021.21
Assets disposal revenue (loss marked with "-")	104,514.76	73,024.55
II. Operating profit (loss marked with "-")	22,626,045.11	70,443,673.41
Plus: non-operating income	422,626.97	493,670.30
Minus: non-operating expenses	788,989.26	1,372,699.03
III. Total profit (total loss marked with "-")	22,259,682.82	69,564,644.68
Minus: income tax expense	-9,738,580.52	-49,570.62
IV. Net profit (net loss marked with "-")	31,998,263.34	69,614,215.30
(I) Net profit from continuing operation (net loss marked with "-")	31,998,263.34	69,614,215.30
(II) Net profit from termination of operation (net loss marked with "-")		
V. Net after-tax amount of other comprehensive income		
(I) Other comprehensive income that cannot be reclassified into profits or losses		
1. Re-measurement of changes in the defined benefit plans		
2. Other comprehensive income not available for transferring to profits or losses under equity method		
3. Changes in fair value of other equity instrument investment		
4. Changes in fair value of enterprise's own credit risk		
5. Others		
II. Other comprehensive income that is reclassified into profits and losses		
1. Other comprehensive income that can be transferred into profits or losses under the equity method		

2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provisions for credit impairment of other debt investment		
5. Cash flow hedging reserve		
6. Difference in translation of foreign currency financial statements		
7. Others		
VI. Total comprehensive income	31,998,263.34	69,614,215.30
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Cash Flow Statement

Unit: RMB

Items	2023 Half-year Statements	2022 Half-year Statements
I. Cash flow from operating activities:		
Cash received from sales of goods or rendering of services	4,469,184,753.48	4,173,711,961.16
Net increase in deposits with other banks		
Net increase in borrowing from the central bank		
Net increase in funds borrowed from other financial institutions		
Cash from receipt of original insurance contract premiums		
Receipt of net cash for reinsurance operations		
Net increase in savings and investment funds of the insured		
Cash from receipt of interest, service charges and commissions		
Net increase in borrowed funds		
Net increase in funds from repurchase operations		
Net cash received for acting trading securities		
Refund of tax and levies	218,867,332.07	220,636,224.87
Other cash received related to operating activities	67,492,756.77	45,888,629.79
Subtotal of cash inflow from operating activities	4,755,544,842.32	4,440,236,815.82
Cash paid for purchasing goods and accepting labor services	3,128,270,632.34	3,383,604,409.36
Net increase in loans and advances of clients		
Net increase in deposits with central banks and interbanks		
Cash in compensation funds paid for the original insurance contract		
Net increase in lending funds		
Cash for payment of interest, service charges and commissions		
Cash for payment of policy dividends		
Cash paid to and for employees	810,553,360.68	776,482,113.10
Tax payments	113,547,827.98	76,036,220.46
Other cash paid in connection with operating activities	175,330,550.14	129,227,817.51
Subtotal of cash outflow from operating activities	4,227,702,371.14	4,365,350,560.43
Net cash flow from operating activities	527,842,471.18	74,886,255.39
II. Cash flow from investing activities:		
Cash received from investment recovery	41,535,369.30	47,000,000.00

Cash received as return on an investment	465,610.97	129,168.71
Net cash recouped from disposal of fixed assets, intangible assets, and other long-term assets	3,048,022.16	273,431.00
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investment activities		
Subtotal of cash inflow from investment activities	45,049,002.43	47,402,599.71
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	444,995,875.67	453,359,295.98
Cash paid for investment	68,710,705.69	82,000,000.00
Net increase in pledged loans		
Net cash obtained from subsidiaries and other business units		
Other cash paid related to investment activities		
Subtotal of cash outflow from investment activities	513,706,581.36	535,359,295.98
Net cash flow from investment activities	-468,657,578.93	-487,956,696.27
III. Cash flow from financing activities:		
Cash received from absorbing investment		49,875,015.00
Including: cash received by subsidiaries' absorption of minority shareholders' investment		
Cash received from loan	885,000,000.00	435,000,000.00
Other cash received relating to financing activities	3,101,583.74	25,597,956.24
Subtotal of cash inflow from financing activities	888,101,583.74	510,472,971.24
Cash paid for repayments of debts	481,310,000.00	135,712,618.35
Cash paid to distribute dividends, profits or pay interest	91,887,916.38	79,068,993.14
Including: dividends and profits paid by subsidiaries to minority shareholders		
Other cash paid related to financing activities	30,009,823.21	65,429,693.55
Subtotal of cash outflow from financing activities	603,207,739.59	280,211,305.04
Net cash flow from financing activities	284,893,844.15	230,261,666.20
IV. Impact of exchange rate fluctuations on cash and cash equivalents	14,538,301.34	20,486,535.72
V. Net increase in cash and cash equivalents	358,617,037.74	-162,322,238.96
Plus: balance of cash and cash equivalents at the beginning of the period	1,374,281,693.23	1,736,104,958.20
VI. Balance of cash and cash equivalents at the end of the period	1,732,898,730.97	1,573,782,719.24

6. Cash flow statement of the parent company

Unit: RMB

Items	2023 Half-year Statements	2022 Half-year Statements
I. Cash flow from operating activities:		
Cash received from sales of goods or rendering of services	2,377,904,756.11	2,188,764,560.89
Refund of tax and levies	107,900,631.47	133,415,379.85
Other cash received related to operating activities	912,529,650.38	1,933,981,335.43
Subtotal of cash inflow from operating activities	3,398,335,037.96	4,256,161,276.17
Cash paid for purchasing goods and accepting labor services	1,865,163,048.56	1,757,859,328.07
Cash paid to and for employees	362,203,603.62	331,679,465.82
Tax payments	17,241,561.23	11,543,063.13
Other cash paid in connection with operating activities	947,072,850.31	1,510,278,958.46
Subtotal of cash outflow from operating activities	3,191,681,063.72	3,611,360,815.48
Net cash flow from operating activities	206,653,974.24	644,800,460.69
II. Cash flow from investing activities:		

Cash received from investment recovery		
Cash received as return on an investment	377,800.00	
Net cash recouped from disposal of fixed assets, intangible assets, and other long-term assets	320,000.00	
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investment activities		
Subtotal of cash inflow from investment activities	697,800.00	
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	64,993,076.30	63,613,623.87
Cash paid for investment	5,000,000.00	874,604,000.00
Net cash obtained from subsidiaries and other business units		
Other cash paid related to investment activities		
Subtotal of cash outflow from investment activities	69,993,076.30	938,217,623.87
Net cash flow from investment activities	-69,295,276.30	-938,217,623.87
III. Cash flow from financing activities:		
Cash received from absorbing investment		49,875,015.00
Cash received from loan	230,000,000.00	120,000,000.00
Other cash received relating to financing activities		25,597,956.24
Subtotal of cash inflow from financing activities	230,000,000.00	195,472,971.24
Cash paid for repayments of debts	10,000.00	120,000,000.00
Cash paid to distribute dividends, profits or pay interest	83,201,916.97	70,323,199.71
Other cash paid related to financing activities	9,876,571.83	55,485,215.43
Subtotal of cash outflow from financing activities	93,088,488.80	245,808,415.14
Net cash flow from financing activities	136,911,511.20	-50,335,443.90
IV. Impact of exchange rate fluctuations on cash and cash equivalents	1,042,806.27	9,192,396.84
V. Net increase in cash and cash equivalents	275,313,015.41	-334,560,210.24
Plus: balance of cash and cash equivalents at the beginning of the period	394,701,442.83	1,085,257,236.62
VI. Balance of cash and cash equivalents at the end of the period	670,014,458.24	750,697,026.38

7. Consolidated statement of changes in owner's equity

Amount in the current period

Unit: RMB

Items	2023 Half-year Statements														
	Owner's equity attributable to the parent company													Minority shareholders' equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Minus: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Retained earnings	Others	Subtotal		
		Preferred shares	Perpetual capital securities	Others											
I. Ending balance of last year	1,269,535,372.00				2,266,142,198.44	284,257,854.91	-8,479,622.35		214,764,194.14		2,270,819,171.01		5,728,523,458.33	93,280,517.08	5,821,803,975.41
Plus: changes in accounting policies										710,522.81		710,522.81		111,694.89	822,217.70
Early error correction															
Consolidation under the same control															
Others															
II. Beginning balance of the current year	1,269,535,372.00				2,266,142,198.44	284,257,854.91	-8,479,622.35		214,764,194.14		2,271,529,693.82		5,729,233,981.14	93,392,211.97	5,822,626,193.11
III. Amount of changes in increase or decrease in the current period (decrease marked with "-")					32,988,020.07	-67,614,497.28	60,692,638.82				182,179,441.84		343,474,598.01	-6,235,470.30	337,239,127.71
(I) Total comprehensive income							60,692,638.82				258,040,692.16		318,733,330.98	297,065.35	319,030,396.33
(II) Capital invested and reduced by owners					33,143,382.77	-67,614,497.28							100,757,880.05		100,757,880.05
1. Ordinary shares invested by owners															
2. Capital contributed by holders of other equity instruments															
3. Amount of share-based payment included in owner's					33,143,382.77								33,143,382.77		33,143,382.77

equity															
4.Others						-67,614,497.28						67,614,497.28		67,614,497.28	
(III) Profit distribution												-75,861,250.32	-75,861,250.32	-75,861,250.32	
1. Withdraw surplus reserve															
2Withdrawal of general risk provision															
3.Distribution to owners (or shareholders)												-75,861,250.32	-75,861,250.32	-75,861,250.32	
4.Others															
(IV) Internal carryover of owner's equity															
1.Conversion of surplus reserves to additional capital (or share capital)															
2Conversion of surplus reserves to additional capital (or share capital)															
3.Surplus public reserve to compensate losses															
4.Change of defined benefit plans carried forward to retained earnings															
5.Other comprehensive income carried forward into retained earnings															
6.Others															
Special reserves															
1.Amount withdrawn in the current period															
2Amount used in the current period															
(VI) Others						-155,362.70						-155,362.70	-6,532,535.65	-6,687,898.35	
IV. Ending balance of the current year	1,269,535,372.00				2,299,130,218.51	216,643,357.63	52,213,016.47		214,764,194.14		2,453,709,135.66	0.00	6,072,708,579.15	87,156,741.67	6,159,865,320.82

Amount of prior year

Unit: RMB

Items	2022 Half-year Statements														
	Owner's equity attributable to the parent company												Minority shareholders' equity	Total owners' equity	
	Share capital	Other equity instruments			Capital reserves	Minus: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Retained earnings	Others			Subtotal
	Preferred shares	Perpetual capital securities	Others												
I. Ending balance of last year	1,256,978,072.00				2,140,053,149.74	242,525,433.60	-91,831,496.88		186,397,631.76		1,779,243,483.61		5,028,315,406.63	88,559,929.67	5,116,875,336.30
Plus: changes in accounting policies											365,494.44		365,494.44	30,539.27	396,033.71
Early error correction															
Consolidation under the same control															
Others															
II. Beginning balance of the current year	1,256,978,072.00				2,140,053,149.74	242,525,433.60	-91,831,496.88		186,397,631.76		1,779,608,978.05		5,028,680,901.07	88,590,468.94	5,117,271,370.01
III. Amount of changes in increase or decrease in the current period (decrease marked with "-")	14,049,300.00				80,736,853.39	39,344,623.76	18,153,909.87				183,944,143.05		257,539,582.55	3,353,729.78	260,893,312.33
(I) Total comprehensive income							18,153,909.87				246,657,151.65		264,811,061.52	1,796,750.16	266,607,811.68
(II) Capital invested and reduced by owners	14,049,300.00				82,293,833.01	39,344,623.76							56,998,509.25		56,998,509.25
1. Ordinary shares invested by owners	14,049,300.00				54,522,812.37								68,572,112.37		68,572,112.37

2Capital contributed by holders of other equity instruments															
3.Amount of share-based payment included in owner's equity					27,771,020.64								27,771,020.64		27,771,020.64
4.Others						39,344,623.76							-39,344,623.76		-39,344,623.76
(III) Profit distribution													-62,713,008.60		-62,713,008.60
1.Withdraw surplus reserve															
2Withdrawal of general risk provision															
3.Distribution to owners (or shareholders)													-62,713,008.60		-62,713,008.60
4.Others															
(IV) Internal carryover of owner's equity															
1.Conversion of surplus reserves to additional capital (or share capital)															
2Conversion of surplus reserves to additional capital (or share capital)															
3.Surplus public reserve to compensate losses															
4.Change of defined benefit plans carried forward to retained															

earnings															
5.Other comprehensive income carried forward into retained earnings															
6.Others															
Special reserves															
1.Amount withdrawn in the current period															
2.Amount used in the current period															
(VI) Others					-1,556,979.62								-1,556,979.62	1,556,979.62	
IV. Ending balance of the current year	1,271,027,372.00				2,220,790,003.13	281,870,057.36	-73,677,587.01		186,397,631.76		1,963,553,121.10		5,286,220,483.62	91,944,198.72	5,378,164,682.34

8. Parent company's statement of changes in owner's equity

Amount in the current period

Unit: RMB

Items	2023 Half-year Statements											
	Share capital	Other equity instruments			Capital reserves	Minus: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Others	Total owners' equity
		Preferred shares	Perpetual capital securities	Others								
I. Ending balance of last year	1,269,535,372.00				2,314,366,149.44	284,257,854.91			214,735,675.68	1,256,697,391.07		4,771,076,733.28
Plus: changes in accounting policies												
Early error correction												
Others												
II. Beginning balance of the current year	1,269,535,372.00				2,314,366,149.44	284,257,854.91			214,735,675.68	1,256,697,391.07		4,771,076,733.28
III. Amount of changes in increase or decrease in the current period (decrease marked with "-")					30,347,889.00	-67,614,497.28				-43,862,986.98		54,099,399.30
(I) Total comprehensive income										31,998,263.34		31,998,263.34
(II) Capital invested and reduced by owners					30,347,889.00	-67,614,497.28						97,962,386.28
1. Ordinary shares invested by owners												
2. Capital contributed by holders of other equity instruments												
3. Amount of share-based payment included					30,347,889.00							30,347,889.00

in owner's equity											
4.Others						-67,614,497.28					67,614,497.28
(III) Profit distribution										-75,861,250.32	-75,861,250.32
1.Withdraw surplus reserve											
2Distribution to owners (or shareholders)										-75,861,250.32	-75,861,250.32
3.Others											
(IV) Internal carryover of owner's equity											
1.Conversion of surplus reserves to additional capital (or share capital)											
2Conversion of surplus reserves to additional capital (or share capital)											
3.Surplus public reserve to compensate losses											
4.Change of defined benefit plans carried forward to retained earnings											
5.Other comprehensive income carried forward into retained earnings											
6.Others											
Special reserves											
1.Amount withdrawn in the current period											
2Amount used in the current period											
(VI) Others											
IV. Ending balance of the current year	1,269,535,372.00				2,344,714,038.44	216,643,357.63			214,735,675.68	1,212,834,404.09	4,825,176,132.58

Amount of prior year

Unit: RMB

Items	2022 Half-year Statements											
	Share capital	Other equity instruments			Capital reserves	Minus: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Others	Total owners' equity
		Preferred shares	Perpetual capital securities	Others								
I. Ending balance of last year	1,256,978,072.00				2,189,685,216.22	242,525,433.60	370,109.41		186,369,113.30	1,064,111,338.27		4,454,988,415.60
Plus: changes in accounting policies												
Early error correction												
Others												
II. Beginning balance of the current year	1,256,978,072.00				2,189,685,216.22	242,525,433.60	370,109.41		186,369,113.30	1,064,111,338.27		4,454,988,415.60
III. Amount of changes in increase or decrease in the current period (decrease marked with "-")	14,049,300.00				78,626,637.56	39,344,623.76	292,266.61			6,901,206.70		60,524,787.11
(I) Total comprehensive income							292,266.61			69,614,215.30		69,906,481.91
(II) Capital invested and reduced by owners	14,049,300.00				78,626,637.56	39,344,623.76						53,331,313.80
1. Ordinary shares invested by owners	14,049,300.00				54,522,812.37							68,572,112.37
2. Capital contributed by holders of other equity instruments												
3. Amount of share-based payment included in owner's equity					24,103,825.19							24,103,825.19
4. Others						39,344,623.76						-39,344,623.76
(III) Profit distribution										-62,713,008.60		-62,713,008.60

1. Withdraw surplus reserve												
2. Distribution to owners (or shareholders)										-62,713,008.60		-62,713,008.60
3. Others												
(IV) Internal carryover of owner's equity												
1. Conversion of surplus reserves to additional capital (or share capital)												
2. Conversion of surplus reserves to additional capital (or share capital)												
3. Surplus public reserve to compensate losses												
4. Change of defined benefit plans carried forward to retained earnings												
5. Other comprehensive income carried forward into retained earnings												
6. Others												
Special reserves												
1. Amount withdrawn in the current period												
2. Amount used in the current period												
(VI) Others												
IV. Ending balance of the current year	1,271,027,372.00				2,268,311,853.78	281,870,057.36	662,376.02		186,369,113.30	1,071,012,544.97		4,515,513,202.71

III. Basic information of the Company

Registered Chinese name of the Company: 深圳拓邦股份有限公司 (hereinafter referred to as "the Company")

Address: F1, Topband Industrial Park Phase II, Keji Second Road, Tangtou Community, Shiyan Sub-district, Bao'an District, Shenzhen

Legal representative: Wu Yongqiang

Registered capital: RMB 1,269,535,372

Share capital: RMB 1,269,535,372

Company type: company limited by shares (listing)

Business scope: intelligent control of electrical products, intelligent power supply and control, high efficiency lighting products and its control, high efficiency precision motor and control R&D, production and sales.

Business term: sustainable operation

Shenzhen Topband Co., Ltd. (hereinafter referred to as "the Company") formerly known as Shenzhen Topband Electronic Equipment Co., Ltd., is a limited liability company approved by Shenzhen Administration for Industry and Commerce on February 9, 1996. It has obtained the business license of enterprise legal person with the registration number of 19241377-3 and the registered capital of RMB 2 million.

On May 19, 1997, the registered capital of Shenzhen Topband Electronic Equipment Co., Ltd. was increased to RMB 3.2 million after the resolution of the General Meeting of Shareholders of Shenzhen Topband Electronic Equipment Co., Ltd. and approved by Shenzhen Administration for Industry and Commerce.

On January 10, 2001, with the resolution of the General Meeting of Shareholders of Shenzhen Topband Electronic Equipment Co., Ltd. and the approval of Shenzhen Administration for Industry and Commerce (Shenzhen) name change NZ [2001] No. 0154224 Enterprise Name Change Approval Notice, it was agreed to change the name of Shenzhen Topband Electronic Equipment Co., Ltd. to Shenzhen Topband Electronic Technology Co., Ltd.

On July 15, 2002, with the approval of SFG (2002) No. 24 issued by Shenzhen Municipal People's Government, it was agreed that Shenzhen Topband Electronic Technology Co., Ltd. would be reorganized into a joint stock limited company jointly by five shareholders, namely Wu Yongqiang, Ji Shuhai, Zhuhai Tsinghua Science and Technology Park Venture Capital Co., Ltd., Qi Hongwei and Li Xianqian. After the reorganization,

the total share capital of the Company is RMB 21 million. Shenzhen Pengcheng Accounting Firm issued the Capital Verification Report (SPSYZ (2002) No. 67) to verify the share capital of the Company. On August 16, 2002, the Company was approved by Shenzhen Administration for Industry and Commerce to register the change of industry and commerce, in exchange for the business license of enterprise legal person with Registration No. 4403012049338. The business period is from February 9, 1996 to February 9, 2046.

On November 23, 2004, the registered capital of the Company was increased to RMB 22.8 million upon the resolution of the General Meeting of Shareholders and the document of Shenzhen Municipal People's Government "SFG [2004] No. 38" and approved by Shenzhen Administration for Industry and Commerce.

On March 15, 2006, the registered capital of the Company was increased to RMB 31.92 million upon the resolution of the General Meeting of Shareholders of the Company, and change in the industrial and commercial registration was handled on July 24, 2006.

On June 26, 2007, the Company issued RMB 18.08 million ordinary shares (face value of each share is RMB 1) to the public with an increase of registered capital of RMB 18.08 million, and the registered capital after the change is RMB 50 million by the approval of "ZJH No. 2007135" Notice on Approving the Initial Public Offering of Shenzhen Topband Electronic Technology Co., Ltd. by China Securities Regulatory Commission. The investment business has been verified by Shenzhen Pengcheng Accounting Firm Co., Ltd. and the capital verification report SPSYZ [2007] No. 059 has been issued.

On August 29, 2008, according to the resolution of the 2008 Annual General Meeting of Shareholders, the Company increased the registered capital by RMB 50 million with capital reserve, and the registered capital after the change was RMB 100 million. The capital increase has been verified by Shenzhen Pengcheng Accounting Firm Co., Ltd., and the capital verification report SPSYZ [2008] No. 179 has been issued.

The 3rd Board of Directors of the Company deliberated and passed the Plan on the Distribution of Mid-term Profits in 2009 at the 6th meeting in 2009: Based on the total share capital of the Company at the end of the reporting period of 100 million shares, 4 shares were added in share capitals per 10 shares for all shareholders regarding the capital reserves, and the total share capital increased by 40 million shares. After the increase by conversion, the total share capital of the Company increased from 100 million shares to 140 million shares.

On April 7, 2010, the Company held a meeting of the Board of Directors to deliberate and approve the profit distribution plan for 2009: Based on the total share capital of 140 million shares as of December 31, 2009,

the Company will pay cash dividends of RMB 1.50 (tax included) per 10 shares, and based on the total share capital of 140 million shares as of December 31, 2009, 2 shares will be added per 10 shares. After the increase by conversion, the total share capital of the Company increased from 140 million shares to 168 million shares.

The Company held the 2nd Meeting of the 4th Board of Directors in 2012 on March 26, 2012, deliberated and passed the profit distribution plan for 2011: Based on the total share capital 168 million shares of the Company on December 31, 2011, 2 shares were additionally given to all shareholders for every 10 shares, and cash dividend of RMB 2 (tax included) was distributed. 1 share was added per 10 shares for all shareholders regarding the capital reserves. The equity distribution was completed on May 4, 2012. After the increase by conversion, the total share capital of the Company increased from 168 million shares to 218.4 million shares.

According to the resolutions of 1st Extraordinary General Meeting of Shareholders of the Company in 2014, after the approval of ZJXK [2014] No. 1425 of China Securities Regulatory Commission, the Company's non-public offering did not exceed 36.935679 million new shares. On February 5, 2015, the Company privately issued 23,521,768 ordinary shares (A shares) in RMB to specific investors at the price of RMB 13.63 per share. After the issuance, the registered capital of the Company was increased to RMB 241,921,768.00.

According to the Revised Draft of the Second Option Incentive Plan (Draft) of Shenzhen Topband Co., Ltd. deliberated and passed by the Company in the 2012 Annual General Meeting of Shareholders and the Proposal on the Second Exercise Period of the Second Phase Stock Option Incentive Plan Meeting with the Exercise Conditions and Exercisable Rights, which was deliberated and passed by the 9th Meeting of the 5th Board of Directors of the Company, the total exercise was 3,101,700 stock options in 2015, exercise price was RMB 5.72 each. After exercise, the registered capital of the Company was increased to RMB 245,023,468.00.

According to the Restricted Stock Incentive Plan (Draft) of Shenzhen Topband Co., Ltd. in 2015 approved by the 2nd Extraordinary General Meeting of Shareholders in 2015 and the Proposal on Adjusting the Number of Restricted Stock Incentive Plans Granted and List of Incentive Objects in 2015 approved at the 18th Meeting of the 5th Board of Directors, the Company granted 359 incentive objects restricted stocks 17.633 million shares. The registered capital of the Company was increased to RMB 262,656,468.00 after the issuance.

According to the resolution of the 3rd Extraordinary General Meeting of Shareholders of the Company in 2015, and approved by the Reply to the Approval of Non-public Development of Shares of Shenzhen Topband Co., Ltd. issued by China Securities Regulatory Commission (ZJXK [2016] No. 205), the Company non-publicly issued 35,864,345 ordinary shares (A shares) in RMB to specific investors on March 28, 2016, with the

issuance price of RMB 16.66 per share. The registered capital of the Company was increased to RMB 298,520,813.00 after the issuance.

According to the Revised Draft of the Second Phase Stock Option Incentive Plan (Draft) of Shenzhen Topband Co., Ltd. deliberated and passed by the 2012 Annual General Meeting of Shareholders of the Company and the Proposal on the Third Exercise Period of the Second Phase Stock Option Incentive Plan Meeting Exercise Conditions and Exercisable Rights deliberated and passed by the 23rd Meeting of the 5th Board of Directors of the Company, a total of 4,594,000 shares were exercised in 2016. After exercise, the registered capital of the Company was increased to RMB 303,114,813.00.

According to the Proposal on Repurchase and Cancellation of Some Restricted Stocks deliberated and passed by the 24th Meeting of the 5th Board of Directors of the Company held on April 26, 2016, as for the incentive object who resigned due to personal reasons and no longer met the conditions of becoming the incentive object, those 72,000 restricted stocks that have not been unlocked held by the incentive object were repurchased and cancelled. After cancellation, the registered capital of the Company was reduced to RMB 303,042,813.00.

The Company held the 2015 Annual General Meeting of Shareholders on May 11, 2016 and approved the 2015 annual equity distribution plan. Based on the Company's current total share capital of 301,520,013 shares, the Company distributed RMB 1.50 to all shareholders for every 10 shares. At the same time, the Company increased 5 shares to all shareholders for every 10 shares with the capital accumulation fund, and the capital increased by RMB 150,760,006. After the capital was increased, the Company's registered capital was increased to RMB 453,802,819.00.

According to the Proposal on Repurchase and Cancellation of Some Restricted Stocks deliberated and passed by the 28th Meeting of the 5th Board of Directors of the Company held on October 26, 2016, as for the incentive object who resigned due to personal reasons and no longer met the conditions of becoming the incentive object, those 331,500 shares of restricted stocks that have not been unlocked held by the incentive object were repurchased and cancelled. After cancellation, the registered capital of the Company was reduced to RMB 453,471,319.00.

The 2016 Annual General Meeting of Shareholders of the Company was held on April 11, 2017, and the 2016 annual equity distribution plan was approved. Based on the Company's existing total share capital of 453,471,319 shares, the Company distributed RMB 1.50 in cash to all shareholders for every 10 shares. At the

same time, the Company increased 5 shares to all shareholders for every 10 shares with the capital accumulation fund, and the capital increased by RMB 226,735,659. After the capital increased, the registered capital of the Company was increased to RMB 680,206,978.00.

According to the Proposal on Repurchase and Cancellation of Some Restricted Stocks deliberated and passed by the 32nd Meeting of the 5th Board of Directors of the Company held on June 13, 2017, as for the incentive object who resigned due to personal reasons and no longer met the conditions of becoming the incentive object, the 346,500 restricted stocks that have not been unlocked held by the incentive object were repurchased and cancelled. After cancellation, the registered capital of the Company was reduced to RMB 679,860,478.00.

The 2017 Annual General Meeting of Shareholders of the Company was held on April 17, 2018, and the 2017 annual equity distribution plan was approved. Based on the Company's existing total share capital of 679,860,478 shares, the Company distributed RMB 1.0 in cash to all shareholders for every 10 shares. At the same time, the Company increased 5 shares to all shareholders for every 10 shares with the capital accumulation fund, and the capital increased by RMB 339,930,239.00. After the capital increased, the registered capital of the Company was increased to RMB 1,019,790,717.00.

According to the Proposal on Repurchase and Cancellation of Some Restricted Stocks deliberated and passed by the 6th Meeting of the 6th Board of Directors of the Company held on July 27, 2018, as for the incentive object who resigned due to personal reasons and no longer met the conditions of becoming the incentive object, the 744,186 restricted stocks that have not been unlocked held by the incentive object were repurchased and cancelled. After cancellation, the registered capital of the Company was reduced to RMB 1,019,046,531.00.

According to the Proposal on Repurchase and Cancellation of Some Restricted Stocks deliberated and passed by the 6th Meeting of the 6th Board of Directors of the Company held on July 27, 2018, as for the incentive object who resigned due to personal reasons and no longer met the conditions of becoming the incentive object, the 744,186 restricted stocks that have not been unlocked held by the incentive object were repurchased and cancelled. After cancellation, the registered capital of the Company was reduced to RMB 1,019,046,531.00.

According to the Proposal on Repurchase and Cancellation of Some Restricted Stocks deliberated and passed by the 15th Meeting of the 6th Board of Directors session Company held on July 26, 2019, as for the

incentive object who resigned due to personal reasons and no longer met the conditions of becoming the incentive object, the 310,800 restricted stocks that have not been unlocked held by the incentive object were repurchased and cancelled. After cancellation, the registered capital of the Company was reduced to RMB 1,018,735,692. With the approval of "SZS [2019] No. 164 Document" issued by Shenzhen Stock Exchange, the Company's RMB 573 million convertible corporate bonds will be listed and traded in Shenzhen Stock Exchange from April 8, 2019. Since September 16, 2019, bondholders can exercise the right to transfer shares. As of December 31, 2019, the Company has transferred 2,223.00 shares of bonds and increased the share capital by RMB 40,077.00. After the share transfer, the registered capital of the Company will increase to RMB 1,018,775,769.00.

The 22nd Meeting of the 6th Board of Directors deliberated and passed the Proposal on the First Exercise Period of 2018 Stock Option Incentive Plan Meeting the Exercise Conditions and Exercisable Rights and Proposal on Adjustment of the Incentive Objects and the Number of Stock Options of 2018 Stock Option Incentive Plan: there are 606 incentive objects in the first exercise period of the 2018 stock option incentive plan in the Company, in total of 12.0147 million stock options, that meet the exercise conditions and can be exercised. The Company plans to adopt the independent exercise mode. As of December 31, 2020, 606 incentive objects in the first exercise period had completed the exercise of 12.0147 million stock options, increased the Company's share capital by RMB 12.0147 million, and the share capital increased to RMB 1,030,790,469.00 after the exercise of the stock options.

According to the "SZS [2019] No. 164 Document" by the Shenzhen Stock Exchange, the Company's convertible corporate bonds of RMB 573 million are listed and traded on Shenzhen Stock Exchange from April 8, 2019. Since September 16, 2019, the bondholders can exercise the equity transfer. In 2020, a total of 5,712,224.00 bonds were converted into shares, increasing the share capital by RMB 104,426,340.00. After the conversion, the registered capital of the Company was increased to RMB 1,135,216,809.00.

On August 18, 2020, the China Securities Regulatory Commission issued the Reply on Approving the Non-Public Offering of Shares by Shenzhen Topband Co., Ltd. (ZJXK [2020] No. 1865), and approved the Company's non-public offering of no more than 309,243,655 new shares. In June 2021, the non-public issuance of 92,105,263 new shares was listed on the Stock Exchange, with the registered capital increased by RMB 92,105,263, and the Company's registered capital increased to RMB 1,238,254,672.00 after the change.

In November 2021, the Company granted 33,544,320 restricted stocks to 1,224 eligible incentive objects on November 2, 2021, the grant date, at a grant price of RMB 7.23 per share. The restricted stocks are set with a restricted period. In the three fiscal years from 2022 to 2024, the performance assessment will be carried out on an annual basis and the restricted stocks will be lifted at a ratio of 30%, 30% and 40%, respectively. The 14,838,920 shares granted come from the repurchase shares, and 18,705,400 shares come from private placement. By granting the restricted stocks, the registered capital of the Company increases by 18,705,400 shares, and the registered capital increase to RMB 1,256,978,072.00 after the change.

On March 18, 2022, the 21st Meeting of the 7th Board of Directors and the 17th Meeting of the 7th Board of Supervisors deliberated and passed the Proposal on the Third Exercise Period of 2018 Stock Option Incentive Plan Meeting the Exercise Conditions and Exercisable Rights and the Proposal on Adjustment of the Incentive Objects and the Number of Stock Options of 2018 Stock Option Incentive Plan. There were 543 incentive objects in the third exercise period to exercise their rights independently and a total of 14.0493 million stock options meeting the exercise conditions. The Company's share capital increased by RMB 14.0493 million due to the exercise of stock options. After the stock options are exercised, the share capital will increase to RMB 1,271,027,372.00.

The Company held the 23rd (Extraordinary) Meeting of the 7th Board of Directors on March 30, 2022, the 27th (Extraordinary) Meeting of the 7th Board of Directors and the 22nd (Extraordinary) Meeting of the 7th Board of Supervisors on August 18, 2022, deliberated and passed the Proposal on the Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021, describing as for the incentive object who resigned due to personal reasons and no longer met the conditions of becoming the incentive object, the 1.492 million restricted stocks that have not been unlocked held were repurchased and cancelled. By repurchasing and cancelling the restricted stocks, the number of restricted stocks of the Company decreased by 1.492 million shares, and the share capital decreased to RMB 1,269,535,372.00.

39 subsidiaries and sub-sub-subsidiaries were included in the consolidated statements of the Company, as detailed in Section X IX (1) of this report.

IV. Preparation basis of the financial statement

1. Basis of preparation

The financial statements are based on the assumption of continuation of the Company, according to the actual transactions, in accordance with the relevant provisions of the Accounting Standards for Business Enterprises, and based on the following important accounting policies and accounting estimates.

2. Continuation

The Company has no major doubt on the ability of continuation and other influencing factors for 12 months since the end of the reporting period.

V. Significant accounting policies and accounting estimates

Specific accounting policies and accounting estimates reminders:

None

1. Statement on compliance with Accounting Standards for Business Enterprises

The financial statements prepared on the basis of above compiling foundation give a true and full view of the financial position, operating results, cash flow and other relevant information of the Company, conforming to the requirements of the latest Accounting Standards for Business Enterprises and its application guidelines, interpretations as well as other relevant provisions (collectively referred to as "Accounting Standards for Business Enterprises") issued by the Ministry of Finance.

Additionally, the presentation and disclosure requirements of the No. 15 Rules for the Preparation and Presentation of Information Disclosure of Companies Offering Securities to the Public - General Provisions on Financial Reporting (revised in 2014) and the Notice on Matters Related to the Implementation of the New Accounting Standards for Business Enterprises by Listed Companies (KJBH [2018] No. 453) were taken as reference in these financial reports issued by the CSRC.

2. Accounting period

The fiscal year of the Company adopts the Gregorian calendar year, that is, from January 1 to December 31 every year.

The reporting period is from January to June 2023.

3. Operating cycle

The financial year of the Company adopts the Gregorian calendar year, that is, from January 1 to December 31 every year.

4. Recording currency

The bookkeeping base currency is RMB for the Company. The Company's overseas subsidiaries may determine their own bookkeeping base currencies based on the currencies in the main economic environments for their operation. In preparation of financial statements, the currency used is RMB.

5. Accounting treatment for consolidation under the same control and under different control

1. Accounting treatment for consolidation under the same control

Assets and liabilities obtained by the Company in the consolidation under the same control realized through one transaction or multiple transactions step by step were accounted based on book value of assets and liabilities of the consolidated party in the consolidated financial statements of the final controller on consolidation date. Capital reserves shall be adjusted according to difference between the book value of net assets obtained by the Company and the payment for the book value of consolidation consideration (or total nominal value of the issued shares). If the capital reserve is insufficient to be offset, the retained earnings shall be offset.

2. Accounting treatment for consolidation under different control

The Company, at the date of acquisition, recognizes the difference of the combination cost greater than the fair value share of the Acquiree's net identifiable assets obtained in the combination as goodwill; if the combination cost is less than the fair value share of the Acquiree's net identifiable assets obtained in the combination, the Company first re-checks the fair value of the Acquiree's identifiable assets, liabilities and contingent liabilities as well as the measurement of combination cost. The difference shall be included in the current profits and losses, if the combination cost is still less than the fair value share of the Acquiree's net identifiable assets obtained in the combination.

The consolidation under different control realized step by step through multiple transactions shall be treated as follows:

(1) Adjusting the initial investment cost of long-term equity investment. If the equity held before the acquisition date is calculated with the equity method, it shall be re-measured as per the fair value of the equity at the date of acquisition, and the difference between the fair value and its book value shall be included in the current investment income; if the equity of the acquiree held before the acquisition date involves changes in other comprehensive income and other equity accounted under the equity method, it shall be transferred to the current income on the acquisition date, excluding other comprehensive income arising from changes in net liabilities or net assets of the defined benefit plan and changes in the fair value of other equity instruments held re-measured by the investee.

(2) Recognizing goodwill (or amount included in the current profits and losses). The initial investment cost of long-term equity investment after the first step adjustment is compared with the fair value share of net identifiable assets of subsidiaries at the date of acquisition. If the former is greater than the latter, the difference is recognized as goodwill; otherwise, it is included in the current profits and losses.

The situation of disposing equity step by step through multiple transactions to losing control over subsidiaries

(1) Judging whether the transactions in the process of disposing equity step by step to losing control over subsidiaries belong to the principle of "package transaction"

The terms, conditions and economic impact of transactions relating to disposal of equity investment in subsidiaries meet one or more of the following circumstances, which generally indicates that multiple transactions shall be accounted for as a package transaction:

1) Such transactions are concluded at the same time or under the situation of considering the impact on each other;

2) Only can the unity of such transactions reach an integral commercial result;

3) The occurrence of a transaction is based on the occurrence of at least one of other transactions;

4) A transaction is regarded as uneconomic, but being economic when regarded along with other transactions.

(2) Accounting treatment for transactions in the process of disposing equity step by step to losing control over subsidiaries belonging to "package transaction"

If the transactions relating to disposal of equity investment in subsidiaries to losing control over subsidiaries belong to "package transaction", these shall be treated as a transaction for disposing the subsidiary

and losing control; however, the difference between the price of every disposal and the net assets share held in the subsidiary corresponding to the disposal of investment before losing control shall be recognized as other consolidated income in the consolidated financial statements, which shall be transferred to the current profits and losses at the time of losing control.

In the consolidated financial statements, the remaining equity shall be re-measured according to its fair value on the date of losing control. The difference between the sum of consideration obtained from equity disposal and fair value of remaining equity less the net assets share held in original subsidiary and continuously calculated from the date of acquisition as per the original shareholding ratio shall be included in the investment income of the current period of loss of control. Other comprehensive income related to the equity investment in original subsidiary shall be transferred to the current investment income or retained earnings at the time of losing control.

(3) Accounting treatment for transactions in the process of disposing equity step by step to losing control over subsidiaries not belonging to "package transaction"

If no loss of control occurs in the disposal of the investment in the subsidiary, the difference between the disposal price and the net assets share held in the subsidiary corresponding to the disposal of investment in the consolidated financial statements shall be included in the capital reserve (capital premium or share premium). If the capital premium is insufficient to offset, the retained earnings shall be adjusted.

In case of loss of control of the investment of the subsidiary, in the consolidated financial statements, the remaining equity shall be re-measured according to its fair value on the date of losing control. The difference between the sum of consideration obtained from equity disposal and fair value of remaining equity less the net assets share held in original subsidiary and continuously calculated from the date of acquisition as per the original shareholding ratio shall be included in the investment income of the current period of loss of control. Other comprehensive income related to the equity investment in original subsidiary shall be transferred to the current investment income or retained earnings at the time of losing control.

6. Compiling method of consolidated financial statements

The consolidated financial statements, based on the financial statements of the parent company and its subsidiaries, are prepared by the Company in accordance with the Accounting Standards for Business Enterprises No. 33-Consolidated Financial Statements and with reference to other relevant information.

7. Classification of joint venture arrangements and accounting treatment for joint operation

1. Identification and classification of joint venture arrangements

Joint venture arrangement refers to an arrangement under joint control by two or more parties. The joint venture arrangement has the following features: (1) all parties are bound by the arrangement; (2) two or more parties jointly control the arrangement. No single party can control the arrangement solely, and any party with joint control over the arrangement can prevent other parties or a combination of party alliance from controlling the arrangement alone.

Joint control refers to the common control of an arrangement in accordance with relevant agreements, and the activities related to the arrangement must be agreed upon by the parties holding control right before the decision can be made.

Joint venture arrangement includes joint operation and joint venture. Joint operation is the joint venture arrangement in which the joint venture party holds the relevant assets of the arrangement and assumes the relevant liabilities. Joint venture refers to a joint venture arrangement in which the joint venture party has rights only to the net assets of the arrangement.

2. Accounting treatment for joint venture arrangement

Parties in joint operation shall recognize the following items related to their share of interests in joint operation, and perform accounting treatment in accordance with the relevant provisions of the Accounting Standards for Business Enterprises: (1) recognize the assets held separately and those held jointly as per their share; (2) recognize the liabilities assumed separately and those assumed jointly as per their share; (3) recognize the income generated from the sale of its share of joint operation output; (4) recognize the income from the sale of the output of the joint operation as per its share; (5) recognize the expenses incurred separately and those incurred in the joint operation as per its share.

The parties of a joint venture shall make accounting treatment for the investment in the joint venture in accordance with the Accounting Standards for Business Enterprises No. 2 - Long-Term Equity Investment.

8. Standards for determining cash and cash equivalents

Cash in the cash flow statement refers to cash on hand and deposits that are available for payment at any time. Cash equivalents refer to investments with short term (generally due within three months from the date of purchase), strong liquidity, easy to convert into known amount of cash and low risk of value change.

9. Foreign currency transaction and foreign currency statement translation

1. The translation of foreign currency transactions

When foreign currency transactions are initially recognized, they are converted into RMB at the spot exchange rate on the transaction date. On the balance sheet date, foreign currency monetary items are translated at the spot exchange rate on the balance sheet date. The exchange difference arising from different exchange rates shall be included in the current profits and losses, except for the exchange difference of the principal and interest of foreign currency special borrowings related to the acquisition and construction of assets that meet the capitalization conditions; foreign currency non-monetary items measured at historical cost shall be translated at the spot exchange rate on the transaction date, with the amount in RMB maintaining unchanged; foreign currency non-monetary items measured at fair value shall be translated at the spot exchange rate on the date of determining fair value, with the difference included in the current profits and losses or other comprehensive income.

2. Translation of foreign currency financial statements

The assets and liabilities in balance sheet shall be translated at the spot exchange rate on the balance sheet date; except for the "retained earnings", other items in the owner's equity shall be converted at the spot exchange rate on the transaction date; the income and expense in the income statement shall be converted at the spot exchange rate on the transaction date. The difference in translation of foreign currency financial statements generated from the above conversion is recognized as other comprehensive income.

10. Financial instruments

1. Recognition and derecognition of financial instruments

When the Company becomes one party of the financial instrument contract, it shall recognize a financial asset or financial liability.

The trading of financial assets in a conventional manner shall be recognized and derecognized according to the accounting of the trading day. Conventional trading of financial assets refers to the collection or delivery of financial assets within the time limit specified by laws and regulations or common practice in accordance with the terms of the contract. Trading day refers to the date when the Company promises to buy or sell financial assets.

If the following conditions are met, the financial assets (or a part of financial assets, or a part of a set of similar financial assets) shall be derecognized, i.e., they shall be written off from its accounts and balance sheets:

(1) The right to receive cash flow of financial assets has expired;

(2) The right to receive cash flow of financial assets has been transferred, or the Company has assumed the obligation to timely pay the full amount of the cash flow received to a third party under the "transfer agreement"; and (a) has transferred substantially all the risks and rewards from the ownership of financial assets, or (b) abandoned the control of the financial asset, though almost all risks and rewards from the ownership of the financial asset are neither transferred nor retained.

2. Classification and measurement of financial assets

At the time of initial recognition, the financial assets of the Company are classified according to the Company's business model for the management of financial assets and the contractual cash flow characteristics of financial assets as follows: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through current profits and losses. The subsequent measurement of financial assets depends on its classification.

The classification of financial assets is based on the Company's business model for the management of financial assets and the cash flow characteristics of financial assets.

(1) Financial assets measured at amortized cost

Financial assets that meet the following conditions at the same time are classified as financial assets measured at amortized cost: the Company's business mode of managing the financial assets is to collect the contract cash flow as the target; the contract terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the amount of outstanding principal. For such financial assets, the effective interest rate method is adopted, and subsequent measurement is made at amortized cost, and the gains or losses arising from amortization or impairment are included in the current profits and losses.

(2) Debt instruments investment measured at fair value with changes included in other comprehensive income

Financial assets that meet the following conditions at the same time are classified as financial assets measured at fair value with their changes included in other comprehensive income: the Company's business mode of managing the financial assets aims to collect the contract cash flow and sell them; the contract terms of

the financial asset stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the amount of outstanding principal. For such financial assets, fair value is adopted for subsequent measurement. The discount or premium is amortized using the effective interest rate method and recognized as interest income or expense. Except the impairment loss and the exchange difference of foreign currency monetary financial assets are recognized as the current profits and losses, the changes in the fair value of such financial assets are recognized as other comprehensive income until their accumulated gains or losses are transferred into the current profits and losses when the financial asset is derecognized. Interest income related to such financial assets is included in the current profits and losses.

(3) Equity instruments investment measured at fair value with changes included in other comprehensive income

The Company irrevocably chooses to designate part of the non-tradable equity instrument investment as financial assets measured at fair value through other comprehensive income. Only the relevant dividend income is included in the current profits and losses, and the changes in fair value are recognized as other comprehensive income, until their accumulated gains or losses are transferred into retained earnings when the financial asset is derecognized.

(4) Financial assets measured at fair value with changes included in the current profits and losses

The financial assets other than the above financial assets measured at amortized cost and those at fair value through other comprehensive income are classified as financial assets measured at fair value with changes included in the current profits and losses. At the time of initial recognition, for the purpose of elimination or significant reduction of accounting mismatch, financial assets can be designated as those measured at fair value with changes included in the current profits and losses. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value are included in the current profits and losses.

If and only when the Company changes the business model for managing financial assets, it will reclassify all the affected financial assets.

For the financial assets measured at fair value and whose changes are included in the current profits and losses, the relevant transaction costs are directly included in the current profits and losses, and such costs of other types of financial assets are included in the initial recognition amount.

3. Classification and measurement of financial liabilities

During initial recognition, the Company's financial liabilities are classified as: "financial liabilities measured at amortization cost" and "financial liabilities measured at fair value with their changes included into the current profit and loss".

Financial liabilities satisfying one of the following requirements can be designated as financial liabilities measured at fair value with their changes included in the current profit and loss during initial measurement: (1) Such designation can eliminate or remarkably reduce the accounting mismatch; (2) According to group risk management or investment strategy in the formal written documents, the management and performance evaluation of the portfolio of financial liabilities or portfolio of financial assets and financial liabilities are conducted on the basis of fair price, and within the group, it is reported to the key management personnel on such basis; (3) Such financial liabilities include embedded derivatives requiring separate splitting.

The Company determines the classification of financial liabilities at the time of the initial recognition. For the financial liabilities measured at fair value with changes included in the current profits and losses, the relevant transaction costs are directly included in the current profits and losses, and such costs of other financial liabilities are included in the initial recognition amount.

The subsequent measurement of financial liabilities depends on its classification:

(1) Financial liabilities measured at amortized cost

For such financial liabilities, the effective interest rate method is adopted and the subsequent measurement is conducted as per the amortized cost.

(2) Financial liabilities measured at fair value with changes included in the current profits and losses

Such financial liabilities include tradable financial liabilities (including derivatives that belong to financial liabilities) and financial liabilities designated upon initial recognition as those measured at fair value with changes included in the current profits or losses.

4. Set off of financial instruments

If the following conditions are met at the same time, financial assets and financial liabilities are presented in the balance sheet at the net amount after offsetting each other: the Company has the legal right to offset the recognized amount, which is currently enforceable; they plan to settle at the net amount, or realize the financial assets and pay off the financial liabilities at the same time.

5. Impairment of financial assets

The Company recognizes the loss provision based on the expected credit loss for the financial assets measured at the amortized cost, the debt instrument investment and financial guarantee contract measured at the fair value and whose changes are included in other comprehensive income. The term "credit loss" refers to the difference between all the contractual cash flows that the Company discounted at the original effective interest rate and received according to the contract and all the expected cash flows, i.e., the present value of all the cash shortage.

Upon considering all reasonable and well-founded information (including forward-looking information), the Company estimates the expected credit impairment loss is withdrawn for "financial assets measured at amortized cost" and "financial asset (debt instruments) measured at fair value with their changes included in other comprehensive income" in single or combined manner.

(1) General model of expected credit loss

If the credit risk of this financial instrument has increased obviously since initial recognition, the Company will measure the loss reserves according to the expected credit loss amount of such financial instrument in the whole duration; if the credit risk of this financial instrument hasn't increased obviously since initial recognition, the Company will measure the loss reserves according to the expected credit loss amount of such financial instrument in the next 12 months. The increased or reversed amount of the loss provisions arising therefrom shall be included in the current profits and losses as impairment losses or gains. The specific assessment of credit risk by the Company is detailed in the Note "IX. Risks Associated with Financial Instruments".

Generally, in case of overdue for more than 30 days, the Company will consider that the credit risk of such financial instrument has increased obviously, unless conclusive evidence is available to prove that the credit risk of such financial instrument hasn't obviously increased since the initial recognition.

To be specific, the Company divides the credit impairment process of financial instruments that have not been impaired at the time of purchase or origination into three stages, with different accounting treatment for the impairment of financial instruments at different stages:

First stage: credit risk has not increased significantly since initial recognition

For the financial instrument at this stage, the enterprise shall measure the loss provision according to the expected credit loss in the next 12 months, and calculate the interest income as per its book balance (i.e. without deducting the impairment provision) and the actual interest rate (if the instrument is a financial asset, the same below).

Second stage: the credit risk has increased significantly since the initial recognition, but the credit impairment has not occurred

For the financial instrument at this stage, the enterprise shall measure the loss provision according to the expected credit loss of the instrument thought the whole duration, and calculate the interest income as per its book balance and the actual interest rate.

Third stage: credit impairment occurs after initial recognition

For the financial instrument at this stage, the enterprise shall measure the loss provision according to the expected credit loss of the instrument thought the whole duration, but the calculation of interest income is different from the financial assets at the first two stages. For the financial assets with credit impairment, the enterprise shall calculate the interest income according to its amortized cost (book balance minus accrued provision for impairment, i.e. book value) and the actual interest rate.

For the financial assets with credit impairment at the time of purchase or origination, the enterprise shall only recognize the change of expected credit loss in the whole duration after initial recognition as loss provision, and calculate the interest income as per its amortized cost and the effective interest rate adjusted by credit.

(2) For financial instruments with low credit risk on the balance sheet date, the Company directly assumes that the credit risk of such instruments has not increased significantly since the initial recognition, while not comparing them with the credit risk at the time of initial recognition.

A financial instrument may be considered to have a lower credit risk if the enterprise recognizes that the financial instruments feature low default risk, the borrower is able to fulfill its obligations to pay the contractual cash flow in the short term, and that even if there are adverse changes in economic situation and operating environment over a longer period of time, it does not necessarily reduce the borrower's ability to fulfill its obligations to pay the contractual cash flow.

(3) Receivables and lease receivables

The Company measures the loss provisions as per the amount of expected credit losses throughout the whole duration by the use of simplified model for expected credit loss for receivables specified in Accounting Standards for Business Enterprises No. 14 - Income, excluding significant financing components (including cases in which financing components in contracts not exceeding one year are not taken into account in accordance with the standards).

The Company makes accounting policy choices to adopt a simplified model for expected credit loss, i.e., measuring the loss provisions as per the amount equivalent to the expected credit loss throughout the whole duration for receivables including significant financing components and lease receivables regulated by Accounting Standards for Business Enterprises No. 21 - Leasing.

6. Transfer of financial assets

The financial assets shall be derecognized when the Company has transferred all the risks and rewards on the ownership of the financial assets to the transferee. The financial assets shall not be derecognized if the Company retains all the risks and rewards on the ownership of the financial assets.

If the Company neither transfers nor retains almost all the risks and rewards in the ownership of the financial asset, the following conditions shall be referred to: if it gives up the control over the financial asset, it shall terminate the recognition of the financial asset and recognize the assets and liabilities generated; if it does not abandon the control over the financial asset, the relevant financial assets shall be recognized according to the extent to which it continues to be involved in the transferred financial asset, and the relevant liabilities shall be recognized accordingly.

If the financial guarantee is provided to the transferred financial assets to continue to be involved, the assets generated from the continued involvement shall be recognized according to the lower of the book value of the financial assets and the amount of financial guarantee. Financial guarantee amount refers to the maximum amount that will be required to be repaid out of consideration received.

11. Notes receivable

The Company divides notes receivable into two portfolios of bank acceptance bills and commercial acceptance bills by type of financial instrument. With respect to bank acceptance bills, the Company considers its overdue default risk to be 0 for it has low overdue credit loss which has not significantly increased since the initial recognition, because the acceptance bank pays the payee or holder a certain amount unconditionally when the bill is due. In respect of commercial acceptance bills, the Company believes that the probability of default is correlated with the aging, and the bad debts shall be accrued according to the accounting policy of expected credit loss of accounts receivable.

12. Accounts receivable

The Company measures the loss provisions as per the amount of expected credit losses throughout the whole duration by the use of simplified model for expected credit loss for receivables specified in Accounting Standards for Business Enterprises No. 14 - Income, excluding significant financing components (including cases in which financing components in contracts not exceeding one year are not taken into account in accordance with the standards). The increased or reversed amount of loss provisions generated therefrom shall be included in the current profits and losses as impairment losses or gains.

The Company has implemented Accounting Standard No. 22 - Recognition and Measurement of Financial Instruments (CK [2017] No. 7) since January 1, 2019. The Company believes that the probability of default is related to the aging, which is still a mark of whether the credit risk of the Company's accounts receivable increases significantly, after it has reviewed the appropriateness of the provision for bad debts receivable in previous years based on the Company's historical bad debt losses. Therefore, credit risk loss of the Company's accounts receivable is still estimated on the basis of aging according to the original loss ratio of previous years. The accounting policies for measuring overdue credit loss of accounts receivable adopted by the Company are as follows:

1. Receivables with significant individual amount and individual provision for bad debts

Significant individual amount refers to the amount of which the ending balance of individual receivables is more than RMB 1 million.

At the end of the period, a separate impairment test will be carried out on the individual receivables with significant amount. If there is objective evidence that it is impaired, the impairment loss shall be recognized with provision for bad debts according to the difference between the present value of future cash flow and the book value.

2. Receivables with provision for bad debts by portfolio

The individual receivables with not significant amount at the end of the period, together with the receivables that have not been impaired after separate test, are divided into several portfolios according to the aging as the credit risk characteristics, and the impairment loss is calculated and determined according to a certain proportion of the ending balance of these receivables portfolio (the impairment test can be conducted separately), with provision for bad debts.

Except for the receivables for which impairment provision has been made separately, the Company determines the proportion for following bad debt provision based on the actual loss rate of the portfolio of the same or similar receivables in previous years with the aging of receivables as the credit risk feature and in combination with the current situation:

Aging	Estimated loss of accounts receivable (note)	Estimated loss of other receivables
Within 1 year (including 1 year)	3.10%	5.00%
1-2 years (including 2 years)	9.04%	10.00%
2-3 years (including 3 years)	22.11%	30.00%
3-4 years (including 4 years)	47.51%	50.00%
4-5 years (including 5 years)	84.26%	80.00%
Above 5 years	100.00%	100.00%
Including: those that have been determined to be irrecoverable	Write-off	Write-off

Note: when measuring the expected credit loss of receivables, the Company has referred to the historical experience of credit loss and adjusted it based on forward-looking estimates.

3. Receivables with not significant amount but with single provision for bad debts

Reasons for individual provision for bad debts: the Company conducts a separate impairment test for the receivables with the following characteristics, although its amount is not significant. If there is objective evidence that the receivables are impaired, the impairment loss shall be recognized with provision for bad debts according to the difference between the present value of future cash flow and the book value; receivables that are in dispute with the other party or involved in litigation or arbitration; receivables that have obvious indications that the debtor is likely to be unable to perform the repayment obligation, etc.

Method for bad debt provision: the impairment test shall be conducted separately. If there is objective evidence that it has been impaired, the impairment loss shall be recognized with provision for bad debts according to the difference between the present value of future cash flow and its book value.

The Company measures the loss provisions as per the amount of expected credit losses throughout the whole duration by the use of simplified model for expected credit loss for receivables specified in Accounting Standards for Business Enterprises No. 14 - Income, excluding significant financing components (including cases in which financing components in contracts not exceeding one year are not taken into account in accordance with the standards). The increased or reversed amount of loss provisions generated therefrom shall be included in the current profits and losses as impairment losses or gains.

13. Receivables financing

Financial assets that meet the following conditions at the same time are classified as financial assets measured at fair value with their changes included in other comprehensive income: the Company's business mode of managing the financial assets aims to collect the contract cash flow and sell them; the contract terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the amount of outstanding principal.

The receivables held by the Company transferred in the endorsed or discounted form that such transactions are frequent and involve significant amounts and the management mode aims to collect the contract cash flow and sell them in nature, are classified as financial assets measured at fair value with their changes included in other comprehensive income in accordance with the relevant provisions of the Financial Instruments Standards.

14. Other receivables

Recognition method and accounting treatment method for expected credit loss of other receivables

Recognition methods and accounting treatment of expected credit losses of other receivables. The Company measures the impairment loss by an amount equivalent to the expected credit loss within the next 12 months or over the entire duration, depending on whether the credit risk of other receivables has increased significantly since the initial recognition. In addition to other receivables with individual credit risk assessment, they are divided into different portfolios based on their credit risk characteristics:

Portfolio name	Basis for determining the portfolios	Provision methods
Portfolio I	Risk-free portfolio	This portfolio is a risk-free account.
Portfolio II	Aging portfolio	The credit risk of the portfolio is characterized by the aging.

15. Inventories

1. Classification of inventories

The inventory includes the finished products or commodities held for sale in daily activities, the unfinished products and the materials consumed in the production or in the provision of labor services, etc.

2. Pricing method of delivered inventories

The delivered inventories are subject to the weighted-average system.

3. Determination basis for net realizable value of the inventory and counting and drawing method for inventory falling price reserves

On the balance sheet date, the inventories are measured at the lower of cost and net realizable value, and the inventory revaluation reserves are calculated at the difference between the cost of inventory category and the net realizable value. The net realizable value of the inventories ready for sale is determined at the estimated sale price of such inventories minus the estimated sales expenses and relevant taxes during normal production and operation, and that of the inventories to be processed is determined at the estimated sale price of the finished products minus the costs, sales expenses and relevant taxes estimated to be incurred up to completion during normal production and operation. On the balance sheet date, the net realizable values are determined separately and compared with the corresponding costs to determine the amount of withdrawal or reversal of inventory revaluation reserve if a part of inventory is subject to the contractual price agreement and the rest is not.

4. Inventory system

Perpetual inventory system is the inventories.

5. Amortization method of low-value consumables and packaging materials

One-off write-off method is employed for both the low-value consumables and the packaging materials.

16. Contract assets

1. Recognition methods and standards for the contractual assets

The Company presents contractual assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The Company's right to receive consideration for goods or services transferred to customers (excluding receivables) is listed as contractual assets.

2. The recognition method and accounting treatment for expected credit loss of contractual assets

The Company measures the loss provisions as per the amount of expected credit losses throughout the whole duration by the use of simplified model for expected credit loss for contractual assets excluding significant financing components. The increased or reversed amount of loss provisions generated therefrom shall be included in the current profits and losses as impairment losses or gains.

The Company measures the loss provisions as per the amount of expected credit losses throughout the whole duration by the use of simplified model for expected credit loss for contractual assets including significant financing components. The increased or reversed amount of loss provisions generated therefrom shall be included in the current profits and losses as impairment losses or gains.

17. Contractual costs

None

18. Assets held for sale

None

19. Debt investment

None

20. Other debt investment

None

21. Long-term receivables

None

22. Long-term equity investment**1. Determination of investment costs**

(1) If the investment cost is incurred in consolidation under the same control in which case the combining party pays the combination consideration in cash, by transferring the non-cash assets, undertaking the debts or issuing the equity securities, the initial investment cost shall be determined on the basis of the share of the owner's equity of the combined party in the book value of the ultimate controlling party's consolidated financial statements on the combination date. For the difference between the initial investment cost of long-term equity investment and the book value of the consideration paid for combination or the total face value of the issued shares, the capital reserve (capital premium or share premium) shall be adjusted. If the capital reserve is insufficient to be offset, the retained earnings shall be adjusted.

If a consolidation under the same control is realized step by step, the initial investment cost shall be determined on the basis of the share of the owner's equity of the combining party in book that is obtained from the combined party on the combination date and calculated at shareholding ratio. For the difference between the initial investment cost and the sum of the book value of the original long-term equity investment plus the book value of the consideration newly paid for acquiring further shares on the combination date, the capital reserve (capital premium or share premium) shall be adjusted. If the capital reserve is insufficient to be offset, the retained earnings shall be adjusted.

(2) If the investment cost is incurred in the consolidation under different control, the initial investment cost shall be determined as the fair value of the consideration paid for combination on the purchase date.

(3) Investment costs other than those incurred in consolidation: The initial investment cost shall be the purchase price paid actually if the investment is obtained by paying cash, the fair value of the issued equity securities if by issuing the equity securities, and the value specified in the investment contract or agreement in case of investment from an investor (unless the unfair value is specified in the contract or agreement).

2. Subsequent measurement and recognition methods for profits and losses

The long-term equity investment that the Company has the control over the investee shall be calculated with cost method in its individual financial statement; those under the same control or significant influence shall be calculated with equity method.

If the cost method is applied, the long-term equity investments shall be priced at the initial investment cost. The cash dividends or profits declared to be distributed by the investee other than those that have been declared but not distributed and included in the price or consideration paid actually when the investment is obtained shall be recognized as the current investment income, and it is necessary to consider whether the long-term investment is impaired in accordance with the relevant policy of asset impairment.

When the equity method is applied, if the initial investment cost of a long-term equity investment is greater than the share of fair value of identifiable net assets entitled from the investee at the time of investment, it shall be included in the initial investment cost of the long-term equity investment; otherwise, the difference shall be included in the current profits and losses and the cost of long-term equity investment shall be adjusted.

When the equity method is applied, the profits and losses on investment shall be recognized and the book value of the long-term equity investment shall be adjusted according to share of the net profits and losses that shall be entitled or shared and have been realized by the investee after the long-term equity investment is

obtained. When the share of the net profit and loss entitled from the investee is recognized, the proportion attributable to the investor shall be calculated at the shareholding ratio after offsetting the profits and losses of internal transactions with associated enterprises and joint ventures (full amount shall be recognized if the losses of internal transactions are the asset impairment losses) in light of the accounting policies and period of the Company on the basis of the fair value of the identifiable assets of the investee when the investment is obtained, and the net profit of the investee shall be recognized after adjustment. The portion to be distributed shall be calculated with reference to the profits or cash dividends declared to be distributed by the investee, and the book value of the long-term equity investment shall be reduced accordingly. If a net loss of the investee confirmed by the Company, the book value of the long-term equity investment, as well as other long-term equity investment which form the net investment of the investment units shall be written down until zero limits, except that the Company has to undertake obligations of additional losses. The book value of the long-term equity investment was adjusted and included in the owner's equity for other changes in the owner's equity other than the net profits and losses of the investee.

3. Basis for determination of control over and significant influence on the investee

Control refers to having the power over the investee, being entitled to variable returns by participating in the relevant activities of the investee and able to influence the amount of return by exercising the power over the investee. Significant influence refers to that the investor has the right to participate in decision-making in terms of the financial and operating policies of the investee but has no right to control or jointly control the formulation of these policies with other parties.

4. Disposal of long-term equity investments

(1) Partial disposal of long-term equity investments into subsidiaries without loss of control

The difference between the disposal price and the corresponding book value of the disposed investment shall be recognized as the current investment income in case of partial disposal of long-term equity investments into subsidiaries without loss of control.

(2) Loss of control over subsidiaries due to partial disposal of long-term equity investments or other reasons

If the control over the subsidiaries is lost due to partial disposal of long-term equity investments or other reasons, the book value of the long-term equity investment corresponding to the sold equity shall be carried forward for the disposed equity, and the difference between the sales price and the book value of the disposed

long-term equity investment shall be recognized as investment income (loss). In addition, the remaining equity shall be recognized as long-term equity investment or other related financial assets at its book value. The remaining equity after disposal that has joint control or significant influence on the subsidiaries shall be subject to the accounting treatment in accordance with the relevant regulations on the conversion from the cost method to the equity method.

5. Methods for impairment test and provision of impairment reserve

If there is any objective evidence showing that the investments into subsidiaries, associated enterprises and joint ventures are impaired on the balance sheet date, the provision of impairment reserve shall be made accordingly based on the difference between the book value and the recoverable amount.

23. Investment property

Measurement model of investment property

Measurement with cost method

Depreciation or amortization method

1. Investment property includes leased land use rights, land use rights held and ready to be assigned after appreciation, and leased buildings.

2. Investment property is measured initially at cost and subsequently with cost model. The provision for depreciation and amortization of the investment property are made in the way as used for fixed assets and intangible assets. If there is any sign showing that the investment property is impaired on the balance sheet date, the provision of impairment reserve shall be made accordingly based on the difference between the book value and the recoverable amount.

The Company applied the cost model to subsequent measurement of investment property, and depreciated or amortized it in accordance with the policy as used for the buildings or land use rights.

See V. 31."Long-term Assets Impairment" for details of the methods for impairment test and provision of impairment reserve applicable to investment property.

If the real estate for private use or inventory is converted to an investment property or the investment property is converted to a real estate for private use, the book value before such conversion shall be deemed as the entry value after the conversion.

If the purpose of an investment property is changed to private use, this investment property shall be converted into a fixed or intangible asset from the date of change. If the purpose of a property is changed to rent gains or capital appreciation from private use, the fixed asset or intangible asset shall be converted into an investment property from the date of change. If the purpose of a property is changed to rent gains or capital appreciation from private use, the fixed asset or intangible asset shall be converted into an investment property from the date of change. If any asset is converted into an investment property measured with the cost model, the book value before the conversion shall be deemed as the entry value after the conversion. If any asset is converted into an investment property measured with the fair value model, the fair value on the conversion date shall be deemed as the entry value after the conversion.

An investment property shall be derecognized if this investment property is disposed of or permanently retired, and it is expected that no economic benefits can be obtained from its disposal. The disposal income from the sale, transfer, scrapping or damage of an investment property shall be included in the current profits and losses after deducting its book value and relevant taxes and dues. The disposal income from the sale, transfer, scrapping or damage of an investment property shall be included in the current profits and losses after deducting its book value and relevant taxes and dues.

24. Fixed assets

(1) Conditions for recognition

Fixed assets refer to the tangible assets that are held for production of goods, provision of labor services, lease or operation management and of which the service life exceeds one fiscal year.

Fixed assets shall be recorded at the actual cost upon the acquisition and subject to the provision for straight-line depreciation from the next month following the date when they are ready for use as intended.

(2) Depreciation method

Type	Depreciation method	Depreciable life	Residual rate	Annual depreciation rate
Houses and buildings	Straight-line method	20-40 years	5%	2.375%-4.75%
Machinery and equipment	Straight-line method	10 years	5%	9.5%
Transportation equipment	Straight-line method	5 years	5%	19%
Tooling	Straight-line method	5 years	5%	19%
Electronic equipment and other equipment	Straight-line method	5 years	5%	19%

(3) Basis for recognition, valuation and depreciation method of fixed assets under financing lease

Financing lease will be recognized if one or more of following criteria is or are met: ① The ownership of the leased asset is transferred to the lessee at the expiration of the lease term; ② It can be reasonably determined that the lessee will exercise the option at the start of the lease since the lessee has such option to purchase the leased asset and the agreed purchase price is expected to be much lower than the fair value of the leased asset when the option is exercised; ③ The lease term accounts for most of the useful life of the leased asset [generally, it accounts for more than 75% (including 75%) of the useful life of the leased asset] even if the ownership of the asset will not be transferred; ④ The present value of the minimum lease payment made by the lessee on the start date of lease is almost equivalent to the fair value [90% and above (including 90%)] of the leased asset on the start date of lease; the present value of the minimum lease payment received by the lessor on the start date of lease is almost equivalent to the fair value [90% and above (including 90%)] of the leased asset on the start date of lease; ⑤ The leased asset is of a special nature and will be only used by the lessee if no major transformation is made.

The fixed assets under financing lease shall be recorded at the lower of the fair value of the leased assets on the start date of lease and the present value of the minimum lease payment and shall be subject to provision for depreciation in accordance with the depreciation policy of self-owned fixed assets.

25. Construction in progress

1. The construction in progress shall be transferred to fixed assets at the actual cost of the project when it is ready for use as intended. If a product under construction has been ready for use as intended but has not undergone final settlement of account, this project shall be transferred to fixed assets at the estimated value first. After final settlement of account is made, the original temporary estimated value shall be adjusted according to the actual cost without adjustment of depreciation previously accrued.

2. If there is any sign showing that a project under construction is impaired on the balance sheet date, the provision for impairment shall be made accordingly at the difference between the book value and the recoverable amount.

26. Borrowing costs

1. Recognition principle for capitalizing borrowing cost

Borrowing costs occurred by the Company that may be directly attributable to the acquisition or construction of assets eligible for capitalization, are capitalized and accounted in the cost of relevant assets; while other borrowing costs are recognized as expenses and accounted into current profits and losses whenever occurred.

2. Capitalization period of borrowing costs

(1) The borrowing costs shall be capitalized if they meet the following conditions: 1) Asset expenditures have been incurred; 2) Borrowing costs have been incurred; 3) Acquisition, construction or production activities necessary for the assets to reach the usable or marketable state as intended have begun.

(2) The capitalization of borrowing costs shall be discontinued if the acquisition, construction or production of an asset that meets the conditions for capitalization is abnormally interrupted for more than 3 successive months. The borrowing costs incurred during the period of interruption shall be recognized as current expenses until the acquisition, construction or production of assets is resumed.

(3) The capitalization of borrowing costs shall cease when the purchased, constructed or produced assets that meet the conditions for capitalization reaches the intended usable or marketable state.

3. Capitalized amount of borrowing costs

If special borrowings are for the purpose of purchase, construction or production of assets that meet the conditions for capitalization, the amount of interest to be capitalized shall be determined as the interest expenses actually incurred (including the amortization of discounts or premiums determined with the effective interest rate method) in the current period of the special borrowing minus the interest income from the unused borrowings that have been deposited in the bank or the profit from temporary investment by the unused borrowings. If general borrowings are used for the purpose of purchase, construction or production of assets that meet the conditions for capitalization, the amount of interest to be capitalized shall be determined as the weighted average of asset expenditure with accumulated asset expenditure exceeding special borrowing multiplied by capitalization rate of the general borrowing occupied.

27. Biological assets

None

28. Oil and gas assets

None

29. Right-of-use assets

On the commencement date of the lease term, the Company recognizes the right-of-use assets and lease liabilities for the leases, except for simplified short-term leases and low-value asset leases.

The Company initially measures the right-of-use assets at cost. This cost includes:

1. The initial measurement amount of the lease liability;
2. For lease payments paid on or before the starting date of the lease term, if there are lease incentives, the amount of lease incentives already enjoyed shall be deducted;
3. The initial direct expenses incurred by the Company;
4. Estimated 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 aforementioned costs are incurred for the make-to-stock production, and the Accounting Standards for Business Enterprises No. 1 - Inventories shall apply.

The Company recognizes and measures the costs mentioned in Item 4 above in accordance with the Accounting Standards for Business Enterprises No. 13 - Contingencies.

Initial direct costs are the incremental costs incurred to achieve the lease. Incremental costs are the costs that would not have been incurred if the enterprise did not completed the lease.

The provision for the depreciation of the right-of-use assets shall be made with reference to the relevant depreciation provisions of the Accounting Standards for Business Enterprises No. 4 - Fixed Assets. If there is reasonable certainty that the lessee will obtain ownership of the leased assets when the lease term expires, the Company shall make depreciation of leased assets over their remaining service life. If it is not reasonable to be certain that the lessee will obtain the ownership of the leased assets at the expiry of the lease term, the leased assets shall be calculated and withdrawn as depreciation over the shorter one of the lease term or the remaining service life.

The Company determines whether the right-of-use assets are impaired in accordance with the Accounting Standards for Business Enterprises No. 8 - Asset Impairment, and carries out accounting treatment for the identified impairment losses.

30. Intangible assets

(1) Valuation method, service life and impairment test

1. Intangible assets include land usage right, software, patent rights and non-patent technologies, etc., and are initially measured at cost.

2. Intangible assets with limited service life shall be systematically and reasonably amortized according to the expected realization mode of economic benefits related within the service life, and in case the expected realization mode cannot be reliably determined, the straight-line method shall be adopted for amortization.

The land usage right shall be averagely amortized within the remaining service life (generally 50 years), the software shall be averagely amortized within 3-5 years, and the patent rights and non-patent technologies within 5-10 years.

3. In case of evidence of impairment of intangible assets with defined service life on the balance sheet date, corresponding provision for impairment shall be made according to the difference between the book value and the recoverable amount; For intangible assets with uncertain service life and intangible assets that have not reached the serviceable state, the impairment tests shall be carried out every year, whether there are signs of impairment or not.

(2) Accounting policy of internal R&D expenditure

Research stage expenditures of internal R&D projects shall be included in the current profits and losses at the time of occurrence. In case following conditions have been met at the same time, expenditure of internal R&D projects in development stage shall be recognized as intangible assets: (1) It is technically feasible to complete the intangible assets for adoption and sale; (2) There is the intention to complete the intangible assets for adoption and sale; (3) There exist ways for intangible assets to generate economic benefits, including the evidence that there is a market for products produced by using the intangible assets or for the intangible assets. If the intangible assets will be used internally, it can be proved that they are useful; (4) There are sufficient technical, financial and other resources to support the development of the intangible assets and to use or sell the intangible assets; (5) Expenditure of the intangible assets in development stage can be measured reliably.

31. Long-term assets impairment

The enterprise shall judge whether there is any sign of possible assets impairment on the balance sheet date.

Goodwill arising from consolidation and intangible assets with uncertain service life shall be tested for impairment every year, no matter whether there is any sign of impairment.

In case of following signs, the assets may be impaired:

(1) Market price of assets falls sharply in the current period, which is significantly higher than the expected decline due to time or normal use; (2) There are significant changes in current and future economic, technological or legal environment in which the enterprise operates and the market where assets are located, bringing adverse effects on the enterprise; (3) The market interest rate or other market return on investment has been increased in the current period, affecting the discount rate of the enterprise to calculate the present value of the expected future cash flow of the assets and resulting in a significant decrease in the recoverable amount of the assets; (4) There exists evidence showing that the assets have become obsolete or the entity has been damaged; (5) Assets have been or will be idle, terminated or planned to be disposed in advance; (6) Evidence in the internal report of the enterprise shows that economic performance of assets has been or will be lower than the expected, for instance, the net cash flow arising from assets or the realized operating profit (or loss) is far lower (or higher) than the expected amount, etc. (7) Other indications showing that assets may have been impaired.

In case of signs of assets impairment, corresponding recoverable amount shall be estimated.

Recoverable amount shall be determined based on the higher of the net amount of fair value of assets minus the disposal expenses and the present value of expected future cash flow of assets.

Disposal expenses include legal expenses, relevant taxes and handling fees related to disposal of assets as well as direct expenses incurred to make the assets marketable.

Present value of expected future cash flow of assets shall be determined by selecting an appropriate discount rate based on the expected future cash flow generated during continuous use and final disposal of the assets. To estimate present value of future cash flow of assets, measures shall be taken to comprehensively consider factors as the expected future cash flow, service life and discount rate of the assets.

In case of measurement result of recoverable amount showing that recoverable amount of the asset is lower than its book value, the book value shall be written down to the recoverable amount, and the written down amount shall be recognized as the asset impairment loss and included in the current profits and losses; besides, corresponding provision for asset impairment shall be made at the same time.

32. Long-term deferred expenses

Long-term deferred expenses shall be recorded according to the actual amount, and shall be averagely amortized in the benefit period or the specified period. In case future accounting period cannot benefit from long-term deferred expenses, all unamortized value of the item shall be transferred into the current profits and losses.

33. Contractual liabilities

The Company presents contractual assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The Company's obligation to transfer commodities or services to customers for consideration received or receivable by the Company is listed as contract liability.

34. Employee compensation**(1) Accounting treatment of short-term compensation**

Employee wages refer to the remuneration or compensation in various forms which the Company pays to its employees for their services or severing of labor relations, Employee compensation includes short-term compensation, post-employment benefits, dismissal benefits and other long-term employee benefits. Benefits provided by the Company to employees' spouses, children and dependants, family members of deceased employees as well as other beneficiaries shall also be included in employee compensation.

Share-based payments issued by the enterprise to its employees shall also be included in employee compensation, and shall be handled in accordance with relevant provisions of Accounting Standards for Business Enterprises No. 11 - Share-based Payments.

During the accounting period when employees provide service for the Company, the actual short-term remuneration is recognized as liabilities and included in the current profits and losses or the relevant assets cost. Where, non-monetary welfare shall be measured at fair value.

(2) Accounting treatment of post-employment benefits

Post-employment benefit mainly includes basic endowment insurance, unemployment insurance and so on. Post-employment benefit plan includes defined contribution plan. Where the defined contribution plan is used, the corresponding amount shall be recorded into relevant asset costs or current profits and losses.

(3) Accounting treatment of dismissal benefits

In case the Company terminates labor relationship with employees prior to the expiration of employee's labor contract, or offers compensation to encourage employees to accept the layoff voluntarily, it shall confirm the compensation for termination of labor relationship with employees and include the compensation amount in the current profits and losses at the earlier time when it fails to unilaterally withdraw labor relationship termination plan or layoff proposal and confirms costs related to reorganization involving the payment of dismissal benefits.

(4) Accounting treatment of other long-term employee benefits.

None

35. Lease liabilities

On the commencement date of the lease term, the Company recognizes the right-of-use assets and lease liabilities for the leases, except for simplified short-term leases and low-value asset leases.

Lease liabilities are initially measured at the present value of outstanding lease payments from lease date.

Lease payment refers to the amount paid by the Company to the lessor in connection with the right to use the leased assets during the lease term, including:

1. For fixed payment and the actual fixed payment with lease incentives, the relevant amount of it shall be deducted;
2. The amount of variable lease payments depending on the index or ratio, which is recognized at the initial measurement according to the index or ratio on the starting date of the lease term;
3. The exercise price of the purchase option; provided that this option will be exercised base on the reasonable determination of the Company;
4. The amount to be paid for exercising the option to terminate the lease; provided that in the lease term, it reflects that the Company will exercise the option to terminate the lease;

5. The amount expected to be paid based on the guaranteed balance provided by the Company.

When calculating the present value of the lease payments, the Company adopts the interest rate implicit in lease as the discount rate, but if the interest rate implicit in lease cannot be reasonably determined, the incremental borrowing rate of the Company will be used as the discount rate.

36. Estimated liabilities

None

37. Share-based payment

1. Types of share-based payment

It includes equity-settled share-based payment and cash-settled share-based payment

2. Determination method of fair value of equity instrument

(1) In case of active market, it shall be determined according to the quoted price in the active market.

(2) In case of no active market, it shall be determined by adopting valuation technologies, including referring to prices used in recent market transactions by parties familiar with the situation and willing to trade, current fair value of other financial instruments that are essentially the same, discounted cash flow method and option pricing model.

3. Basis for confirming the best estimate of vesting equity instruments

Estimation shall be based on the latest available changes on vesting employee number and other subsequent information.

4. Accounting treatment of implementing, modifying and terminating share-based payment plan

(1) Equity-settled share-based payment

Equity-settled share-based payment in exchange for employee services that can be exercised immediately after the grant shall be included in the relevant costs or expenses according to the fair value of equity instruments on the grant date, and the capital reserve shall be adjusted accordingly. For equity-settled share-based payment in exchange for employee services only after completing service within the waiting period or reaching the specified performance conditions, it is required to include the services obtained in the current period into relevant costs or expenses according to the best estimate of number of vesting equity instruments and the fair value on the grant date of equity instruments on each balance sheet date within the waiting period, and the capital reserve shall be adjusted accordingly.

For equity-settled share-based payment in exchange for other party's services, if the fair value of other party's services can be reliably measured, it shall be measured based on the fair value of other party's services on the acquisition date; In case the fair value of other party's services cannot be reliably measured, but the fair value of equity instruments can be reliably measured, it shall be measured based on the fair value of equity instruments on the acquisition date and shall be included in relevant costs or expenses; besides, the owner's equity shall be increased accordingly.

(2) Cash-settled share-based payment

Cash-settled share-based payment in exchange for employee services that can be exercised immediately after the grant shall be included in relevant costs or expenses according to the fair value of the liabilities undertaken by the Company on the grant date, and the liabilities shall be increased accordingly. For cash-settled share-based payment in exchange for employee services only after completing service within the waiting period or reaching the specified performance conditions, it is required to include the services obtained in the current period into relevant costs or expenses and relevant liabilities according to the best estimate of vesting situation and the fair value of the liabilities assumed by the Company on each balance sheet date within the waiting period.

(3) Modification and termination of share-based payment plan

In case of increase of fair value of the equity instruments granted due to modification, the Company shall recognize the increase of services obtained based on the increase of fair value of equity instruments; In case of increase of the number of equity instruments granted due to modification, the Company shall recognize the fair value of the increased equity instruments as the increase of services obtained accordingly. Besides, if the Company modifies vesting conditions in a way beneficial to employees, it shall consider all modified vesting conditions when dealing with the vesting conditions.

In case of decrease of fair value of the equity instruments granted due to modification, the Company shall continue to recognize the amount of services obtained based on the fair value of equity instruments on the grant date without considering the decrease of fair value of equity instruments; In case of decrease of the number of equity instruments granted due to modification, the Company shall recognize the decreased part as the cancellation of granted equity instruments; Besides, if the Company modifies vesting conditions in a way not beneficial to employees, it shall not consider the modified vesting conditions when dealing with vesting conditions.

In case the Company cancels or settles the granted equity instruments within the waiting period (except those cancelled due to failure to meet the vesting conditions), the cancellation or settlement shall be accelerated for vesting, and the amount originally recognized in the remaining waiting period shall be recognized immediately.

38. Preferred shares, perpetual bonds and other financial instruments

None

39. Revenue

Accounting policies adopted for revenue recognition and measurement

1. Revenue recognition

The Company's revenue mainly includes sales revenue of intelligent controller, lithium battery, motor and control system.

The Company has fulfilled performance obligation in the Contract, that is, recognizing revenue when the customer obtains the control right of relevant commodities. Obtaining of the control right of relevant commodities means to be able to dominate the use of the commodities and obtain almost all economic benefits arising therefrom.

2. The Company shall judge the nature of relevant performance obligations as "performance obligations fulfilled in a certain period" or "performance obligations fulfilled at a certain time point" based on relevant provisions of revenue standards, and shall confirm revenue according to the following principles respectively.

(1) In case the Company meets one of the following conditions, it shall fulfill the performance obligations within a certain period of time:

① Customers obtain and consume economic benefits arising from performance of the Company during the Company's performance of the Contract.

② Customers can control the assets under construction during the Company's performance of the Contract.

③ Assets of the Company during the performance of the Contract are irreplaceable, and the Company shall be entitled to collect money for the performance part completed so far in the whole contract period.

For performance obligations fulfilled within a certain period of time, the Company shall recognize revenue according to the performance progress within that period, except that the performance progress cannot be

reasonably determined. The Company shall consider the nature of commodities, and shall determine the proper performance progress by adopting the output method or the input method.

(2) For performance obligations fulfilled at a certain time point rather than in a certain period, the Company shall recognize revenue at the time when customers obtain the control right of relevant commodities.

When judging whether customers have obtained the control right of relevant commodities, the Company consider the following signs:

① The Company shall be entitled to immediately collect revenues from commodities, which means that customers have the obligation to pay for commodities immediately.

② The Company has transferred the legal ownership of commodities to customers, which means that customers have obtained the legal ownership of commodities.

③ The Company has transferred commodities in kind to customers, which means that customers have possessed commodities in kind.

④ The Company has transferred main risks and rewards related to the ownership of commodities to customers, which means that customers have obtained main risks and rewards related to the ownership of commodities.

⑤ Customers have accepted the commodities.

⑥ Other indications that customers have obtained the control right of commodities.

The specific policies of revenue recognition of the Company are as follows:

In case the sales contract between the Company and customers has been deemed as a performance obligation fulfilled at a certain time point, the specific revenue recognition method shall be formulated according to the actual situation of the Company's product sales as follows:

Domestic sales: ① The customer picks up the goods in cash. After the payment and delivery, it is considered that the customer has obtained the control of the relevant goods, and the Company has recognized the sales revenue; ② If the advance payment is used for settlement, and the other party's customer confirmation receipt is obtained after the delivery, it is considered that the customer has obtained the control of the relevant commodities, and the Company has recognized the sales revenue; ③ If the credit sale is adopted according to a certain payment period, within which the customer settles, and after the delivery, the other party's customer confirmation receipt is obtained, it is considered that the customer has obtained the control of the relevant goods, and the Company has recognized the sales revenue.

Foreign sales: the Company shall deliver commodities according to the signed order, hold special export invoice, delivery note and other original documents for customs clearance and export, pass customs audit, complete export declaration procedures, obtain the customs declaration documents as the point of transfer of control of the relevant goods, and recognize the sales revenue by recording the revenue based on the delivery order, special export invoice and customs declaration form.

3. Measurement of revenue

The Company shall measure revenue according to the transaction price allocated to each individual performance obligation. In determining the transaction price, the Company shall consider the influence of variable consideration, significant financing components in the Contract, non-cash consideration, consideration payable to customers as well as other factors.

(1) Variable consideration

The Company shall determine the best estimate of variable consideration according to the expected value or the most likely amount, but the transaction price including the variable consideration shall not exceed the accumulated recognized revenue that will not be significantly reversed when relevant uncertainty is eliminated. When evaluating whether the accumulative recognized revenue is unlikely to be significantly reversed, the enterprise shall further consider the possibility and proportion of revenue reversal.

(2) Significant financing components

In case of significant financing components in the Contract, the Company shall determine the transaction price according to the amount payable in cash when assuming that customers obtain the control right of commodities. Difference between the transaction price and the contract consideration shall be amortized by adopting the effective interest rate method during the contract period.

(3) Non-cash consideration

In case customers pay non-cash consideration, the Company shall determine the transaction price according to the fair value of the non-cash consideration. In case the fair value of non-cash consideration cannot be reasonably estimated, the Company shall indirectly determine the transaction price by referring to the separate selling price of commodities for transferring commodities to customers that it promises.

(4) Consideration payable to customers

Consideration payable to customers shall be written down against the transaction price, and the current income shall be offset at the later of confirming relevant income or paying (or promising to pay) customer's

consideration, except that the consideration payable to customers is to obtain other clearly distinguishable commodities from customers.

In case the consideration payable by an enterprise to customers is to obtain other clearly distinguishable commodities from customers, the purchased commodities shall be confirmed in a way consistent with other purchases of the enterprise. In case the consideration payable by an enterprise to customers exceeds the fair value of a clearly distinguishable commodity obtained from the customer, the excess amount shall be used to offset the transaction price. In case the fair value of clearly distinguishable commodities obtained from customers cannot be reasonably estimated, the enterprise shall offset the transaction price with the consideration payable to customers in full.

Differences in revenue recognition accounting policies caused by different business models of similar businesses

None

40. Government subsidies

1. Government subsidies include government subsidies related to assets and government subsidies related to income.

2. In case the government subsidies can be included in monetary assets, they shall be measured according to the amount received or receivable; In case the government subsidies can be classified as non-monetary assets, they shall be measured at fair value, and once the fair value cannot be obtained reliably, they shall be measured in nominal amount.

3. Government subsidies calculated by adopting the gross method:

(1) Government subsidies related to assets shall be recognized as deferred income and included in profits and losses by stages in a reasonable and systematic way within the service life of relevant assets. In case relevant assets are sold, transferred, scrapped or damaged prior to the end of their service life, the balance of relevant deferred income that has not been allocated shall be transferred to the profits and losses of the current period of asset disposal.

(2) Government subsidies related to income and used to compensate related expenses or losses in the later period shall be recognized as deferred income, and shall be included in the current profits and losses during the

period when related expenses are recognized; subsidies used to compensate relevant expenses or losses incurred shall be directly included in the current profits and losses.

4. Government subsidies calculated by adopting the net method:

(1) Government subsidies related to assets shall be used to offset the book value of relevant assets;

(2) Government subsidies related to income and used to compensate related expenses or losses in the later period shall be recognized as deferred income, and shall be used to offset related costs when related expenses are recognized; subsidies used to compensate relevant expenses or losses incurred shall be directly used to offset related costs.

5. For government subsidies including asset-related part and income-related part, measures shall be taken to distinguish different parts and carry out accounting treatment separately; Part difficult to distinguish shall be classified as government subsidies related to income.

6. The government subsidies related to the daily activities of the Company shall be included into other incomes or used to write down related costs and expenses in accordance with the essence of economic operations; the government subsidies independent of the daily activities shall be included into the non-operating income and expense.

7. For discount interest of preferential policy loans to be obtained by the Company, two measures shall be adopted, including that the Ministry of Finance allocates the discount funds to the lending banks and that the Ministry of Finance allocates the discount funds to the Company:

(1) In case the Ministry of Finance allocates the discount funds to the lending banks, and the lending bank provides loans to the Company at preferential policy interest rate, the Company shall choose the following methods for accounting treatment:

1) Taking the loan amount actually received as the entry value of the loan, and calculating relevant borrowing costs based on the loan principal and the preferential policy interest rate.

2) Taking the fair value of loan as the entry value, calculate the borrowing costs by adopting the effective interest rate method, and recognizing the difference between the actual received amount and the fair value of the loan as deferred income. Deferred income shall be amortized by adopted the effective interest rate method within the duration of loan to offset relevant borrowing costs.

(2) In case the Ministry of Finance allocates the discount funds to the Company, the Company will write down the corresponding discount interest against relevant borrowing costs.

41. Deferred tax assets/deferred tax liabilities

1. It is required to calculate and recognize the deferred tax assets or liabilities according to the difference between the book value of the assets and liabilities and corresponding tax base (in case the tax base of items not recognized as assets and liabilities can be determined according to the provisions of the tax law, the difference between the tax base and their book amount shall be adopted) as well as the applicable tax rate during the period of expected recovery of the assets or settlement of the liabilities.

2. Recognition of deferred tax assets shall be limited to the taxable income that is likely to be obtained to offset temporary deductible differences. On the balance sheet date, if there is conclusive evidence that it is likely to obtain sufficient taxable income in the future periods to offset the deductible temporary differences, the deferred tax assets not recognized in the previous accounting periods shall be recognized.

3. The book value of deferred tax assets shall be reviewed on the balance sheet date. In case it is impossible to obtain enough taxable income to offset the benefits of the deferred tax assets in the future, the book value of the deferred tax assets shall be written down. If it is likely to obtain enough taxable income, the write down amount shall be reversed.

4. The current income tax and deferred tax of the Company shall be recognized as income tax expense or income, and shall be included in the current profits and losses, except for income tax arising from the following circumstances: (1) consolidation; (2) transactions or matters directly recognized in the owner's equity.

42. Lease

(1) Accounting treatment of operating lease

1. Lessee

As the lessee, the Company recognizes the right-of-use assets and lease liabilities for the lease on the beginning date of the lease term excluding short-term leases and leases of low-value assets to which the simplified treatment applies.

After the starting date of the lease term, the Company uses the cost model to make subsequent measurement of the right-of-use assets. The provision for the depreciation of the right-of-use assets shall be made with reference to the relevant depreciation provisions of the Accounting Standards for Business Enterprises No. 4 - Fixed Assets. If the lessee can reasonably determine that it will obtain the ownership of the leased assets upon the expiration of the lease term, provision for depreciation shall be made within the

remaining service life of the leased assets. If it is not reasonable to be certain that the lessee will obtain the ownership of the leased assets at the expiry of the lease term, the leased assets shall be calculated and withdrawn as depreciation over the shorter one of the lease term or the remaining service life. The Company determines whether the right-of-use assets are impaired in accordance with the Accounting Standards for Business Enterprises No. 8 - Asset Impairment, and carries out accounting treatment for the identified impairment losses.

The Company calculates the interest expense of the lease liabilities in each period of the lease at the fixed periodic interest rate, which is included in the current profits and losses. If the cost shall be included in the cost of relevant assets in accordance with the Accounting Standards for Business Enterprises No. 17 - Borrowing Costs and other standards, such provisions shall prevail.

For short-term leases and low-value asset leases, the Company shall choose not to recognize right-of-use assets and lease liabilities, and include the lease payments for short-term leases and low-value asset leases in the relevant asset cost or current profit and loss according to the straight-line method during each period of the lease term.

2. Lessor

During each period of the lease term, the Company as the lessor shall adopt the straight-line method to recognize the rental revenue from operating lease as rental income. The lessor shall capitalize the initial direct cost related to operating lease, and amortizes and includes such cost into the current profits and losses by installment according to the same recognition base of the rental revenue during the lease term.

As for the fixed assets subject to operating leases, the Company shall calculate the depreciation of it by adopting depreciation policy for similar assets. As for other leased assets, systematic and reasonable methods shall be adopted for its amortization according to the Accounting Standards for Business Enterprises applicable to this asset. The Company determines whether the operating lease assets are impaired in accordance with Accounting Standards for Business Enterprises, No. 8 -Asset Impairment, and carries out corresponding accounting treatment.

(2) Accounting treatment of financing lease

Accounting treatment of the Company as the lessee is shown in Note V 29, Note V 35 and Note V 42 (1).

As the lessor, the Company shall confirm the receivable payment for financial lease on the beginning date of the lease term, terminate the recognition of financial lease assets, and calculate and recognize the interest income of each period in the lease term according to the fixed periodic interest rate.

43. Other important accounting policies and accounting estimation

Hedge accounting

The hedge means the risk management activity where the enterprise designates the financial instruments as the hedge instruments for the risk exposure due to the management of the specific risks such as foreign exchange risk, interest rate risk, price risk, credit risk so that the fair value or the cash flow changes, which is expected to countervail all or part of the fair value or cash flow change of the hedged projects.

1. In the hedge accounting, the hedge is divided into fair value hedge, cash flow hedge, and net investment hedge for overseas operation.

2. Only when the fair value hedge, cash flow hedge, or net investment hedge for overseas operation meet the following conditions at the same time can the hedge accounting method stipulated by the Code for handling:

(1) The hedge relationship is only composed of the hedge instruments and hedged projects that meet the conditions; (2) When the hedge begins, the enterprise officially designates the hedge instruments and hedged projects and prepares the written documents about hedge relationship and the risk management strategies and risk management objectives related to the hedge for the enterprise. These documents at least describe the hedge instrument, hedged projects, nature of the hedged risks, and evaluation methods on hedge effectiveness (including the forming reason analysis for invalid part of the hedge and the recognition methods of the hedge ratio) etc. (3) The hedge relationship conforms to the requirements of hedge effectiveness.

If the hedge meets the following conditions at the same time, the enterprise shall identify that the hedge relationship conforms to the requirements of hedge effectiveness:

(a) There is the economic relationship between the hedged projects and hedge instruments. The economic relationship makes the value of the hedge instruments and hedged projects change in the reverse direction due to the same hedged risks.

(b) In the value change generated for the hedged projects and hedge instruments, the effect of the credit risk is not dominant.

(c) The hedge ratio of the hedge relationship shall be equal to the ratio between the hedged project quantity of the actual hedge for the enterprise and the actual quantity of the hedge instruments and shall not reflect the unbalance of the relative weight between the hedged projects and hedge instruments, which will cause the hedge invalidation and may generate the accounting results not consistent with the hedge accounting objectives.

The enterprise shall continuously evaluate whether the hedge relationship conforms to the hedge effectiveness requirements when the hedge begins and during the sequent periods, especially for the analysis of the forming reasons why it is expected to affect the hedge relationship due to the invalid part of the hedge during the residual periods of the hedge. The enterprise shall at least evaluate the hedge relationship on the day of balance sheet and when the major changes will happen for relevant situations affecting the hedge effectiveness requirements.

If the hedge relationship does not conform to the hedge effectiveness requirements any more due to the hedge ratio, but the risk management objective to designate the hedge relationship does not change, the enterprise shall re-balance the hedge relationship.

3. Accounting handling of the hedge.

(1) Fair value hedge

If the fair value hedge meets the conditions of the hedge accounting methods, it shall be handled in accordance with the provisions below:

(a) The profit or loss generated by the hedge instrument shall be incorporated into the profits and losses. If the hedge instrument is used to hedge the non-tradable equity instrument investment (or its components) which is measured at fair value with the changes including in other comprehensive income, the profit or loss generated by the hedge instruments shall be incorporated into other comprehensive income.

(b) The profit or loss generated by the hedged projects due to the hedge risk exposure shall be incorporated into the current profit or loss. At the same time, the account value shall be adjusted for the confirmed hedged projects measured at the fair value.

(2) Cash flow hedge

If the cash flow value hedge meets the conditions to apply the hedge accounting methods, it shall be handled in accordance with the provisions below:

(a) If the profit or loss generated by the hedge instrument belongs to the valid part of the hedge as the cash flow hedge reserve, it shall be incorporated into other comprehensive income. The amount of cash flow hedge

reserve included in other comprehensive income in each period shall be the change amount of cash flow hedge reserve in the current period. The amount of cash flow hedge reserve included in other comprehensive income in each period shall be the change amount of cash flow hedge reserve in the current period.

(b) If the profit or loss generated by the hedge instrument belongs to the invalid part of the hedge (that is, other profit or loss after deducting other comprehensive income), it shall be incorporated into the current profits and losses.

(3) Net investment hedge for overseas operation

As for the net investment hedge for overseas operation, including the hedge of monetary items accounting as part of net investment, it shall be handled in accordance with the provisions similar to the cash flow hedge accounting:

(a) If the profit or loss generated by the hedge instrument belongs to the valid part of the hedge, it shall be incorporated into other comprehensive income.

When all or part of the overseas business is disposed, the above profit or loss of hedge instruments included in other comprehensive income shall be transferred out and incorporated into the current profits and losses.

(b) If the profit or loss generated by the hedge instrument belongs to the invalid part of the hedge, it shall be incorporated into the current profits and losses.

Repurchase shares

If the Company or its subsidiaries shares are acquired due to the reduction of registered capital or reward of employees, the amount actually paid shall be treated as the treasury share, and the record shall be made for reference. If the repurchase shares are cancelled, the capital reserve will be offset by the difference between the total par value of the cancelled shares and the number of cancelled shares and the amount paid for the actual repurchase. If the capital reserve is insufficient to be offset, the retained earnings shall be offset; If the repurchase shares are awarded to the employees of the Company as equity-settled share-based payment, when the employees exercise the right to purchase the shares of the Company or its subsidiaries and receive the price, the cost of treasury shares delivered to the employees and the accumulated amount of capital reserve (other capital reserves) during the waiting period shall be resold, and the capital reserve (capital premium or share premium) shall be adjusted according to the difference.

44. Important accounting policy and accounting estimation changes**(1) Important accounting policy changes**

Applicable Not applicable

Contents and reasons of the accounting policy change	Approval procedures	Remarks
On November 30, 2022, the Ministry of Finance released and Circular on Issuing Interpretation No. 16 of Accounting Standards for Business Enterprises (CK [2022] No.31, hereinafter referred to as "Interpretation No. 16"), in which, the requirement on the "accounting practice for deferred income taxes related to assets and liabilities generated by individual transactions which shall not be exempted from initial confirmation" shall be implemented from January 1, 2023.	Deliberated and passed by the 32nd Meeting of the 7th Board of Directors	If, at the beginning of the earliest period of the financial statements to which the Interpretation No. 16 applies for the first time, taxable temporary differences and deductible temporary differences arise from lease liabilities and right-of-use assets recognized as a result of a single transaction to which the Interpretation No. 16 applies, the Company will adjust the cumulative effects to the opening retained earnings and other related financial statement items in the earliest period for which the financial statements are presented in accordance with the provisions of the Interpretation No. 16 and those of the Accounting Standards for Business Enterprises No. 18 - Income Taxes.

The specific adjustments are as follows:

1. For the items in the balance sheet as of December 31, 2022, the affected amount of deferred income taxes was RMB 9,436,477.65, the affected amount deferred income tax liabilities was RMB 8,614,259.95, the affected amount of undistributed profit was RMB 710,522.81, and the affected amount of non-controlling interests was RMB 111,694.89.

2. For the items in the 2022 income statement (January - June), the affected amount of income taxes was RMB -192,628.01.

(2) Important accounting estimation changes

Applicable Not applicable

(3) Relevant items in financial statements at the beginning of 2023 when such adjustments were made for the first time for initial implementation of the new accounting standard

Applicable Not applicable

45. Others

None

VI. Tax

1. Main tax types and tax rate

Tax type	Tax basis	Tax rate
VAT (value-added tax)	Revenue from sales of goods	13%、9%、6%、3%
Consumption tax	Paid turnover tax amount	4%
Urban maintenance and construction tax	Paid turnover tax amount	7%、5%
Corporate income tax	Taxable income	Please refer to the different corporate income tax rates, subject of taxation and their tax rate disclosures below for details.

Where there are any taxpayers with different corporate income tax rates, details shall be disclosed.

Name of taxpayer	Corporate income tax
Shenzhen Topband Co., Ltd.	15.00%
Shenzhen Topband Software Technology Co., Ltd.	15.00%
Shenzhen Topband Automation Technology Co., Ltd.	25.00%
Shenzhen Topband Battery Co., Ltd.	15.00%
Chongqing Topband Industrial Co., Ltd.	25.00%
Topband (Hong Kong) Co., Ltd.	16.50%
Huizhou Topband Electrical Technology Co., Ltd.	15.00%
TOPBAND INDIA PRIVATE LIMITED	29.12%
Shenzhen YAKO Automation Technology Co., Ltd.	15.00%
Shenzhen Allied Control System Co., Ltd.	15.00%
Shenzhen Yansheng Software Co., Ltd.	15.00%
Ningbo Topband Intelligent Control Co., Ltd.	25.00%
Shenzhen Meanstone Intelligent Technology Co., Ltd.	20.00%
Hangzhou Zhidong Motor Technology Co., Ltd.	20.00%
Taixing Ninghui Lithium Battery Co., Ltd.	15.00%
Shenzhen Topband Supply Chain Services Co., Ltd.	25.00%
Shenzhen Topband Investment Co., Ltd.	25.00%
Shenzhen Spark IOT Technology Co., Ltd.	20.00%
Shenzhen Zhongli Consulting Co., Ltd.	20.00%
Shenzhen Tunnu Innovation Co., Ltd.	20.00%
TUNNU INNOVATION,INC	21.00%
Shenzhen Senxuan Technology Co., Ltd.	20.00%
Shenzhen Tengyi Industrial Co., Ltd.	20.00%
Topband (Qingdao) Intelligent Control Co., Ltd.	20.00%
Shenzhen Topband Automotive Electronics Co., Ltd.	20.00%
TOPBAND JAPAN Co.,Ltd	23.20%
Tunnu Innovation (Hong Kong) Limited	8.25%
Topband (Vietnam) Co.,ltd	20.00%
TOPBAND SMART DONGNAI(VIETNAM) Co.,ltd	20.00%
Topband Germany GmbH	15.825%

Huizhou Topband Lithium Battery Co., Ltd.	20.00%
Nantong Topband Youneng Technology Co., Ltd.	25.00%
Huizhou YAKO Automation Technology Co., Ltd.	25.00%
Shenzhen Topband Motor Co., Ltd.	20.00%
Shenzhen Yueshang Robot Co., Ltd.	20.00%
Shenzhen Xiaoyou Aitu Innovation Technology Co., Ltd.	20.00%
Huizhou Chiding Technology Co., Ltd.	20.00%
Q.B.PTE.LTD	17.00%
TOPBAND MEXICO,S.DE R.L.DE C.V.	30.00%
TOPBAND SMART EUROPE COMPANY LIMITED S.R.L.	16.00%

2. Tax preference

On December 11, 2020, the Company obtained the Certificate for High-tech Enterprise that is numbered GR202044206158 and issued by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Bureau and Shenzhen Tax Service, State Taxation Administration. This Certificate is valid within 3 years from the date of issuance. The corporate income tax rate applicable for the Company from 2021 to 2023 is 15% in accordance with relevant provisions of the Law of the People's Republic of China on Enterprise Income Tax, Regulations of the People's Republic of China on the Implementation of Enterprise Income Tax and the Management Measures for the Certification of High-tech Enterprises.

On December 19, 2022, Shenzhen Topband Software Technology Co., Ltd. obtained the Certificate for High-tech Enterprise that is numbered GR202244203890 and issued by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Bureau and Shenzhen Tax Service, State Taxation Administration. This Certificate is valid within 3 years from the date of issuance. The corporate income tax rate applicable for the Company from 2022 to 2024 is 15% in accordance with relevant provisions of the Law of the People's Republic of China on Enterprise Income Tax, Regulations of the People's Republic of China on the Implementation of Enterprise Income Tax and the Management Measures for the Certification of High-tech Enterprises.

On December 23, 2021, Shenzhen Topband Battery Co., Ltd. obtained the Certificate for High-tech Enterprise that is numbered GR202144203102 and issued by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Bureau and Shenzhen Tax Service, State Taxation Administration. This Certificate is valid within 3 years from the date of issuance. The corporate income tax rate applicable for the Company from 2021 to 2023 is 15% in accordance with relevant provisions of the Law of the People's Republic

of China on Enterprise Income Tax, Regulations of the People's Republic of China on the Implementation of Enterprise Income Tax and the Management Measures for the Certification of High-tech Enterprises.

On December 20, 2021, Huizhou Topband Electrical Technology Co., Ltd. obtained the Certificate for High-tech Enterprise that is numbered GR202144003640 and issued by the Department of Science and Technology of Guangdong Province, the Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration. This Certificate is valid within 3 years from the date of issuance. The corporate income tax rate applicable for the Company from 2021 to 2023 is 15% in accordance with relevant provisions of the Law of the People's Republic of China on Enterprise Income Tax, Regulations of the People's Republic of China on the Implementation of Enterprise Income Tax and the Management Measures for the Certification of High-tech Enterprises.

On December 23, 2021, Shenzhen YAKO Automation Technology Co., Ltd. obtained the Certificate for High-tech Enterprise that is numbered GR202144205479 and issued by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Bureau and Shenzhen Tax Service, State Taxation Administration. This Certificate is valid within 3 years from the date of issuance. The corporate income tax rate applicable for the Company from 2021 to 2023 is 15% in accordance with relevant provisions of the Law of the People's Republic of China on Enterprise Income Tax, Regulations of the People's Republic of China on the Implementation of Enterprise Income Tax and the Management Measures for the Certification of High-tech Enterprises.

On December 23, 2021, Shenzhen Allied Control System Co., Ltd. obtained the Certificate for High-tech Enterprise that is numbered GR202144206368 and issued by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Bureau and Shenzhen Tax Service, State Taxation Administration. This Certificate is valid within 3 years from the date of issuance. The corporate income tax rate applicable for the Company from 2021 to 2023 is 15% in accordance with relevant provisions of the Law of the People's Republic of China on Enterprise Income Tax, Regulations of the People's Republic of China on the Implementation of Enterprise Income Tax and the Management Measures for the Certification of High-tech Enterprises.

On December 23, 2021, Shenzhen Yansheng Software Co., Ltd. obtained the Certificate for High-tech Enterprise that is numbered GR202144207744 and issued by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Commission and Shenzhen Tax Service, State Taxation Administration. This Certificate is valid within 3 years from the date of issuance. The corporate income tax rate applicable for the

Company from 2021 to 2023 is 15% in accordance with relevant provisions of the Law of the People's Republic of China on Enterprise Income Tax, Regulations of the People's Republic of China on the Implementation of Enterprise Income Tax and the Management Measures for the Certification of High-tech Enterprises.

On November 30, 2021, Taixing Ninghui Lithium Battery Co., Ltd. obtained the Certificate for High-tech Enterprise that is numbered GR202132010782 and issued by the Jiangsu Provincial Department of Science and Technology, the Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration. This Certificate is valid within 3 years from the date of issuance. The corporate income tax rate applicable for the Company from 2021 to 2023 is 15% in accordance with relevant provisions of the Law of the People's Republic of China on Enterprise Income Tax, Regulations of the People's Republic of China on the Implementation of Enterprise Income Tax and the Management Measures for the Certification of High-tech Enterprises.

According to the Notice No. 13 of the Ministry of Finance and the State Taxation Administration on Further Implementation of Preferential Income Tax Policies for Small Enterprises with Low Profits in 2022, the portion of taxable income taxes above RMB 1 million but below RMB 3 million of small enterprises with low profits shall be taxed by 25% at a corporate income tax rate of 20%. According to the Notice No. 6 of the Ministry of Finance and the State Taxation Administration on Preferential Income Tax Policies for Small Enterprises with Low Profits and Self-employed Individuals in 2023, the portion of taxable income taxes below RMB 1 million of small enterprises with low profits shall be taxed by 25% at a corporate income tax rate of 20%. The provisions of this Policy apply to Shenzhen Spark IOT Technology Co., Ltd., Shenzhen Tunnu Innovation Co., Ltd., Huizhou Topband Battery Co., Ltd., Shenzhen Meanstone Intelligent Technology Co., Ltd., Shenzhen Zhongli Consulting Co., Ltd., Shenzhen Senxuan Technology Co., Ltd., Shenzhen Tengyi Industrial Co., Ltd., Topband (Qingdao) Intelligent Control Co., Ltd., Shenzhen Topband Automotive Electronics Co., Ltd., Shenzhen Yueshang Robot Co., Ltd., Shenzhen Topband Motor Co., Ltd., Shenzhen Xiaoyou Aitu Innovation Technology Co., Ltd., and Huizhou Chiding Technology Co., Ltd. that are subsidiaries and sub-subsidiaries.

3. Others

None

VII. Notes to Items of Consolidated Financial Statements

1. Monetary capital

Unit: RMB

Items	Ending balance	Beginning balance
Cash on hand	963,395.56	606,436.16
Bank deposit	1,579,096,555.64	1,210,218,469.79
Other monetary capital	181,520,493.18	192,201,165.39
Total	1,761,580,444.38	1,403,026,071.34
Including: total amount deposited abroad	390,340,526.48	412,196,063.34
Total amount subject to restricted use due to mortgage, pledge or freezing	18,874,829.84	18,937,494.54

Other description

1. Other monetary capital mainly includes the large-denomination certificates of deposit of RMB 100,000,000.00 and the fixed-time deposit of RMB 50,000,000.00.

2. At the end of the period, the other restricted monetary capital amounts to RMB 18,874,829.84. For details, please refer to "VII. (LXXXI)" in this financial report.

3. At the end of the period, there is no amount deposited overseas and with the repatriation restricted.

2. Tradable financial assets

Unit: RMB

Items	Ending balance	Beginning balance
Financial assets measured at fair value and whose changes are recorded in current profit or loss	366,855,786.11	342,959,450.31
Including:		
Financial products	5,687,202.21	1,790,866.41
Investment in equity instruments	361,168,583.90	341,168,583.90
Including:		
Total	366,855,786.11	342,959,450.31

Other description

3. Derivative financial assets

Not applicable

4. Notes receivable

(1) List of classification of notes receivable

Unit: RMB

Items	Ending balance	Beginning balance
Bank acceptance instruments	46,224,108.36	40,056,132.32

Commercial acceptance bill	6,438,809.55	11,735,626.58
Total	52,662,917.91	51,791,758.90

Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Notes receivable with single provision for bad debts	46,729,108.36	88.41%		0.00%	46,729,108.36	40,056,132.32	76.78%			40,056,132.32
Including:										
Bank acceptance bill	46,729,108.36	88.41%		0.00%	46,729,108.36	40,056,132.32	76.78%			40,056,132.32
Commercial acceptance bill										
Notes receivable with provision for bad debts by portfolio	6,123,642.46	11.59%	189,832.91	3.10%	5,933,809.55	12,111,069.74	23.22%	375,443.16	3.10%	11,735,626.58
Including:										
Commercial acceptance bill	6,123,642.46	11.59%	189,832.91	3.10%	5,933,809.55	12,111,069.74	23.22%	375,443.16	3.10%	11,735,626.58
Total	52,852,750.82	100.00%	189,832.91	0.36%	52,662,917.91	52,167,202.06	100.00%	375,443.16	0.72%	51,791,758.90

Provision for bad debts by portfolio: 189,832.91

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Commercial acceptance bill	6,123,642.46	189,832.91	3.10%
Total	6,123,642.46	189,832.91	

Explanation of the basis for determining the portfolio:

None

If the provision for bad debts on notes receivable is based on the general model of expected credit loss, the information about the provision for bad debts shall be disclosed by referring to the disclosure method of other receivables:

Applicable Not applicable

(2) Provision for bad debts withdrawn, recovered or reversed in current period

Provision for bad debts in the current period:

Unit: RMB

Type	Beginning balance	Amount changed in the current period				Ending balance
		Provision	Recover or reversal	Write-off	Others	
Provision for bad debts - notes receivable	375,443.16	-185,610.25				189,832.91
Total	375,443.16	-185,610.25				189,832.91

Of which the amount of provision for bad debts recovered or reversed in the current period is significant:

Applicable Not applicable

(3) Notes receivable pledged by the Company at the end of the period

Not applicable

(4) Notes receivable endorsed or discounted by the Company at the end of the period and not due yet on balance sheet date

Unit: RMB

Items	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance instruments		25,302,253.83
Commercial acceptance bill		
Total		25,302,253.83

(5) Notes converted into receivables at the end of the period due to unfulfillment of drawer

Not applicable

(6) Notes receivable actually written off in the current period

Not applicable

5. Accounts receivable

(1) Disclosure of accounts receivable by category

Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Accounts receivable with single provision for bad debts	82,947,377.51	3.11%	82,947,377.51	100.00%		82,546,521.29	3.04%	82,546,521.29	100.00%	
Including:										
Accounts receivable with a single significant amount and single bad debt	82,546,521.27	3.09%	82,546,521.27	100.00%		82,546,521.29	3.04%	82,546,521.29	100.00%	

provision										
Receivables with not significant amount but with single provision for bad debts	400,856.24	0.02%	400,856.24	100.00%						
Accounts receivable with provision for bad debts by portfolio	2,588,045,952.67	96.89%	84,452,244.51	3.26%	2,503,593,708.16	2,634,259,443.00	96.96%	84,525,403.34	3.21%	2,549,734,039.66
Including:										
Accounts receivable with provision for bad debts by combination (aging analysis method)	2,588,045,952.67	96.89%	84,452,244.51	3.26%	2,503,593,708.16	2,634,259,443.00	96.96%	84,525,403.34	3.21%	2,549,734,039.66
Total	2,670,993,330.18	100.00%	167,399,622.02	6.27%	2,503,593,708.16	2,716,805,964.29	100.00%	167,071,924.63	6.15%	2,549,734,039.66

Single provision for bad debts: 82,947,377.51

Unit: RMB

Name	Ending balance			
	Book balance	Provision for bad debts	Proportion of provision	Reasons for provision
Accounts receivable with a single significant amount and single bad debt provision	82,546,521.27	82,546,521.27	100.00%	It is difficult to recover
Accounts receivable with insignificant single amount but separate bad debt provision	400,856.24	400,856.24	100.00%	It is difficult to recover
Total	82,947,377.51	82,947,377.51		

Provision for bad debts by portfolio: 84,452,244.51

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Accounts receivable with provision for bad debts by combination (aging analysis method)	2,588,045,952.67	84,452,244.51	3.26%
Total	2,588,045,952.67	84,452,244.51	

Explanation of the basis for determining the portfolio: None

If the provision for bad debts on notes receivable is based on the general model of expected credit loss, the information about the provision for bad debts shall be disclosed by referring to the disclosure method of other receivables:

Applicable Not applicable

Disclosure by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	2,574,885,710.35
1-2 years	23,266,320.14

2-3 years	69,437,292.94
Above 3 years	3,404,006.75
3-4 years	1,470,983.18
4-5 years	2,209.26
Above 5 years	1,930,814.31
Total	2,670,993,330.18

(2) Provision for bad debts withdrawn, recovered or reversed in current period

Provision for bad debts in the current period:

Unit: RMB

Type	Beginning balance	Amount changed in the current period				Ending balance
		Provision	Recover or reversal	Write-off	Others	
Provision for bad debts	167,071,924.63	327,697.39				167,399,622.02
Total	167,071,924.63	327,697.39				167,399,622.02

Of which the amount of provision for bad debts recovered or reversed in the current period is significant: None

(3) Accounts receivable actually written off in the current period

Not applicable

(4) Accounts receivable of top five ending balances grouped by debtors

Unit: RMB

Name of unit	Ending balance of accounts receivable	Proportion to total ending balances of accounts receivable	Ending balance of provision for bad debts
No. 1	777,101,913.06	29.09%	24,140,633.39
No. 2	100,229,926.83	3.75%	3,107,127.73
No. 3	65,080,405.66	2.44%	65,080,405.66
No. 4	58,513,584.29	2.19%	1,813,921.11
No. 5	58,267,700.34	2.18%	1,806,298.71
Total	1,059,193,530.18	39.65%	

(5) Accounts receivable derecognized due to transfer of financial assets

Not applicable

(6) Amount of assets and liabilities formed by transferring accounts receivable and continuing to be involved

Not applicable

Other descriptions: None

6. Receivables financing

Unit: RMB

Items	Ending balance	Beginning balance
Bank acceptance instruments	66,063,246.95	79,652,525.19
Accounts receivable	197,996,859.04	173,392,414.33
Digital voucher of accounts receivable creditor's rights	16,289,078.85	1,943,263.08
Total	280,349,184.84	254,988,202.60

Changes in increase or decrease in receivables financing and changes in fair value in the current period

Applicable Not applicable

If the provision for impairment on receivables financing is based on the general model of expected credit loss, the information about the provision for impairment shall be disclosed by referring to the disclosure method of other receivables:

Applicable Not applicable

Other descriptions: None

7. Prepayments

(1) List of advance payments by aging

Unit: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	75,519,296.40	98.34%	52,386,993.93	98.83%
1-2 years	1,144,136.12	1.49%	512,018.85	0.97%
2-3 years	129,193.79	0.17%	16,728.11	0.03%
Above 3 years	600.00	0.00%	89,916.06	0.17%
Total	76,793,226.31		53,005,656.95	

Explanation of the cause for untimely settlement of advance payments aging more than one year with important amounts: None

(2) Accounts prepaid of the top five prepaying entities for ending balance

The total amount of accounts prepaid of the top five prepaying entities for ending balance in the year was RMB 27,503,799.30, accounting for 35.82% of the total ending balances of accounts prepaid.

Other descriptions: None

8. Other receivables

Unit: RMB

Items	Ending balance	Beginning balance
Other receivables	49,547,491.78	77,743,150.98
Total	49,547,491.78	77,743,150.98

(1) Interest receivable

Applicable Not applicable

(2) Dividends receivable

Applicable Not applicable

(3) Other receivables

1) Classification of other receivables by nature of amount

Unit: RMB

Nature of payment	Book balance at the end of the period	Book balance at the beginning of the period
Margin, deposit	27,645,508.92	25,628,574.95
Employee personal loan	9,218,731.05	12,085,358.63
Compensation	10,820,710.33	10,820,710.33
Payment for share title transfer	4,000,000.00	
Others	6,679,516.73	882,396.17
Export rebate		21,954,980.84
Convertible loan		14,000,000.00
Total	58,364,467.03	85,372,020.92

2) Provision for bad debts

Unit: RMB

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss in the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment occurred)	
Balance as of January 1, 2023	7,628,869.94			7,628,869.94
Balance as of January 1, 2023 in the current period				
Accrual in the current period	1,188,105.31			1,188,105.31
Balance as of June 30, 2023	8,816,975.25			8,816,975.25

Changes in book balance with significant changes in loss reserves in the current period

Applicable Not applicable

Disclosure by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	40,804,744.42
Subtotal within one year	40,804,744.42
1-2 years	9,255,611.00
2-3 years	1,894,260.16
Above 3 years	6,409,851.45
3-4 years	1,332,132.01
4-5 years	3,294,695.49
Above 5 years	1,783,023.95
Total	58,364,467.03

3) Bad debt provision withdrawn, recovered or reversed in the current period

Provision for bad debts in the current period:

Unit: RMB

Type	Beginning balance	Amount changed in the current period				Ending balance
		Provision	Recover or reversal	Write-off	Others	
Provision for bad debts	7,628,869.94	1,188,105.31				8,816,975.25
Total	7,628,869.94	1,188,105.31				8,816,975.25

Of which the amount of provision for bad debts recovered or reversed in the current period is significant:

Not applicable

4) Other receivables actually written off in the current period

Not applicable

5) Other receivables of top five ending balances grouped by debtors

Unit: RMB

Name of unit	Nature of payment	Ending balance	Aging	Proportion to total ending balances of other receivables	Ending balance of provision for bad debts
No. 1	Compensation	10,820,710.33	Within 1 year	18.54%	541,035.52
No. 2	Margin, deposit	4,354,266.95	1-2 years	7.46%	435,426.70
No. 3	Payment for share title transfer	4,000,000.00	Within 1 year	6.85%	
No. 4	Margin, deposit	3,500,000.00	1-2 years	6.00%	350,000.00
No. 5	Margin, deposit	1,520,178.00	4-5 years	2.60%	1,216,142.40
Total		24,195,155.28		41.45%	2,542,604.62

6) Receivables involving government subsidies

Not applicable

7) Other receivables derecognized due to transfer of financial assets

Not applicable

8) Amount of assets and liabilities formed by transferring other receivables and continuing to be involved

Not applicable

9. Inventory

Whether the Company is required to comply with the disclosure requirements of the real estate industry

No

(1) Inventory classification

Unit: RMB

Items	Ending balance			Beginning balance		
	Book balance	Provision for decline in value of inventories or provision for impairment of contract performance cost	Book value	Book balance	Provision for decline in value of inventories or provision for impairment of contract performance cost	Book value
Purchase of raw materials	1,016,694,577.43	78,800,496.97	937,894,080.46	1,173,950,054.61	83,688,904.02	1,090,261,150.59
Goods in process	90,327,452.10		90,327,452.10	125,103,265.61		125,103,265.61
Goods on hand	541,389,087.26	8,053,302.09	533,335,785.17	577,199,818.92	12,958,236.03	564,241,582.89
Revolving materials						
Consumptive biological assets						
Contract performance cost						
Goods shipped in transit	77,830,183.58	3,364,522.70	74,465,660.88	114,595,833.38	3,797,469.37	110,798,364.01
Self-manufactured semi-finished product	119,855,271.00	3,629,416.60	116,225,854.40	107,289,297.10	4,809,578.57	102,479,718.53
Low-value consumables	56,837.78		56,837.78	65,460.90		65,460.90

Materials entrusted for processing				2,670.00		2,670.00
Total	1,846,153,409.15	93,847,738.36	1,752,305,670.79	2,098,206,400.52	105,254,187.99	1,992,952,212.53

(2) Provision for decline in value of inventories and provision for impairment of contract performance cost

Unit: RMB

Items	Beginning balance	Increase in the current period		Decrease amount in the current period		Ending balance
		Provision	Others	Reversal or write-off	Others	
Purchase of raw materials	83,688,904.02	22,278,701.29	157,968.08	27,325,076.42		78,800,496.97
Goods in process						
Goods on hand	12,958,236.03	960,989.47	5,686.42	5,871,609.83		8,053,302.09
Self-manufactured semi-finished product	4,809,578.57	175,174.67	5,572.17	1,360,908.81		3,629,416.60
Goods shipped in transit	3,797,469.37	251,348.63		684,295.30		3,364,522.70
Total	105,254,187.99	23,666,214.06	169,226.67	35,241,890.36		93,847,738.36

(3) Explanation of capitalized amount of borrowing costs included in ending balance of inventory

Not applicable

(4) Explanation of current amortization amount of contract performance cost

Not applicable

10. Contract assets

Applicable Not applicable

11. Assets held for sale

Applicable Not applicable

12. Non-current assets due within one year

Applicable Not applicable

13. Other current assets

Unit: RMB

Items	Ending balance	Beginning balance
VAT to be deducted	158,938,818.12	143,163,557.71

Other prepaid taxes	40,678,030.28	10,472,653.58
IPO-related fees	1,490,566.02	1,490,566.02
Total	201,107,414.42	155,126,777.31

Other descriptions: None

14. Debt investment

Applicable Not applicable

15. Other debt investment

Applicable Not applicable

16. Long-term receivables

(1) Situation of long-term receivables

Applicable Not applicable

(2) Long-term receivables derecognized due to transfer of financial assets

Applicable Not applicable

(3) Amount of assets and liabilities formed by transferring long-term receivables and continuing to be involved

Applicable Not applicable

17. Long-term equity investment

Unit: RMB

Investee	Beginning balance (book value)	Changes in increase or decrease in the current period								Ending balance (book value)	Ending balance of provision for impairment
		Additional investment	Decrease in investment	Profits and losses on investment recognized under equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration of distribution for cash dividends or profits	Provision for impairment	Others		
I. Joint venture											
II. Associated enterprises											
Shenzhen Yuchengxin Power Technology Co., Ltd.											9,764,719.19
Shenzhen Daka	5,886,346.16			-40,895.18						5,845,450.98	

Optoelectronics Co., Ltd.											
Pas Electronic Technology (Nanjing) Co., Ltd.	6,928,835.90		6,928,835.90								
Shanghai Yidong Power Technology Co., Ltd.	10,735,476.85			-900,839.80						9,834,637.05	
Dongguan Jujin Plastic Technology Co., Ltd.		20,000,000.00								20,000,000.00	
Subtotal	23,550,658.91	20,000,000.00	6,928,835.90	-941,734.98						35,680,088.03	9,764,719.19
Total	23,550,658.91	20,000,000.00	6,928,835.90	-941,734.98						35,680,088.03	9,764,719.19

Other descriptions: None

18. Investment in other equity instruments

Applicable Not applicable

19. Other non-current financial assets

Applicable Not applicable

20. Investment property

(1) Investment property with cost measurement model

Applicable Not applicable

Unit: RMB

Items	Houses and buildings	Land usage right	Construction in progress	Total
I. Original book value				
1. Beginning balance	119,070,562.06			119,070,562.06
2. Increase in the current period				
(1) Outsourcing				
(2) Transfer in of inventory, fixed assets and construction in progress				
(3) Increment from consolidation				
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer out				
4. Ending balance	119,070,562.06			119,070,562.06
II. Accumulated depreciation and accumulated amortization				

1. Beginning balance	12,827,784.21			12,827,784.21
2. Increase in the current period	1,419,187.51			1,419,187.51
(1) Provision or amortization	1,419,187.51			1,419,187.51
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer out				
4. Ending balance	14,246,971.72			14,246,971.72
III. Provision for impairment				
1. Beginning balance				
2. Increase in the current period				
(1) Accrual				
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer out				
4. Ending balance				
IV. Book value				
1. Ending book value	104,823,590.34			104,823,590.34
2. Beginning book value	106,242,777.85			106,242,777.85

(2) Investment property with fair value measurement model

Applicable Not applicable

(3) Investment property without property certificate of title

Applicable Not applicable

21. Fixed assets

Unit: RMB

Items	Ending balance	Beginning balance
Fixed assets	1,901,326,770.71	1,840,358,093.74
Total	1,901,326,770.71	1,840,358,093.74

(1) Situation about fixed assets

Unit: RMB

Items	Houses and buildings	Machinery and equipment	Transportation equipment	Electronics and other equipment	Total
I. Original book value:					
1. Beginning balance	1,210,636,967.86	1,121,012,648.11	2,952,750.39	67,432,207.98	2,402,034,574.34
2. Increase in the current period	16,847,573.17	147,330,425.92	293,251.58	5,288,192.20	169,759,442.87
(1) Purchase		111,305,697.14	216,575.69	4,637,300.10	116,159,572.93
(2) Transfer into projects under	9,436,384.86	21,500,623.52			30,937,008.38

construction					
(3) Increment from consolidation					
(4) Impact of exchange rate changes	7,411,188.31	14,524,105.26	76,675.89	650,892.10	22,662,861.56
3. Decrease in the current period	1,230,720.78	52,220,915.34	214,926.92	3,384,841.56	57,051,404.60
(1) Disposal or scrapping	1,230,720.78	52,220,915.34	214,926.92	3,384,841.56	57,051,404.60
4. Ending balance	1,226,253,820.25	1,216,122,158.69	3,031,075.05	69,335,558.62	2,514,742,612.61
II. Accumulated depreciation					
1. Beginning balance	143,928,870.29	379,576,810.02	2,288,706.56	35,882,093.73	561,676,480.60
2. Increase in the current period	15,626,442.65	62,902,099.31	210,052.87	4,753,980.93	83,492,575.76
(1) Accrual	15,034,764.39	61,601,986.06	192,530.40	4,535,846.05	81,365,126.90
(2) Impact of exchange rate changes	591,678.26	1,300,113.25	17,522.47	218,134.88	2,127,448.86
3. Decrease in the current period	94,996.26	28,636,994.79	157,713.20	2,863,510.21	31,753,214.46
(1) Disposal or scrapping	94,996.26	28,636,994.79	157,713.20	2,863,510.21	31,753,214.46
4. Ending balance	159,460,316.68	413,841,914.54	2,341,046.23	37,772,564.45	613,415,841.90
III. Provision for impairment					
1. Beginning balance					
2. Increase in the current period					
(1) Accrual					
3. Decrease in the current period					
(1) Disposal or scrapping					
4. Ending balance					
IV. Book value					
1. Ending book value	1,066,793,503.57	802,280,244.15	690,028.82	31,562,994.17	1,901,326,770.71
2. Beginning book value	1,066,708,097.57	741,435,838.09	664,043.83	31,550,114.25	1,840,358,093.74

(2) Temporary idle fixed assets

Applicable Not applicable

(3) Fixed assets leased out through operating lease

Applicable Not applicable

(4) Fixed assets without certificate of title

Applicable Not applicable

(5) Disposal of fixed assets

Applicable Not applicable

22. Construction in progress

Unit: RMB

Items	Ending balance	Beginning balance
Construction in progress	360,390,687.64	234,775,312.11
Total	360,390,687.64	234,775,312.11

(1) Projects under construction

Unit: RMB

Items	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Test equipment to be commissioned	75,099,907.36		75,099,907.36	90,401,815.63		90,401,815.63
Decoration of Huizhou Plant	3,893,772.81		3,893,772.81	1,492,318.46		1,492,318.46
Dormitory renovation of Huizhou plant	183,486.24		183,486.24	394,884.48		394,884.48
Huizhou YAKO Automation Plant	129,886,803.39		129,886,803.39	78,399,893.68		78,399,893.68
Sporadic items				3,113,633.24		3,113,633.24
Nantong Lithium Battery Industrial Park	74,874,590.28		74,874,590.28	5,259,209.25		5,259,209.25
Ningbo Topband Industrial Park	17,190,987.05		17,190,987.05	6,548,784.76		6,548,784.76
Qingdao Plant	1,835,469.17		1,835,469.17	1,804,902.19		1,804,902.19
Plant Decoration in Shenzhen	2,314,190.12		2,314,190.12	2,314,190.12		2,314,190.12
Topband Huizhou No. 2 Industrial Park	22,063,287.52		22,063,287.52	16,352,994.82		16,352,994.82
Topband (India) Plant	1,768,790.83		1,768,790.83	5,360,095.80		5,360,095.80
Vietnam Dong Nai Decoration	1,327,019.12		1,327,019.12	1,229,894.49		1,229,894.49
Plant Decoration in Romania	29,952,383.75		29,952,383.75	22,102,695.19		22,102,695.19
Total	360,390,687.64		360,390,687.64	234,775,312.11		234,775,312.11

(2) Changes in the important projects under construction in the current period

Unit: RMB

Project name	Budget	Beginning balance	Increase in the current period	Amount of transfer into fixed assets this period	Other decrements this period	Ending balance	Proportion of accumulated project investment in budget	Project progress	Accumulated amount of interest capitalization	Including: interest capitalization amount in the current period	Interest capitalization rate in the current period	Source of capitals
Vietnam Dong Nai Decoration	75,000,000.00	1,229,894.49	2,507,600.68	2,410,476.05		1,327,019.12	94.30%	94%				Others
Plant Decoration in Romania	31,220,000.00	22,102,695.19	7,849,688.56			29,952,383.75	91.24%	91%				Others
Topband Huizhou No. 2 Industrial Park	800,000,000.00	16,352,994.82	5,710,292.70			22,063,287.52	2.39%	2%				Others
Ningbo Topband Industrial Park	465,704,300.00	6,548,784.76	20,078,587.15	9,436,384.86		17,190,987.05	87.79%	88%	7,018,762.50	1,956,262.50	4.12%	Capital raising
Huizhou YAKO Automation Plant	370,000,000.00	78,399,893.68	51,486,909.71			129,886,803.39	45.38%	45%				Others
Topband (India) Plant	136,004,000.00	5,360,095.79			3,591,304.96	1,768,790.83	85.57%	86%				Others
Total	1,877,928,300.00	129,994,358.73	87,633,078.80	11,846,860.91	3,591,304.96	202,189,271.66			7,018,762.50	1,956,262.50	4.12%	

(3) Provision for impairment of project under construction in the current period

Applicable Not applicable

(4) Project material

Applicable Not applicable

23. Productive biological assets**(1) Productive biological assets with cost measurement model**

Applicable Not applicable

(2) Productive biological assets with fair value measurement model

Applicable Not applicable

24. Oil and gas assets

Applicable Not applicable

25. Right-of-use assets

Unit: RMB

Items	Houses and buildings	Total
I. Original book value		
1. Beginning balance	151,222,723.36	151,222,723.36
2. Increase in the current period	20,981,761.90	20,981,761.90
(1) Lease contract in current period	13,050,213.69	13,050,213.69
(2) Increase of original price due to changes to contract	951,190.64	951,190.64
(3) Exchange rate changes	6,980,357.57	6,980,357.57
3. Decrease in the current period	6,936,170.77	6,936,170.77
(1) Contracts with lease terminated in current period	6,936,170.77	6,936,170.77
4. Ending balance	165,268,314.49	165,268,314.49
II. Accumulated depreciation		
1. Beginning balance	45,025,821.49	45,025,821.49
2. Increase in the current period	23,059,987.14	23,059,987.14
(1) Accrual	21,919,558.35	21,919,558.35
(2) Exchange rate changes	1,140,428.79	1,140,428.79
3. Decrease in the current period	5,493,498.94	5,493,498.94
(1) Disposal	5,493,498.94	5,493,498.94

4. Ending balance	62,592,309.69	62,592,309.69
III. Provision for impairment		
1. Beginning balance		
2. Increase in the current period		
(1) Accrual		
3. Decrease in the current period		
(1) Disposal		
4. Ending balance		
IV. Book value		
1. Ending book value	102,676,004.80	102,676,004.80
2. Beginning book value	106,196,901.87	106,196,901.87

Other descriptions: None

26. Intangible assets

(1) Situation of intangible assets

Unit: RMB

Items	Land usage right	Patent right	Non-patented technology	Software	Trademark	Total
I. Original book value						
1. Beginning balance	340,787,809.19	435,321.58	488,608,352.28	27,456,858.38	9,728,450.00	867,016,791.43
2. Increase in the current period	53,044,385.80		73,873,106.60	729,011.53		127,646,503.93
(1) Purchase	50,949,822.99			729,011.53		51,678,834.52
(2) Internal R&D			73,873,106.60			73,873,106.60
(3) Increment from consolidation						
(4) Increase from exchange rate changes	2,094,562.81					2,094,562.81
3. Decrease in the current period						
(1) Disposal						
4. Ending balance	393,832,194.99	435,321.58	562,481,458.88	28,185,869.91	9,728,450.00	994,663,295.36
II. Accumulated amortization						
1. Beginning balance	21,339,657.64	435,321.58	269,000,149.04	22,759,462.08	6,165,886.52	319,700,476.86
2. Increase in the current period	3,391,231.85		46,298,027.40	1,115,043.92		50,804,303.17
(1) Accrual	3,391,231.85		46,298,027.40	1,115,043.92		50,804,303.17
3. Decrease in the current period				854.70		854.70
(1) Disposal				854.70		854.70
4. Ending balance	24,730,889.49	435,321.58	315,298,176.44	23,873,651.30	6,165,886.52	370,503,925.33
III. Provision for impairment						

1. Beginning balance						
2. Increase in the current period						
(1) Accrual						
3. Decrease in the current period						
(1) Disposal						
4. Ending balance						
IV. Book value						
1. Ending book value	369,101,305.50		247,183,282.44	4,312,218.61	3,562,563.48	624,159,370.03
2. Beginning book value	319,448,151.55		219,608,203.24	4,697,396.30	3,562,563.48	547,316,314.57

The proportion of intangible assets formed through internal R&D in the balance of intangible assets at the end of the period accounted for 39.60%.

(2) Situation of land usage right without property certificate of title

Applicable Not applicable

27. Development expenditure

Unit: RMB

Items	Beginning balance	Increase in the current		Decrease amount in the current period		Ending balance
		Internal	Others	Recognized as	Transferred to	
Intelligent controller	70,263,773.15	46,198,597.14		45,245,377.46		71,216,992.83
Lithium battery	12,689,781.05	19,168,665.97		12,689,781.05		19,168,665.97
Motor and control	17,993,758.94	6,277,330.09		15,937,948.09		8,333,140.94
Total	100,947,313.14	71,644,593.20		73,873,106.60		98,718,799.74

Other descriptions: None

28. Goodwill

(1) Original book value of goodwill

Unit: RMB

Name of investees or items forming goodwill	Beginning balance	Increase in the current period		Decrement in the current period		Ending balance
		Disposal formed by consolidation		Disposal		
Shenzhen YAKO Automation Technology Co., Ltd.	107,314,446.71					107,314,446.71
Shenzhen Allied Control System Co., Ltd.	53,768,699.68					53,768,699.68
Shenzhen Meanstone Intelligent Technology Co., Ltd.	3,006,892.59					3,006,892.59
Hangzhou Zhidong Motor Technology Co., Ltd.	1,322,921.77					1,322,921.77

Taixing Ninghui Lithium Battery Co., Ltd.	1,962,891.12					1,962,891.12
Shenzhen Tengyi Industrial Co., Ltd.	131,783.24					131,783.24
Total	167,507,635.11					167,507,635.11

(2) Impairment of goodwill

Unit: RMB

Name of investees or items forming goodwill	Beginning balance	Increase in the current period		Decrement in the current period		Ending balance
		Provision		Disposal		
Shenzhen Allied Control System Co., Ltd.	53,768,699.68					53,768,699.68
Shenzhen Meanstone Intelligent Technology Co., Ltd.	3,006,892.59					3,006,892.59
Total	56,775,592.27					56,775,592.27

Information about the asset group or portfolio of goodwill: None

Explanation of goodwill impairment test process, key parameters (e.g. growth rate during the forecast period, growth rate during the stabilization period, profitability, discount rate, forecast period, etc. when the present value of future cash flow is expected) and method for recognizing impairment loss of goodwill: None

Impact of goodwill impairment test: None

Other descriptions: None

29. Long-term deferred expense

Unit: RMB

Items	Beginning balance	Increase in the current period	Amortization in the current period	Other reduced amount	Ending balance
Maintenance and installation costs	132,090,828.44	40,063,020.46	21,421,752.99		150,732,095.91
Others	130,736.79		5,475.66		125,261.13
Total	132,221,565.23	40,063,020.46	21,427,228.65		150,857,357.04

Other descriptions: None

30. Deferred tax assets/deferred tax liabilities

(1) Non-offset deferred tax assets

Unit: RMB

Items	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets

Plus: Provision for asset impairment	274,146,241.04	42,686,549.87	281,652,280.08	43,628,391.64
Deductible loss	226,161,509.61	44,411,436.16	188,813,388.08	39,381,980.91
Amortization of intangible assets	114,828,824.77	17,224,323.71	94,689,166.74	14,203,375.01
Deferred income	11,028,331.28	1,654,249.69	13,245,250.14	1,986,787.52
Equity cost	83,352,332.80	12,502,849.92	62,111,490.83	9,316,723.62
Lease liabilities	58,636,988.37	9,066,474.17	62,829,027.62	9,436,477.65
Changes in fair value	6,041,282.00	906,192.30		
Total	774,195,509.87	128,452,075.82	703,340,603.49	117,953,736.35

(2) Deferred tax liabilities without offset

Unit: RMB

Items	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Valuation and appreciation of assets of business consolidation under different control	635,212.09	95,281.79	857,693.62	128,654.04
Changes in fair value of tradable financial assets	235,561,014.47	39,250,529.22	235,561,014.47	39,250,529.22
Book-tax difference of fixed assets depreciation	70,486,008.49	13,959,971.95	51,414,751.05	10,622,182.15
Book-tax difference of rental income	4,866,792.18	1,216,698.05	4,571,154.88	1,142,788.72
Right-of-use assets	53,754,424.48	8,333,847.23	57,428,399.67	8,614,259.95
Total	365,303,451.71	62,856,328.24	349,833,013.69	59,758,414.08

(3) Deferred tax assets or liabilities listed by net amount after offset

Unit: RMB

Items	Amount of offset between deferred tax assets and liabilities at the end of the period	Ending balance of deferred tax assets or liabilities after offset	Amount of mutual offset between deferred tax assets and liabilities at the beginning of the period	Beginning balance of deferred tax assets or liabilities after offset
Deferred tax assets		128,452,075.82		117,953,736.35
Deferred tax liabilities		62,856,328.24		59,758,414.08

(4) Details of unrecognized deferred tax assets

Unit: RMB

Items	Ending balance	Beginning balance
Deductible temporary differences	10,666,664.23	13,989,990.57
Deductible loss	129,082,278.25	73,447,423.03
Total	139,748,942.48	87,437,413.60

(5) Deductible loss of unrecognized deferred tax assets will mature in the following years

Unit: RMB

Year	Ending amount	Beginning amount	Remarks
2024			
2025	2,003,221.13	2,034,722.96	
2026	13,266,401.49	14,435,579.52	
2027	26,270,394.36	25,446,622.08	
2028 and later	22,525,391.77	1,793,498.72	
No time limit	65,016,869.50	29,736,999.75	
Total	129,082,278.25	73,447,423.03	

Other description

Note: The deductible losses of unrecognized deferred tax assets with no maturity period are recoverable losses of overseas subsidiaries, and there are no local policy requirements for deductible periods.

31. Other non-current assets

Unit: RMB

Items	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepayment for long-term assets	245,175,896.39		245,175,896.39	172,371,288.80		172,371,288.80
Total	245,175,896.39		245,175,896.39	172,371,288.80		172,371,288.80

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

Unit: RMB

Items	Ending balance	Beginning balance
Credit loan	245,000,000.00	12,325,580.00
Letter of credit	215,000,000.00	265,000,000.00
Outstanding discounted bills		6,025,915.57
Total	460,000,000.00	283,351,495.57

Explanation of classification of short-term loans: None

(2) Overdue short-term loans Applicable Not applicable**33. Tradable financial liabilities**

Unit: RMB

Items	Ending balance	Beginning balance
Financial liabilities held for trading	6,041,282.00	
Including:		
Forward foreign exchange contract	6,041,282.00	
Including:		
Total	6,041,282.00	

Other descriptions: None

34. Derivative financial liabilities Applicable Not applicable**35. Notes payable**

Unit: RMB

Category	Ending balance	Beginning balance
Bank acceptance bill	879,938,591.06	1,065,652,340.80
Total	879,938,591.06	1,065,652,340.80

The total amount of notes payable due but unpaid at the end of the current period was RMB 0.

36. Accounts payable**(1) Accounts payable listed**

Unit: RMB

Items	Ending balance	Beginning balance
Within 1 year (including 1 year)	1,653,297,298.93	1,601,875,172.01
1-2 years (including 2 years)	1,436,852.53	940,565.81
2-3 years (including 3 years)	794,685.55	2,570,462.09
Above 3 years	2,064,011.37	1,060,004.11
Total	1,657,592,848.38	1,606,446,204.02

(2) Significant accounts payable aged over 1 year

Applicable Not applicable

37. Advances received**(1) Advances received listed**

Unit: RMB

Items	Ending balance	Beginning balance
Within 1 year	1,598,192.95	1,130,165.23
Total	1,598,192.95	1,130,165.23

(2) Important advance receipts with aging over 1 year

Applicable Not applicable

38. Contractual liabilities

Unit: RMB

Items	Ending balance	Beginning balance
Advances on sales	206,595,293.99	138,281,929.17
Total	206,595,293.99	138,281,929.17

Amount of and reasons for significant changes in book value during the reporting period

Applicable Not applicable

39. Employee compensation payable**(1) Presentation of employee pay payable**

Unit: RMB

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
I. Short-term compensation	206,810,975.44	833,643,494.25	901,849,397.30	138,605,072.39
II. Post-employment benefits - defined contribution plan	168,797.71	42,946,571.33	42,190,675.65	924,693.39
Total	206,979,773.15	876,590,065.58	944,040,072.95	139,529,765.78

(2) Reporting of short-term remuneration

Unit: RMB

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
1. Wages, bonuses, allowances and subsidies	203,678,977.95	786,725,140.98	854,762,993.09	135,641,125.84
2. Employee benefits	43,226.15	15,571,451.04	15,537,709.01	76,968.18
3. Social insurance expense	529,503.33	11,432,158.15	11,847,392.47	114,269.01
Including: medical insurance premiums	525,104.36	9,926,327.02	10,339,857.22	111,574.16
Industrial injury insurance expense	4,398.97	568,028.79	569,732.91	2,694.85
Maternity insurance expense		937,802.34	937,802.34	
4. Housing provident fund		18,970,567.25	18,970,567.25	
5. Trade union funds and staff education funds	50,089.90	389,825.01	439,409.57	505.34
6. Others	2,509,178.11	554,351.82	291,325.91	2,772,204.02
Total	206,810,975.44	833,643,494.25	901,849,397.30	138,605,072.39

(3) List of defined contribution plan

Unit: RMB

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
1. Basic endowment insurance	161,799.37	42,207,999.54	41,448,955.24	920,843.67
2. Unemployment insurance expense	6,998.34	738,571.79	741,720.41	3,849.72
Total	168,797.71	42,946,571.33	42,190,675.65	924,693.39

Other descriptions: None

40. Taxes payable

Unit: RMB

Items	Ending balance	Beginning balance
VAT (value-added tax)	60,047,410.31	53,017,545.90
Corporate income tax	15,709,959.43	19,648,268.34
Individual income tax	8,635,928.53	11,251,522.04
Urban maintenance and construction tax	151,727.15	336,488.64
Education surcharge	108,376.52	240,581.55

Property tax	4,751,032.14	3,647,511.72
Other taxes	461,544.32	263,596.46
Total	89,865,978.40	88,405,514.65

Other descriptions: None

41. Other payables

Unit: RMB

Items	Ending balance	Beginning balance
Other account payable	254,008,379.73	335,047,520.52
Total	254,008,379.73	335,047,520.52

(1) Interest payable

Applicable Not applicable

(2) Dividends payable

Applicable Not applicable

(3) Other payables

1) Other payables listed by fund nature

Unit: RMB

Items	Ending balance	Beginning balance
Restricted stock repurchase obligations	157,999,277.12	231,812,873.60
Expenses	37,616,568.22	25,199,800.55
Long-term assets	44,502,771.88	42,160,937.47
Margin, deposit	7,857,227.50	7,162,370.40
Current accounts	917,015.40	17,398,987.82
Others	5,115,519.61	11,312,550.68
Total	254,008,379.73	335,047,520.52

2) Other significant payables aged over 1 year

Items	Ending balance	Reasons for not repaying or carrying forward
Restricted stock repurchase obligations	157,999,277.12	Repurchase obligation undue
Total	157,999,277.12	

42. Liabilities held for sale

Applicable Not applicable

43. Non-current liabilities due within one year

Unit: RMB

Items	Ending balance	Beginning balance
Long-term borrowings due within one year	21,380,000.00	37,135,000.00
Lease liabilities due within one year	40,907,487.08	38,221,303.72
Total	62,287,487.08	75,356,303.72

44. Other current liabilities

Unit: RMB

Items	Ending balance	Beginning balance
Tax amount to be resold	4,530,052.34	3,379,987.09
Notes receivable that have been endorsed but not derecognized	25,302,253.83	19,096,443.65
Total	29,832,306.17	22,476,430.74

Increase or decrease of short-term bond payable:

 Applicable Not applicable**45. Long-term loans****(1) Classification of long-term loan**

Unit: RMB

Items	Ending balance	Beginning balance
Guaranteed loan	62,000,000.00	84,000,000.00
Credit loan	756,120,000.00	497,500,000.00
Total	818,120,000.00	581,500,000.00

Explanation of long-term loan classification: None

Additional notes, including interest rate ranges: None

46. Bonds payable Applicable Not applicable**47. Lease liabilities**

Unit: RMB

Items	Ending balance	Beginning balance
Building lease	68,528,422.20	73,610,791.09
Total	68,528,422.20	73,610,791.09

Other descriptions: None

48. Long-term payables

Applicable Not applicable

49. Long-term employee compensation payable

Applicable Not applicable

50. Estimated liabilities

Applicable Not applicable

51. Deferred income

Unit: RMB

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance	Reasons of formation
Governmental subsidies	13,370,250.14		2,241,918.86	11,128,331.28	Governmental subsidies related to assets
Total	13,370,250.14		2,241,918.86	11,128,331.28	

Items involving government subsidies:

Unit: RMB

Liability items	Beginning balance	Newly increased subsidy in the current period	Amount accounted into non-operating revenue in the current period	Amount included in other income in the current period	Amount of write-down costs in the current period	Other changes	Ending balance	Asset-related/revenue-related
Nano lithium iron phosphate power battery project	250,000.00			125,000.00			125,000.00	Asset-related
R&D project of 60A solar charging controller with peak power tracking technology	290,000.00			60,000.00			230,000.00	Asset-related
Special fund for the industrialization of high-efficiency energy-saving rare-earth permanent magnet motor	910,000.00			97,500.00			812,500.00	Asset-related
Key technology R&D of 18650-2.8A.h high power battery	153,000.00			102,000.00			51,000.00	Asset-related
R&D project of unmanned robot cleaner	1,950,000.00			300,000.00			1,650,000.00	Asset-related
Key technology R&D project of rare-earth permanent magnet	2,030,950.14			229,918.86			1,801,031.28	Asset-related

brushless DC motor and controller with high speed ratio and variable frequency								
R&D project of key technology for clean energy DC system measurement	125,000.00			25,000.00			100,000.00	Asset-related
Huizhou National Debt Program for Anti-epidemic Technology Transformation	2,080,150.00			416,030.00			1,664,120.00	Asset-related
Technological Transformation of Intelligent Controller and Lithium Battery Automated Production Line	1,560,350.00			312,070.00			1,248,280.00	Asset-related
Provincial-level enterprise technology transformation fund for promoting high-quality economic development in 2022	4,020,800.00			574,400.00			3,446,400.00	Asset-related

Other descriptions: None

52. Other non-current liabilities

Applicable Not applicable

53. Share capital

Unit: RMB

	Beginning balance	Increase or decrease of change this time (+, -)					Ending balance
		Issuance of new shares	Stock dividend	Conversion of accumulation fund into shares	Others	Subtotal	
Total number of shares	1,269,535,372.00						1,269,535,372.00

54. Other equity instruments

Applicable Not applicable

55. Capital reserve

Unit: RMB

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
Capital premium (share premium)	2,121,733,860.51	73,441,428.60		2,195,175,289.11
Other capital reserves	144,408,337.93	36,922,067.43	77,375,475.96	103,954,929.40
Total	2,266,142,198.44	110,363,496.03	77,375,475.96	2,299,130,218.51

Additional descriptions, including the changes in increase or decrease in the current period and the reasons for changes:

Note 1: RMB 73,441,428.60 was increased in the capital premium of the current period as RMB 73,441,428.60 option fee recognized in other capital surplus of the prior period was transferred to the capital premium because of the release of the restricted shares.

Note 2: Other capital reserves increased by RMB 36,922,067.43 in the current period, including RMB 34,126,573.66 of share-based payment expenses confirmed by restricted stock equity incentive plan in the current period and RMB 2,795,493.77 of share-based payment confirmed by Huizhou YAKO Automation Technology Co., Ltd. (subsidiary). RMB 77,375,475.96 was decreased in other capital surplus because RMB 73,441,428.60 was transferred from other capital surplus to capital premium due to the release of restricted shares, RMB 3,778,684.66 was decreased in other capital surplus due to the adjustment made for the resignation of some incentive grantees and RMB 155,362.7 was adjusted in other capital surplus due to the acquisition of minority equities.

56. Treasury shares

Unit: RMB

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
Restricted stock repurchase obligations	284,257,854.91		67,614,497.28	216,643,357.63
Total	284,257,854.91		67,614,497.28	216,643,357.63

Additional descriptions, including the changes in increase or decrease in the current period and the reasons for changes: None

57. Other comprehensive income

Unit: RMB

Items	Beginning balance	Amount incurred in the current period						Ending balance
		Amount of pre-income tax incurred in the current period	Minus: profits and losses included in other comprehensive income previously and transferred in the current period	Minus: current retained earnings included in other comprehensive income in the previous period	Minus: income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	

II. Other comprehensive income that is reclassified into profits and losses	-8,479,622.35	60,692,638.82				60,692,638.82		52,213,016.47
Difference in translation of foreign currency financial statements	-8,479,622.35	60,692,638.82				60,692,638.82		52,213,016.47
Total amount of other comprehensive income	-8,479,622.35	60,692,638.82				60,692,638.82		52,213,016.47

Other description, including the adjustment to the effective portion of the profits and losses of cash flow hedging transferred to the amount initially recognized for the hedged item: None

58. Special reserve

Applicable Not applicable

59. Surplus reserves

Unit: RMB

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
Statutory surplus reserve	214,764,194.14			214,764,194.14
Total	214,764,194.14			214,764,194.14

Explanation of the surplus reserve, including the changes in increase or decrease in the current period and the reasons for changes: None

60. Retained earnings

Unit: RMB

Items	Current period	Previous period
Retained earnings at the end of the previous period before adjustment	2,270,819,171.01	1,779,243,483.61
Total retained earnings at the beginning of the period (+ for increase, - for decrease)	710,522.81	365,494.44
Retained earnings at the beginning of last period after adjustment	2,271,529,693.82	1,779,608,978.05
Plus: net profit attributable to owners of parent company in current year	258,040,692.16	246,657,151.65
Common stock dividends payable	75,861,250.32	62,713,008.60
Retained earnings at the end of the period	2,453,709,135.66	1,963,553,121.10

61. Operating income and operating costs

Unit: RMB

Items	Amount incurred in the current period		Amount incurred in prior period	
	Income	Cost	Income	Cost
Main business	4,245,380,855.39	3,332,427,372.30	4,212,996,240.53	3,420,959,502.11
Other business	10,740,298.33	5,399,460.85	15,006,897.04	474,527.50
Total	4,256,121,153.72	3,337,826,833.15	4,228,003,137.57	3,421,434,029.61

Income-related information:

Unit: RMB

Contract classification	Division 1	Division 2	Intelligent Control Division	Total
Types of commodities			4,256,121,153.72	4,256,121,153.72
Including:				
Tools			1,620,045,611.60	1,620,045,611.60
Home appliances			1,500,351,397.24	1,500,351,397.24
New energy			914,360,730.57	914,360,730.57
Industry			136,712,993.99	136,712,993.99
Intelligent solutions			73,910,121.99	73,910,121.99
Others			10,740,298.33	10,740,298.33
Classified by business area			4,256,121,153.72	4,256,121,153.72
Including:				
Domestic			1,634,215,062.54	1,634,215,062.54
Export			2,621,906,091.18	2,621,906,091.18

Information related to performance obligations:

Not applicable

Information related to the transaction price allocated to the remaining performance obligations:

At the end of the current reporting period, the amount of income corresponding to performance obligations under the signed contracts but not yet performed or not fully performed is RMB 0.00, with RMB ___ expected to be confirmed as income in Year ___, RMB ___ expected to be confirmed as income in Year ___ and RMB ___ expected to be confirmed as income in Year ___.

62. Taxes and surcharges

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Urban maintenance and construction tax	8,735,223.48	6,262,071.28
Education surcharge	6,339,213.38	4,472,907.99
Property tax	5,088,912.36	4,579,610.57
Land use tax	650,764.25	601,530.92
Stamp duty	3,189,645.46	4,843,716.89
Others	28,626.66	300,307.02
Total	24,032,385.59	21,060,144.67

63. Sales expenses

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Employee compensation	81,107,869.20	71,092,467.40
Traveling and business entertainment fees	18,480,497.11	10,604,540.93
Intermediary service expenses	9,341,011.65	8,406,618.19
Equity incentive expenses	6,573,868.05	13,224,050.94
Advertising and exhibition fees	4,731,322.60	3,492,322.00
Others	22,799,877.00	18,360,826.02
Total	143,034,445.61	125,180,825.48

64. Administrative expenses

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Employee compensation	114,187,392.52	90,896,179.65
Depreciation and amortization	23,526,040.41	21,036,734.22
Rent and utilities	10,120,081.51	7,121,821.96
Intermediary service expenses	9,399,249.84	6,962,764.32
Equity incentive expenses	7,508,043.78	16,890,907.13
Property insurance expenses	2,052,153.88	1,294,426.48
Others	34,681,603.66	16,691,192.70
Total	201,474,565.60	160,894,026.46

Other descriptions: None

65. R&D expenses

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Employee compensation	187,631,470.05	163,347,312.36
Depreciation and amortization	53,316,811.19	44,004,446.04
Equity incentive expenses	13,856,640.80	32,417,628.32
Material and mould costs	31,125,615.88	23,000,657.37
Others	31,360,012.19	22,077,163.83
Total	317,290,550.11	284,847,207.92

Other descriptions: None

66. Financial expenses

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Interest expense	19,596,648.04	14,644,344.03
Minus: interest income	15,720,869.63	6,486,250.66

Profit or loss on exchange	-55,962,757.24	-75,077,691.81
Others	1,094,503.59	3,303,222.81
Total	-50,992,475.24	-63,616,375.63

Other descriptions: None

67. Other revenues

Unit: RMB

Source for other revenues	Amount incurred in the current period	Amount incurred in prior period
Governmental subsidies	13,327,625.08	14,488,480.96
Added-value tax refund on demand	2,657,861.16	1,793,694.48
Return of individual income tax service charge	1,164,180.69	646,161.64
Others	44,892.36	144,530.54
Total	17,194,559.29	17,072,867.62

68. Investment income

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Long-term equity investment income accounted by the cost method	-941,734.97	-1,489,563.00
Investment income from disposal of long-term equity investments	-2,928,835.90	
Investment income of financial products	248,584.66	241,902.47
Forward foreign exchange profit and loss	377,800.00	
Total	-3,244,186.21	-1,247,660.53

Other descriptions: None

69. Net exposure hedging revenue

Applicable Not applicable

70. Fair value change revenue

Unit: RMB

Sources of income from change in fair value	Amount incurred in the current period	Amount incurred in prior period
Tradable financial assets		31,603,205.99
Financial liabilities held for trading	-6,041,282.00	
Total	-6,041,282.00	31,603,205.99

Other descriptions: None

71. Credit impairment loss

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Bad debt loss of other receivables	-1,063,126.85	-229,235.75
Bad debt loss of receivables	-712,252.82	-6,705,780.21
Loss from bad debt of discounted commercial acceptance	185,610.25	121,687.18
Loss from bad debt of accounts receivable financing	-787,139.10	-4,094,005.92
Total	-2,376,908.52	-10,907,334.70

Other descriptions: None

72. Asset impairment loss

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
II. Loss on inventory valuation and contract performance cost impairment loss	-23,666,214.06	-46,406,707.31
Total	-23,666,214.06	-46,406,707.31

Other descriptions: None

73. Assets disposal revenue

Unit: RMB

Source of assets disposal revenue	Amount incurred in the current period	Amount incurred in prior period
Non-current assets disposal revenue	-1,279,902.83	-284,674.88
Total	-1,279,902.83	-284,674.88

74. Non-operating income

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period	Amount included in the current non-recurring profit and loss
Non-current assets disposal revenue	523,039.11	259,566.02	523,039.11
Others	4,068,291.96	894,448.64	4,068,291.96
Total	4,591,331.07	1,154,014.66	4,591,331.07

Government subsidy included in the current profits and losses:

 Applicable Not applicable**75. Non-operating expenses**

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period	Amount included in the current non-recurring profit and loss
Loss on damage and scrapping of non-current assets	2,530,330.52	353,000.78	2,530,330.52
Customer quality deduction expenses	1,024,170.82	2,556,764.63	1,024,170.82
Others	696,257.35	208,629.48	696,257.35
Total	4,250,758.69	3,118,394.89	4,250,758.69

76. Income tax expenses

(1) Table of income tax expenses

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Current income tax expenses	13,309,352.18	29,479,656.28
Deferred tax expense	-7,265,622.74	-11,864,963.08
Total	6,043,729.44	17,614,693.20

(2) Adjustment process of accounting profits and income tax expenses

Unit: RMB

Items	Amount incurred in the current period
Total profit	264,381,486.95
Income tax expenses calculated at statutory/applicable tax rates	39,657,223.04
Influence of different tax rates applicable to subsidiary	5,655,828.75
Effect of income tax adjustment in previous period	-10,840,525.11
Impact of non-taxable income	225,209.95
Impact of non-deductible cost, expense and loss	2,815,338.78
Impact of deductible loss of unrecognized deferred tax assets in previous period	-30,045.18
Impact of deductible temporary differences or deductible losses of unrecognized deferred tax assets in the current period	10,883,692.42
Impact of additional deductible expenses	-22,376,233.68
Influence of tax exemption policy for the sub-subsidiary in Vietnam	-13,873,375.16
The impact of changes in tax rates on the initial balance of deferred tax	
Other adjustments	-6,073,384.37
Income tax expenses	6,043,729.44

77. Other comprehensive income

See the notes for details

78. Items of cash flow statement**(1) Other cash received related to operating activities**

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Current accounts	36,602,276.24	15,396,145.60
Interest income	10,914,934.74	11,355,372.53
Governmental subsidies	15,871,269.60	18,797,067.62
Others	4,104,276.19	340,044.04
Total	67,492,756.77	45,888,629.79

Explanation of other cash received related to operating activities: None

(2) Other cash paid related to operating activities

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Service charge	913,661.81	1,326,317.40
Out-of-pocket expenses	149,586,149.20	112,557,963.56
Margin and deposit expenses	4,309,067.57	5,326,178.34
Employee loans	4,501,875.40	3,808,623.88
Others	16,019,796.16	6,208,734.33
Total	175,330,550.14	129,227,817.51

Explanation of other cash paid related to operating activities: None

(3) Other cash received related to investment activities Applicable Not applicable**(4) Other cash paid related to investment activities** Applicable Not applicable**(5) Other cash received related to financing activities**

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Note margin		25,597,956.24
Bill discount	3,101,583.74	
Total	3,101,583.74	25,597,956.24

Explanation of other cash received related to financing activities: None

(6) Other cash paid related to financing activities

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Note margin		14,697,411.67
Share repurchase	6,199,099.20	40,787,803.76
Payment for lease liabilities	16,010,724.01	9,944,478.12
Takeover of minority equity	7,800,000.00	
Total	30,009,823.21	65,429,693.55

Explanation of other cash paid related to financing activities: None

79. Supplementary information of cash flow statement**(1) Supplementary materials of cash flow statement**

Unit: RMB

Supplementary information	Amount in the current period	Amount in the previous period
1.Adjusting net profit to cash flow from operating activities:		
Net profit	258,337,757.51	248,453,901.81
Plus: impairment of assets	26,043,122.58	57,314,042.01
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	83,492,575.76	67,167,180.29
Depreciation of right-of-use assets	21,919,558.35	11,559,119.61
Amortization of intangible assets	50,804,303.17	40,518,698.61
Amortization of long-term deferred expenses	21,427,228.65	18,332,182.03
Loss from disposal of fixed assets, intangible assets and other long-term assets (income marked with "-")	-1,279,902.83	284,674.88
Losses on scrapping of fixed assets (income marked with "-")	2,007,291.41	353,000.78
Loss from changes in fair value (income marked "-")	6,041,282.00	-31,603,205.99
Financial expenses (income marked with "-")	-44,158,884.67	18,329,844.69
Investment loss (income marked with "-")	3,244,186.21	1,247,660.53
Decrease in deferred tax assets (increase marked with "-")	-10,498,339.47	9,389,900.19
Increase in deferred tax liabilities (decrease marked with "-")	3,097,914.16	2,591,351.31
Decrease in inventory (increase marked with "-")	216,980,327.68	-11,859,608.55
Decrease in operating receivables (increase marked with "-")	82,527,391.45	-278,292,463.29
Increase in operating payables (decrease marked with "-")	-222,491,229.78	-82,499,123.52
Others	30,347,889.00	3,599,100.00
Net cash flow from operating activities	527,842,471.18	74,886,255.39
2Major investment and financing activities not involving cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets acquired under finance leases		
3.Net change in cash and cash equivalents:		

Ending balance of cash	1,732,898,730.97	1,573,782,719.24
Minus: beginning balance of cash	1,374,281,693.23	1,736,104,958.20
Plus: ending balance of cash equivalents		
Minus: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	358,617,037.74	-162,322,238.96

(2) Net cash paid for obtaining subsidiaries in current period

Applicable Not applicable

(3) Net cash received for disposal of subsidiaries in current period

Applicable Not applicable

(4) Composition of cash and cash equivalents

Unit: RMB

Items	Ending balance	Beginning balance
I. Cash	1,732,898,730.97	1,374,281,693.23
Including: cash in stock	963,395.56	606,436.16
Bank deposit available for payment at any time	1,576,615,818.25	1,210,002,652.40
Other monetary capital for payment at any time	155,319,517.16	163,672,604.67
III. Balance of cash and cash equivalents at the end of the period	1,732,898,730.97	1,374,281,693.23

80. Notes to items in change statement of owner's equity

Describe the names and adjusted amounts of "other" items that adjusted the closing balance of the previous year:
None

81. Assets with limited ownership or use right

Unit: RMB

Items	Book value at the end of the period	Restricted reasons
Monetary capital	18,874,829.84	Apply to the bank for the issuance of bills and guarantee deposits
Total	18,874,829.84	

82. Foreign currency monetary items**(1) Foreign currency monetary items**

Unit: RMB

Items	Foreign currency balance at the end of the period	Exchange rate for conversion	Balance converted into RMB at the end of the period
Monetary capital			382,709,664.02

Including: US dollars	29,345,579.71	7.2258	212,045,289.87
Euros	677,270.06	7.8771	5,334,923.99
Hong Kong dollars	1,129,116.79	0.9220	1,041,045.68
Indian Rupee	1,315,853,193.68	0.0880	115,795,081.04
Vietnamese Dong	144,654,277,645.00	0.0003	43,396,283.29
Japanese Yen	60,677,834.00	0.0501	3,039,959.48
Romanian Leu	1,145,162.75	1.5820	1,811,647.47
Mexican Peso	579,535.30	0.4235	245,433.20
Accounts receivable			1,259,520,545.87
Including: US dollars	160,796,237.31	7.2258	1,161,881,451.55
Hong Kong dollars	1,729,450.68	0.9220	1,594,553.53
Indian Rupee	1,040,479,331.98	0.0880	91,562,181.21
Japanese Yen	89,468,255.00	0.0501	4,482,359.58
Receivables financing			204,331,123.84
Including: US dollars	28,277,993.28	7.2258	204,331,123.84
Accounts payable			51,068,473.71
Including: US dollars	3,344,895.27	7.2258	24,169,544.24
Euros	691,767.03	7.8771	5,449,118.07
Indian Rupee	171,191,698.87	0.0880	15,064,869.50
Vietnamese Dong	7,364,669,212.00	0.0003	2,209,400.76
Japanese Yen	81,594,271.00	0.0501	4,087,872.98
Mexican Peso	207,008.64	0.4235	87,668.16
Other receivables			9,440,836.04
Including: US dollars	601,639.60	7.2258	4,347,327.42
Euros	36,810.83	7.8771	289,962.59
Indian Rupee	18,705,774.18	0.0880	1,646,108.13
Vietnamese Dong	9,573,928,877.00	0.0003	2,872,178.66
Japanese Yen	4,120,351.00	0.0501	206,429.59
Mexican Peso	186,138.49	0.4235	78,829.65
Other account payable			3,274,457.50
Including: US dollars	127,074.21	7.2258	918,212.83
Vietnamese Dong	7,001,957,721.00	0.0003	2,100,587.32
Japanese Yen	3,865,907.00	0.0501	193,681.94
Mexican Peso	146,340.99	0.4235	61,975.41

(2) Explanation of overseas business entities, including for important overseas business entities, disclosure of main overseas business locations, recording currency and selection basis as well as disclosure of reasons for changes in recording currency.

Applicable Not applicable

1. Topband India Private Limited, a subsidiary of the Company, is mainly located in Pune City, Maharashtra, India, with Indian Rupee as the recording currency;

2. Topband (Vietnam) Co., Ltd., a sub-subsidiary of the Company, is mainly located in Binh Duong, Vietnam, with Vietnamese Dong as the recording currency;
3. TOPBAND SMART DONG NAI (VIETNAM) Co., Ltd., a sub-subsidiary of the Company, is mainly located in Dong Nai, Vietnam, with Vietnamese Dong as the recording currency;
4. Topband Germany GmbH, a sub-subsidiary of the Company, is mainly located in Unterföhring, Germany, with Euro as the recording currency;
5. TOPBAND JAPAN Co., Ltd., a sub-subsidiary of the Company, is mainly located in Nagoya, Japan, with Japanese Yen as the recording currency;
6. Q.B.PTE.LTD, the sub-subsidiary of Topband, is located in Singapore, with Singapore dollar as the bookkeeping base currency;
7. TOPBAND SMART EUROPE COMPANY LIMITED S.R.L., the sub-subsidiary of Topband, is located in Timisoara, Romania, with Lei as the bookkeeping base currency the bookkeeping base currency;
8. TOPBAND MEXICO, S.DER.L.DEC.V, the sub-subsidiary of Topband, is located in Monterrey, Mexico, with peso as the bookkeeping base currency.

83. Hedging

The qualitative and quantitative information on hedging items, related hedging instruments, and hedged risks is disclosed according to the type of hedging: None

84. Government subsidies

(1) Basic situation of government subsidies

Unit: RMB

Category	Amount	Items presented	Amount included in the current profits and losses
Nano lithium iron phosphate power battery project	125,000.00	Other income	125,000.00
R&D project of 60A solar charging controller with peak power tracking technology	60,000.00	Other income	60,000.00
Special fund for the industrialization of high-efficiency energy-saving rare-earth permanent magnet motor	97,500.00	Other income	97,500.00
Key technology R&D of 18650-2.8A.h high power battery	102,000.00	Other income	102,000.00
R&D project of unmanned robot cleaner	300,000.00	Other income	300,000.00
Key technology R&D project of rare-earth permanent magnet brushless DC motor and controller with high speed ratio and variable frequency	229,918.86	Other income	229,918.86
R&D project of key technology for clean energy DC system measurement	25,000.00	Other income	25,000.00
Huizhou National Debt Program for Anti-epidemic Technology Transformation	416,030.00	Other income	416,030.00
Technological Transformation of Intelligent Controller and Lithium Battery Automated Production Line	312,070.00	Other income	312,070.00

Provincial-level enterprise technology transformation fund for promoting high-quality economic development in 2022	574,400.00	Other income	574,400.00
Foreign-trade premium funding program	1,840,000.00	Other income	1,840,000.00
Governmental support subsidy for foreign trade	190,000.00	Other income	190,000.00
Incentive subsidy from government supported retail firm market development program	120,000.00	Other income	120,000.00
2022 Incentive project fund for production capacity expansion and efficiency improvement of industrial enterprises (first half of year)	660,000.00	Other income	660,000.00
2023 National hi-tech enterprise incubation incentive program	100,000.00	Other income	100,000.00
AEO advanced certified enterprise incentive program	500,000.00	Other income	500,000.00
Cultivation subsidy for high-tech enterprises in 2022	150,000.00	Other income	150,000.00
2023 JD college and university social security allowance	2,087.65	Other income	2,087.65
2023 Hi-tech grant	240,000.00	Other income	240,000.00
2023 Grant for enterprises that uses special and sophisticated technologies to produce novel and unique products	100,000.00	Other income	100,000.00
2022 Special fund for fixed-asset technical transformation	2,761,100.00	Other income	2,761,100.00
2023 Special fund for high quality development of manufacturing industry (first batch)	50,000.00	Other income	50,000.00
Grant from incentive program for enterprises that uses special and sophisticated technologies to produce novel and unique products	200,000.00	Other income	200,000.00
Award from 2022 steady growth program (second half of year)	90,000.00	Other income	90,000.00
2022 Award for development and efficiency improvement of industrial enterprises (second half of year)	290,000.00	Other income	290,000.00
2022 Award for recognized technological innovation project	150,000.00	Other income	150,000.00
2023 Strategic emerging industry support program	2,080,000.00	Other income	2,080,000.00
2022 General program for technological breakthroughs	500,000.00	Other income	500,000.00
Award for a water-conserving enterprise	128,510.00	Other income	128,510.00
2023 Foreign-trade quality growth support program	130,000.00	Other income	130,000.00
Social security subsidy for small- and micro-sized enterprises	8,879.22	Other income	8,879.22
Subsidy for steady employment	225,979.35	Other income	225,979.35
Award for industrial park service sector	320,000.00	Other income	320,000.00
Other projects	249,150.00	Other income	249,150.00

(2) Situation of government subsidies refund

Applicable Not applicable

Other descriptions: None

85. Others

None

VIII. Changes in the scope of consolidation

1. Consolidation under different control

Applicable Not applicable

2. Consolidation under the same control

Applicable Not applicable

3. Reverse purchase

Basic information of the transaction, the basis for the reverse purchase of the transaction, whether the assets and liabilities retained by the listed company constitute the business and its basis, the determination of the consolidation cost, the amount of the adjustment of the equity when the transaction is processed as an equity transaction and its calculation:

4. Disposal of subsidiaries

Is there single disposal of the investment in a subsidiary which results in loss of control

Yes No

Whether there are step-by-step disposal of the investment in a subsidiary through multiple transactions and loss of control in the current period

Yes No

5. Changes in the scope of consolidation due to other reasons

Explanations for the changes in the scope of the consolidation caused by other reasons (e.g., establishment of new subsidiaries, or liquidation of subsidiaries, etc.) and relevant circumstances: None

6. Others

None

IX. Interests in other entities

1. Equities in subsidiaries

(1) Composition of enterprise group

Name of subsidiary	Principal place of business	Registered place	Nature of business	Proportion of shareholding		Acquisition method
				Direct	Indirect	
Shenzhen Topband Software Technology Co., Ltd.	Shenzhen	Shenzhen	Production and sales	100.00%		Establishment
Shenzhen Topband Automation Technology Co., Ltd.	Shenzhen	Shenzhen	Production and sales	100.00%		Establishment
Shenzhen Topband Battery Co., Ltd.	Shenzhen	Shenzhen	Production and sales	100.00%		Establishment
Chongqing Topband Industrial Co., Ltd.	Chongqing	Chongqing	Production and sales	100.00%		Establishment
Topband (Hong Kong) Co., Ltd.	Hong Kong	Hong Kong	Investor:	100.00%		Establishment
Huizhou Topband Electrical Technology Co., Ltd.	Huizhou	Huizhou	Production and sales	100.00%		Establishment
TOPBANDINDIAPRIVATELIMITED	India	India	Production and sales	100.00%		Establishment
Shenzhen YAKO Automation Technology Co., Ltd.	Shenzhen	Shenzhen	Production and sales	71.54%		Consolidation under different control
Shenzhen Allied Control System Co., Ltd.	Shenzhen	Shenzhen	Production and sales	100.00%		Consolidation under different control
Huizhou Topband Lithium Battery Co., Ltd.	Huizhou	Huizhou	Production and sales		100.00%	Establishment
Ningbo Topband Intelligent Control Co., Ltd.	Ningbo	Ningbo	Production and sales	100.00%		Establishment
Shenzhen Meanstone Intelligent Technology Co., Ltd.	Shenzhen	Shenzhen	Production and sales	77.25%		Consolidation under different control
Shenzhen Yansheng Software Co., Ltd.	Shenzhen	Shenzhen	Production and sales		71.54%	Consolidation under different control
Hangzhou Zhidong Motor Technology Co., Ltd.	Hangzhou	Hangzhou	Production and sales		53.66%	Consolidation under different control
Topband (Vietnam)Co.,Ltd	Vietnam	Vietnam	Production and sales		100.00%	Establishment
TOPBANDSMARTDONGNAI(VIETNAM)COMPANYLIMITED	Vietnam	Vietnam	Production and sales		100.00%	Establishment
TopbandGermanyGmbH	Germany	Germany	Sales		100.00%	Establishment
TOPBANDJAPANCo.,Ltd	Japan	Japan	Sales		100.00%	Establishment
Shenzhen Topband Supply Chain Services Co., Ltd.	Shenzhen	Shenzhen	Sales	100.00%		Establishment

Shenzhen Topband Investment Co., Ltd.	Shenzhen	Shenzhen	Sales	100.00%		Establishment
Shenzhen Spark IOT Technology Co., Ltd.	Shenzhen	Shenzhen	Sales		100.00%	Establishment
Shenzhen Tunnu Innovation Co., Ltd.	Shenzhen	Shenzhen	Sales		100.00%	Establishment
Shenzhen Senxuan Technology Co., Ltd.	Shenzhen	Shenzhen	Sales	100.00%		Establishment
Topband (Qingdao) Intelligent Control Co., Ltd.	Qingdao	Qingdao	Production and sales	100.00%		Establishment
Shenzhen Tengyi Industrial Co., Ltd.	Shenzhen	Shenzhen	Sales		100.00%	Establishment
Taixing Ninghui Lithium Battery Co., Ltd.	Taixing	Taixing	Production and sales		100.00%	Consolidation under different control
Shenzhen Topband Automotive Electronics Co., Ltd.	Shenzhen	Shenzhen	Sales	100.00%		Establishment
Q.B.PTE.LTD	Singapore	Singapore	Sales		100.00%	Establishment
TOPBANDMEXICO,S.DER.L.DEC.V.	Mexico	Mexico	Production and sales		100.00%	Establishment
Tunnu Innovation (Hong Kong) Limited	Hong Kong	Hong Kong	Sales		100.00%	Establishment
TOPBANDSMARTEUROPECOMPANYLIMITEDS.R.L.	Romania	Romania	Sales		100.00%	Establishment
Huizhou YAKO Automation Technology Co., Ltd.	Shenzhen	Shenzhen	Production and sales		71.54%	Establishment
Shenzhen Zhongli Consulting Co., Ltd.	Shenzhen	Qingdao	Sales		100.00%	Establishment
TUNNUINNOVATION,INC	The United States	The United States	Sales		100.00%	Establishment
Nantong Topband Youneng Technology Co., Ltd.	Nantong	Nantong	Production and sales		100.00%	Establishment
Shenzhen Topband Motor Co., Ltd.	Shenzhen	Shenzhen	Production and sales	100.00%		Establishment
Shenzhen Yueshang Robot Co., Ltd.	Shenzhen	Shenzhen	Production and sales		100.00%	Establishment
Shenzhen Xiaoyou Aitu Innovation Technology Co., Ltd.	Shenzhen	Shenzhen	Sales		100.00%	Establishment
Huizhou Chiding Technology Co., Ltd.	Huizhou	Huizhou	Production and sales	100.00%		Establishment

Explanation of the shareholding ratio in the subsidiary being different from the voting rights ratio: None

Basis for holding half or less of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee: None

For important structured entities included in the consolidation scope, the basis for control: None

Basis for determining whether a company is an agent or a principal: None

Other descriptions: None

(2) Important non-wholly-owned subsidiaries

Unit: RMB

Name of subsidiary	Shareholding ratio of minority shareholders	Profits and losses attributable to minority shareholders during the current period	Dividends declared and distributed to minority shareholders during the current period	Ending balance of minority shareholders' equity
Shenzhen YAKO Automation Technology Co., Ltd.	28.46%	1,267,722.24	0.00	86,134,654.02

Explanation of the shareholding ratio of minority shareholder in subsidiary shareholder being different from the voting rights ratio: None

Other descriptions: None

(3) Major financial information of important non-wholly-owned subsidiaries

Unit: RMB

Name of subsidiary	Ending balance						Beginning 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
Shenzhen YAKO Automation Technology Co., Ltd.	250,864,722.98	204,163,414.39	455,028,137.37	85,043,194.37	67,059,339.96	152,102,534.33	242,689,924.08	136,833,968.50	379,523,892.58	79,730,092.08	5,379,639.90	85,109,731.98

Unit: RMB

Name of subsidiary	Amount incurred in the current period				Amount incurred in prior period			
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities
Shenzhen YAKO Automation Technology Co., Ltd.	130,828,047.16	4,219,067.95	4,219,067.95	-11,361,875.55	248,511,066.02	676,743.90	676,743.90	22,473,846.35

Other descriptions: None

(4) Significant restrictions on the use of enterprise group assets and the liquidation of enterprise group debts

Not applicable

(5) Financial support or other support provided to structured entities included in the scope of the consolidated financial statements

Not applicable

Other descriptions: None

2. Transactions causing the owner's equity share change but still controlling the subsidiary Applicable Not applicable**3. Interests in joint venture arrangements or associated enterprises****(1) Important joint ventures or associated enterprises** Applicable Not applicable**(2) Major financial information of important joint ventures** Applicable Not applicable**(3) Major financial information of important associated enterprises** Applicable Not applicable**(4) Summarized financial information of unimportant joint ventures and associated enterprises**

Unit: RMB

	Ending balance/amount incurred in current period	Beginning balance/amount incurred in the previous period
Joint venture:		
Sum of the following items calculated according to the shareholding ratio		
Associated enterprises:		
Total book value of investment	35,680,088.03	23,550,658.91
Sum of the following items calculated according to the shareholding ratio		
-- Net profit	-941,734.98	-1,489,563.00

-- Total comprehensive income	-941,734.98	-1,489,563.00
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Other descriptions: None

(5) Statement that there is a material limitation on the ability of the joint venture or associated enterprise to transfer funds to the Company

None

(6) Excess losses incurred by the joint ventures or associated enterprises

Applicable Not applicable

(7) Unconfirmed commitments related to the investment of joint ventures

Not applicable

(8) Contingent liabilities related to the investment of joint ventures or associated enterprises

None

4. Important joint operation

Applicable Not applicable

5. Rights and interests in structured entities not included in the scope of the consolidated financial statements

Relevant explanations of structured entities not included in the scope of the consolidated financial statements:

None

6. Others

None

X. Risks associated with financial instruments

The main financial instruments of the Company include equity investment, debt investment, borrowings, accounts receivable, accounts payable, convertible bonds, etc. For details of each financial instrument, please refer to the relevant items in Note VI. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below. In order to ensure all the above risks to be controlled within a limited scope, the management of the Company has controlled and

supervised the risk exposure.

Sensitivity analysis technique is used for analyzing reasonableness of risk variable and possible impacts from its variation on current profits and losses or shareholders' equity. Since any risk variable rarely changes in isolation, and the correlation between the variables will have a significant effect on the final amount affected by a change in a risk variable, the following contents are based on the assumption that changes in each variable are made in isolation. The main risks arising from the Company's financial instruments include the credit risk, liquidity risk and market risk.

(I) Risk management objective and policy

The Company's risk management objective is to strike an appropriate balance between risks and returns, reduce the negative impact of risks on the Company's business performance to the lowest level, and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the basic risk management strategy of the Company is to determine and analyze various risks faced by it, establish an appropriate risk bearing bottom line and carry out risk management, and conduct timely and reliable supervision of various risks to control risks within the limited scope.

1. Market risk

(1) Foreign exchange risk

Foreign exchange risk refers to the risk of loss due to exchange rate fluctuations. The Company's exposure to foreign exchange risks is mainly related to US dollars and Hong Kong dollars. Except for the Company and its subsidiary, Topband (HK) Co., Limited, which purchases and sells some materials and products in US dollars, Euros and Hong Kong dollars, TOPBAND INDIA PRIVATE LIMITED, the subsidiary, uses Indian Rupee, Topband (Vietnam) Co., Ltd. and TOPBAND SMART DONG NAI (VIETNAM) Co., Ltd., the sub-subsidiaries, use Vietnamese Dong, and Topband Germany GmbH, the sub-subsidiary, uses Euros; TOPBAND JAPAN Co., Ltd., the sub-subsidiary, uses Japanese Yen, Q.B.PTE.LTD, the sub-subsidiary, uses Singapore dollars, and TOPBAND MEXICO, S.DER.L.DEC.V., the sub-subsidiary, uses Mexican Peso; TOPBAND SMART EUROPE COMPANY LIMITED S.R.L., the grandson company, uses Romanian Leu, Tunnu Innovation HK Limited, the grandson company, uses Hong Kong dollars, and TUNNU INNOVATION, INC., the grandson company, uses US dollars; other major business activities of Topband are settled in RMB. As of June 30, 2023, the assets and liabilities of the Company are RMB balances, except that the assets or liabilities stated in VI. (LVIII) foreign currency monetary items are US dollars, Hong Kong dollars, Euros, Vietnamese Dong, Japanese Yen, Indian Rupee, Romanian Leu and Mexican Peso balances. The foreign exchange risks arising from the

assets and liabilities of such foreign currency balances may have an impact on the Company's operating results.

The Company pays close attention to the impact of exchange rate fluctuations on the Company's foreign exchange risks. The Company currently takes no measures to avoid foreign exchange risks.

(2) Other price risks

Investments held by the Company and classified as tradable financial assets are measured at fair value on the balance sheet date. Therefore, the Company is exposed to the risk of changes in the securities market.

2. Credit risk

On June 30, 2023, the maximum credit risk exposure causing the Company's financial losses is mainly incurred from the other party's failure to fulfill obligations, which leads the Company to financial asset losses, and financial guarantee undertaken by the Company, including confirmed carrying amounts of financial assets in consolidated balance sheets; the carrying value only reflects risk exposure of financial instruments measured at fair value rather than the maximum risk exposure, that varies with the fair value in the future.

In order to reduce credit risks, the Company has set up special positions responsible for determining credit limits, conducting credit approval, and implementing other monitoring procedures to ensure that necessary measures are taken to recover overdue claims. In addition, the Company reviews the recovery of each individual receivable on each balance sheet date to ensure that adequate provision is made for uncollectible amounts. As a result, the Management of the Company believes that the credit risk assumed by the Company has been significantly reduced.

The Company's working capital is deposited in a bank with a high credit rating, so the credit risk of working capital is low.

The Company has adopted necessary policies to ensure that all sales customers have good credit records. The Company has no other major credit concentration risk.

3. Flow risk

When managing liquidity risk, the Company maintains sufficient cash and cash equivalents as deemed by the management and monitors them to meet the Company's operational needs and reduce the impact of cash flow fluctuations. The management of the Company monitors the use of bank loans and ensures compliance with loan agreements.

(II) Transfer of financial assets

There were no events related to the transfer of financial assets in the Company this year.

(III) Offsetting between financial assets and financial liabilities

There were no events related to the offsetting between financial assets and financial liabilities in the Company this year.

XI. Disclosure of Fair Value

1. Ending fair value of assets and liabilities measured at fair value

Unit: RMB

Items	Ending fair value			
	The first level of fair value measurement	The second-level fair value measurement	The third level of fair value measurement	Total
I. Continuous fair value measurement	--	--	--	--
(I) Tradable financial assets			366,855,786.11	366,855,786.11
1. Financial asset at fair value and changes through current profits and losses			366,855,786.11	366,855,786.11
(1) Debt instrument investment			5,687,202.21	5,687,202.21
(2) Equity instrument investment			361,168,583.90	361,168,583.90
(II) Receivables financing			280,349,184.84	280,349,184.84
(1) Bank acceptance bill			66,063,246.95	66,063,246.95
(2) Accounts receivable			197,996,859.04	197,996,859.04
(3) Digital voucher of accounts receivable creditor's rights			16,289,078.85	16,289,078.85
Total assets continuously measured at fair value			647,204,970.95	647,204,970.95
(VI) Financial liabilities held for trading			6,041,282.00	6,041,282.00
Derivative financial liabilities			6,041,282.00	6,041,282.00
Total liabilities continuously measured at fair value			6,041,282.00	6,041,282.00
II. Non-continuous fair value measurement	--	--	--	--

2. The basis for determining the market price of continuous and non-continuous first-level fair value measurement items

None

3. Continuous and non-continuous second-level fair value measurement items, valuation techniques adopted and qualitative and quantitative information of important parameters

None

4. Continuous and non-continuous third-level fair value measurement items, valuation techniques adopted and qualitative and quantitative information of important parameters

None

5. Continuous third-level fair value measurement items, adjustment information between beginning and ending book value and sensitivity analysis of unobservable parameters

None

6. For continuous fair value measurement items, if the conversion occurs among different levels in the current period, the reasons for the conversion and the policies for determining the conversion time point

None

7. Technical changes in valuation during the current period and the reasons for such changes

None

8. Fair value of financial assets and financial liabilities not measured at fair value

None

9. Others

None

XII. Related parties and related transactions**1. Profile of parent company of the Company**

Name of parent company	Registered place	Nature of business	Registered capital	Shareholding ratio of parent company to the Company	Proportion of the parent company's voting rights in the Enterprise
Wu Yongqiang	Shenzhen			16.70%	16.70%

Profile of parent company of the Company: None

The ultimate controller of the Company is Wu Yongqiang.

Other descriptions: None

2. Profile of subsidiaries of the Company

Refer to Note IX. Equities in other entities: 1. Equities in subsidiaries for information about our subsidiaries.

3. Information on the joint ventures and associated enterprises of the Enterprise

See the Note IX.3 on key joint ventures or associated enterprises of the enterprise.

Other joint ventures or associated enterprises having related-party transaction in current period or in previous

period to form balance are listed as follows:

Applicable Not applicable

Other descriptions: None

4. Other related parties

Names of other related parties	Relationship between other related parties and the Enterprise
Shenzhen Jizhiguang Electronics Co., Ltd.	A company substantially controlled by the relative of the Company's legal representative
Shenzhen Lianghai Technology Co., Ltd.	Shareholding companies of the Company
Shenzhen ORVIBO Technology Co., Ltd.	Shareholding companies of the Company
Shenzhen HANSC Intelligent Technology Co., Ltd.	Shareholding companies of the Company
Guangdong Zhongchuang Zhijia Scientific Research Co., Ltd.	Shareholding companies of the Company
Guangdong Huixin Semiconductor Co., Ltd.	Shareholding companies of the Company
Fujian Mini Dolphin New Energy Technology Co., Ltd.	Shareholding companies of the Company
Chengdu Senwei Technology Co., Ltd.	Shareholding companies of the Company
Shenzhen Youbi Technology Co., Ltd.	Shareholding companies of the Company
Shanghai Yidong Power Technology Co., Ltd.	Shareholding companies of the Company
Pas Electronic Technology (Nanjing) Co., Ltd.	Shareholding companies of the Company
Jiangsu Donghai Semiconductor Co., Ltd.	Shareholding companies of the Company
Jiangxi Sarui Microelectronics Technology Co., Ltd.	Shareholding companies of the Company
Shanghai Xinggan Semiconductor Co., Ltd.	Shareholding companies of the Company
Shenzhen Jizhi Laser Technology Co., Ltd.	Shareholding companies of the Company
Suzhou Legendsemi Technology Co., Ltd.	Shareholding companies of the Company
Dongguan Jujin Plastic Technology Co., Ltd.	Shareholding companies of the Company

Other descriptions: None

5. Related party transaction

(1) Related transactions involving the purchase and sale of goods and the provision and acceptance of services

List of goods purchased/services received

Unit: RMB

Related party	Related transaction content	Amount incurred in the current period	Approved transaction limit	Is the transaction limit exceeded	Amount incurred in prior period
Shenzhen Jizhiguang Electronics Co., Ltd.	Purchase of raw materials	6,213,891.11	25,000,000.00	No	8,883,560.73
Shenzhen ORVIBO Technology Co., Ltd.	Purchase of raw materials	5,534.37		No	
Jiangsu Donghai Semiconductor	Purchase of	49,179.00		No	

Co., Ltd.	raw materials				
Dongguan Jujin Plastic Technology Co., Ltd.	Purchase of raw materials	6,775,522.76		No	

List of goods sold/services provided

Unit: RMB

Related party	Related transaction content	Amount incurred in the current period	Amount incurred in prior period
Shenzhen ORVIBO Technology Co., Ltd.	Goods on hand	7,332,764.07	23,092,948.30

Related transactions involving the purchase and sale of goods and the provision and acceptance of services:

None

(2) Relevant entrusted management/contracting and entrusted management/outsourcing Applicable Not applicable**(3) Related lease** Applicable Not applicable**(4) Related party guarantee situation** Applicable Not applicable**(5) Interbank lending of related parties** Applicable Not applicable**(6) Asset transfer and debt restructuring of related parties** Applicable Not applicable**(7) Remuneration of key management personnel**

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Remuneration of key management personnel	3,266,000.00	3,352,000.00

(8) Other related transactions

None

6. Receivables and payables due to related parties**(1) Item receivable**

Unit: RMB

Project name	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Shenzhen ORVIBO Technology Co., Ltd.	1,895,358.83	58,756.12	6,487,666.99	201,117.68
Accounts receivable	Fujian Mini Dolphin New Energy Technology Co., Ltd.	1,753,420.02	158,509.17	1,753,420.02	158,509.17

(2) Payables

Unit: RMB

Project name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable	Shenzhen Jizhiguang Electronics Co., Ltd.	782,927.63	1,411,710.91
Accounts payable	Jiangsu Donghai Semiconductor Co., Ltd.	55,087.50	43,708.50
Notes payable	Shenzhen Jizhiguang Electronics Co., Ltd.	2,620,000.00	110,000.00
Contractual liabilities	Guangdong Zhongchuang Zhijia Scientific Research Co., Ltd.		132,075.47
Accounts payable	Dongguan Jujin Plastic Technology Co., Ltd.	3,162,552.43	

7. Commitment of related parties

None

8. Others

None

XIII. Share-based payment**1. General situation of share-based payments** Applicable Not applicable

Unit: RMB

Total amount of equity instruments granted by the Company during the current period	0.00
Total amount of equity instruments exercised by the Company during the current period	9,351,936.00

Total amount of the Company's equity instruments that expired during the current period	0.00
The range of the exercise price of the Company's stock options outstanding at the end of the period and the remaining term of the contract	On November 2, 2021, the Company granted restricted stocks to incentive objects at a grant price of RMB 7.23 per share, including 1,224 registered objects and 33.54432 million restricted stocks in total. Topband carried out the performance appraisal for companies and the individual incentive objects once in each fiscal year, taking the performance appraisal target as the unlocking condition for restricted stocks. This incentive plan was valid from the grant date of restricted stocks to the date when all restricted stocks were unlocked or canceled, with the maximum time of 48 months. After 12 months from the grant date of the restricted stocks granted this time, the incentive objects that meet the unlocking conditions could be unlocked at the exercise ratio of 30%, 30% and 40% within the unlocking day.

Other description:

1. Restricted stock in 2021

On October 13, 2021, the Company held the 14th Meeting of the 7th Board of Directors, and deliberated and passed the Proposal on the Company's Restricted Stock Incentive Plan in 2021 (Draft) and Its Abstract, Proposal on the Appraisal Management Measures for the Implementation of the Restricted Stock Incentive Plan in 2021 and Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to the Company's Restricted Stock Incentive Plan in 2021, agreeing that the Company would grant 34 million restricted stocks to 1,250 incentive objects.

On November 2, 2021, the Company held the 16th (Extraordinary) Meeting of the 7th Board of Directors and the 13th (Extraordinary) Meeting of the 7th Board of Supervisors, to deliberate and approve the Proposal on Adjusting the Number of Granted Options and List of Incentive Objects in Restricted Stock Incentive Plan in 2021. In view of the resignation of Ou Li who is one of the incentive objects, and Wang Cheng, Shen Zhiwen and Tian Conghui who voluntarily gave up the subscription of the restricted stocks granted due to personal reasons, incentive objects were adjusted from 1,250 to 1,246, and the total restricted stocks granted for the first time was changed from 34 million to 33.951 million.

On December 7, 2021, the Company held the 17th (Extraordinary) Meeting of the 7th Board of Directors, to deliberate and approve the Proposal on Adjusting the Number of Granted Options and List of Incentive Objects in Restricted Stock Incentive Plan in 2021. The Board of Directors believed that after determining November 2, 2021 as the grant date of the restricted stock incentive plan in 2021, in the process of capital payment before the share registration, 22 incentive objects determined in this incentive plan, including Li Xiang, Yu Dingguo and Lu Yuanshan, voluntarily gave up the subscription of all the restricted stocks granted due to personal reasons, and 10 incentive objects, including Ao Xinmeng, Wang Cao, and Liu Xiaoshi, voluntarily gave up the subscription of some of the restricted stocks granted to them due to personal reasons. With the

authorization of the 2nd Extraordinary General Meeting of Shareholders in 2021, the Board of Directors adjusted the grant objects and grant quantities of this incentive plan. After adjustment, the number of incentive objects under the Restricted Stock Incentive Plan in 2021 decreased from 1,246 to 1,224, and the number of restricted stocks granted decreased from 33.951 million to 33.54432 million.

On March 30, 2022, the 23rd (Extraordinary) Meeting of the 7th Board of Directors and the 19th (Extraordinary) Meeting of the 7th Board of Supervisors of the Company deliberated and passed the Proposal on the Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021. 10 incentive objects, including Wu Song and Luo Qingshan in the Restricted Stock Incentive Plan in 2021, resigned from the Company due to personal reasons and no longer met conditions for becoming stock incentive objects. Therefore, their 201,000 restricted stocks that have been granted but not yet unlocked would be canceled by the Company. In the restricted stock incentive plan in 2021, the objects to be granted were reduced from 1,224 to 1,214.

On July 25, 2022, the 26th Meeting of the 7th Board of Directors and the 22nd Meeting of the 7th Board of Supervisors deliberated and passed the Proposal on Adjusting the Repurchase Price of Restricted Stock Incentive Plan in 2021. The 2021 annual equity distribution plan was implemented, and the repurchase price was adjusted from RMB 7.23 per share to RMB 7.18 per share accordingly.

On August 19, 2022, the 27th (Extraordinary) Meeting of the 7th Board of Directors and the 22nd (Extraordinary) Meeting of the 7th Board of Supervisors of the Company deliberated and passed the Proposal on the Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021. 66 incentive objects, including Wei Yin and Li Xinwei in the Restricted Stock Incentive Plan in 2021, resigned from the Company due to personal reasons and no longer met conditions for becoming stock incentive objects. Therefore, their 1.291 million restricted stocks that have been granted but not yet unlocked would be canceled by the Company. In the restricted stock incentive plan in 2021, the objects to be granted were reduced from 1,214 to 1,148.

On September 23, 2022, the 28th (Extraordinary) Meeting of the 7th Board of Directors and the 23rd (Extraordinary) Meeting of the 7th Board of Supervisors, deliberated and passed the Proposal on Adjusting Corporate-level Performance Evaluation Indicators of Restricted Stock Incentive Plan in 2021, and simultaneously announced the Revised Draft of the Restricted Stock Incentive Plan (Draft) in 2021, Abstract on Revised Draft of the Restricted Stock Incentive Plan (Draft) in 2021 and Revised Draft of Appraisal Management Measures for the Restricted Stock Incentive Plan in 2021, and agreed to adjust the corporate-level

performance evaluation indicators of restricted stock incentive plan in 2021. Independent directors expressed independent opinions, the law firm issued legal opinions, and affiliated directors recused themselves from voting. The above matters had been deliberated and passed on the Third Extraordinary General Meeting of Shareholders in 2022.

On December 27, 2022, after the review and confirmation by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (CSDC), the repurchase and deregistration of the 1,492,000 restricted shares owned by 76 former employees including Wu Song, Luo Qingshan, Wei Yin and Li Xinwei with restriction not lifted were completed. The number of incentive objects in the restricted stock incentive plan in 2021 reduced from 1,224 to 1,148, and the general capital reduced from 1,271,027,372 shares to 1,269,535,372 shares.

On March 29, 2023, the 32nd Meeting of the 7th Board of Directors and the 27th Meeting of the 7th Board of Supervisors, deliberated and passed the Proposal on Fulfillment of Restricted Share Release Conditions for 2021 Restricted Stock Incentive Plan after the First Restricted Stock Trade Period and Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021. 9,351,936 shares granted to 1,109 people under the 2021 Incentive Plan can be released after the first restricted stock trade period. Meanwhile, 39 people, including Li Chaoyi, Wang Caihui and Ding Bo, resigned and left the Company due to personal reasons, and four of the grantees, including Tang Yingjie and Shi Wenhui, of the incentive plan achieved a "Good" or "OK" level in the performance appraisal, resulted in the release of 80% of the restricted stock. It was approved to repurchase and deregister a total of 870,660 restricted shares formerly owned by the above 43 people that shall not be released. This item was deliberated and passed in the 2022 general meeting of shareholders, and the deregistration of the shares involved has not completed at CSDC.

On April 25, 2023, the 33rd Meeting of the 7th Board of Directors and the 28th Meeting of the 7th Board of Supervisors deliberated and passed the Proposal on Adjusting the Repurchase Price of Restricted Stock Option Incentive Plan in 2021. Due to the equity distribution of the Company for the year 2022, the repurchase price of Restricted Stock was adjusted from RMB 7.18 to RMB 7.12 in accordance with (I) Adjustment method of repurchase price in Chapter XVI Principles for Repurchase and Deregistration of Restricted Stock in the 2021 Restricted Stock Incentive Plan (Draft Amendment).

2. Equity-settled share-based payments

Applicable Not applicable

Unit: RMB

Method for determining the fair value of the equity instrument on the grant date	Fair value of equity instruments = (market price on grant date - grant price) * number of shares
Basis for determining the number of exercisable equity instruments	Estimation shall be based on the latest available changes on vesting employee number and other subsequent information.
Reasons for the significant difference between the estimates of the current period and that of the previous period	None
Accumulated amount of equity-settled share-based payments included in capital reserves	270,090,473.41
Total amount of expenses recognized by equity-settled share-based payments in the current period	30,347,889.00

Other descriptions: None

3. Cash-settled share-based payments

Applicable Not applicable

4. Modification and termination of share-based payments

Applicable Not applicable

5. Others

None

XIV. Commitments and contingencies

1. Important commitments

Important commitments that existed on the balance sheet date

None

2. Contingencies

(1) Significant contingencies on the balance sheet date

Applicable Not applicable

(2) The important contingencies not required to be disclosed shall be explained as well

No signification contingencies need to be disclosed by the Company.

3. Others

None

XV. Events after the balance sheet date

1. Important non-adjusting matters

Applicable Not applicable

2. Profit distribution

Applicable Not applicable

3. Sales return

Applicable Not applicable

4. Explanation of other events after the balance sheet date

Applicable Not applicable

XVI. Other important matters

1. Correction of early accounting errors

Applicable Not applicable

2. Debt restructuring

Applicable Not applicable

3. Asset replacement

(1) Exchange of non-monetary assets

Applicable Not applicable

(2) Replacement of other assets

Applicable Not applicable

4. Annuity plan

Applicable Not applicable

5. Discontinued operation

Applicable Not applicable

6. Division information

Applicable Not applicable

7. Other important transactions and matters that have an impact on investors' decisions

None

8. Others

None

XVII. Notes to main items of financial statements of the parent company**1. Accounts receivable****(1) Disclosure of accounts receivable by category**

Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Accounts receivable with single provision for bad debts	283,275,593.03	17.74%			283,275,593.03	450,165,784.04	25.14%			450,165,784.04
Including:										
Accounts receivable with a single significant amount and single bad debt provision	282,638,145.22	17.70%			282,638,145.22	449,954,452.01	25.13%			449,954,452.01
Accounts receivable with insignificant single amount but separate bad debt provision	637,447.81	0.04%			637,447.81	211,332.03	0.01%			211,332.03
Accounts receivable	1,313,933,162.36	82.26%	44,094,032.6	3.36%	1,269,839,129.72	1,340,185,677.97	74.86%	43,496,510.1	3.25%	1,296,689,167.78

with provision for bad debts by portfolio			4					9		
Including:										
Accounts receivable with provision for bad debts by combination (aging analysis method)	1,313,933,162.36	82.26%	44,094,032.64	3.36%	1,269,839,129.72	1,340,185,677.97	74.86%	43,496,510.19	3.25%	1,296,689,167.78
Total	1,597,208,755.39	100.00%	44,094,032.64	2.76%	1,553,114,722.75	1,790,351,462.01	100.00%	43,496,510.19	2.43%	1,746,854,951.82

Single provision for bad debts: 0

Unit: RMB

Name	Ending balance			
	Book balance	Provision for bad debts	Proportion of provision	Reasons for provision
Accounts receivable with a single significant amount and single bad debt provision	282,638,145.22			
Accounts receivable with insignificant single amount but separate bad debt provision	637,447.81			
Total	283,275,593.03			

Provision for bad debts by portfolio: 44,094,032.64

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Accounts receivable with provision for bad debts by combination (aging analysis method)	1,313,933,162.36	44,094,032.64	3.36%
Total	1,313,933,162.36	44,094,032.64	

Explanation of the basis for determining the portfolio: None

If the provision for bad debts on notes receivable is based on the general model of expected credit loss, the information about the provision for bad debts shall be disclosed by referring to the disclosure method of other receivables:

Applicable Not applicable

Disclosure by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	1,577,960,180.13
1-2 years	16,123,681.62
2-3 years	12,806.89
Above 3 years	3,112,086.75
3-4 years	1,179,063.18

4-5 years	2,209.26
Above 5 years	1,930,814.31
Total	1,597,208,755.39

(2) Provision for bad debts withdrawn, recovered or reversed in current period

Provision for bad debts in the current period:

Unit: RMB

Type	Beginning balance	Amount changed in the current period				Ending balance
		Provision	Recover or reversal	Write-off	Others	
Provision for bad debts	43,496,510.19	597,522.45				44,094,032.64
Total	43,496,510.19	597,522.45				44,094,032.64

Of which the amount of provision for bad debts recovered or reversed in the current period is significant:

 Applicable Not applicable**(3) Accounts receivable actually written off in the current period** Applicable Not applicable**(4) Accounts receivable of top five ending balances grouped by debtors**

Unit: RMB

Name of unit	Ending balance of accounts receivable	Proportion to total ending balances of accounts receivable	Ending balance of provision for bad debts
No. 1	454,958,345.05	28.48%	14,154,182.78
No. 2	221,202,963.34	13.85%	
No. 3	100,229,926.83	6.28%	3,107,127.73
No. 4	58,267,700.34	3.65%	1,806,298.71
No. 5	42,089,587.04	2.64%	1,304,777.20
Total	876,748,522.60	54.90%	

(5) Accounts receivable derecognized due to transfer of financial assets Applicable Not applicable**(6) Amount of assets and liabilities formed by transferring accounts receivable and continuing to be involved** Applicable Not applicable

Other descriptions: None

2. Other receivables

Unit: RMB

Items	Ending balance	Beginning balance
Other receivables	723,132,112.18	902,544,005.07
Total	723,132,112.18	902,544,005.07

(1) Interest receivable

Applicable Not applicable

(2) Dividends receivable

Applicable Not applicable

(3) Other receivables**1) Classification of other receivables by nature of amount**

Unit: RMB

Nature of payment	Book balance at the end of the period	Book balance at the beginning of the period
Employee loans	5,775,730.56	7,933,323.35
Margin, deposit	6,213,965.10	6,090,182.95
Internal related transactions	714,909,518.12	878,703,958.79
VAT reimbursement for export		13,029,637.12
Others	125,327.78	30,456.33
Total	727,024,541.56	905,787,558.54

2) Provision for bad debts

Unit: RMB

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss in the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment occurred)	
Balance as of January 1, 2023	3,243,553.47			3,243,553.47
Balance as of January 1, 2023 in the current period				
Accrual in the current period	648,875.91			648,875.91
Balance as of June 30, 2023	3,892,429.38			3,892,429.38

Changes in book balance with significant changes in loss reserves in the current period

Applicable Not applicable

Disclosure by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	9,847,275.43
Subtotal within one year	9,847,275.43
1-2 years	1,313,345.80
2-3 years	903,408.84
Above 3 years	3,924,546.22
3-4 years	1,209,556.00
4-5 years	1,600,480.22
Above 5 years	1,114,510.00
Total	15,988,576.29

3) Bad debt provision withdrawn, recovered or reversed in the current period

Applicable Not applicable

4) Other receivables actually written off in the current period

Applicable Not applicable

5) Other receivables of top five ending balances grouped by debtors

Unit: RMB

Name of unit	Nature of payment	Ending balance	Aging	Proportion to total ending balances of other receivables	Ending balance of provision for bad debts
No. 1	Transactions with related parties	486,971,165.70	Within 1 year	66.98%	
No. 2	Transactions with related parties	144,559,168.66	Within 1 year	19.88%	
No. 3	Transactions with related parties	54,763,664.00	Within 1 year	7.53%	
No. 4	Transactions with related parties	9,612,154.47	1-2 years	1.32%	
No. 5	Transactions with related parties	5,538,386.00	Within 1 year	0.76%	
Total		701,444,538.83		96.47%	

6) Receivables involving government subsidies

Applicable Not applicable

7) Other receivables derecognized due to transfer of financial assets

Applicable Not applicable

8) Amount of assets and liabilities formed by transferring other receivables and continuing to be involved

Applicable Not applicable

Other descriptions: None

3. Long-term equity investment

Unit: RMB

Items	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	3,967,275,851.91		3,967,275,851.91	3,952,516,773.78		3,952,516,773.78
Investment in associated enterprises and joint ventures	18,279,106.03	12,433,655.05	5,845,450.98	18,320,001.21	12,433,655.05	5,886,346.16
Total	3,985,554,957.94	12,433,655.05	3,973,121,302.89	3,970,836,774.99	12,433,655.05	3,958,403,119.94

(1) Investment in subsidiaries

Unit: RMB

Investee	Beginning balance (book value)	Changes in increase or decrease in the current period				Ending balance (book value)	Ending balance of provision for impairment
		Additional investment	Decrease in investment	Provision for impairment	Others		
Shenzhen Topband Software Technology Co., Ltd.	24,095,074.68	1,051,142.90				25,146,217.58	
Shenzhen Topband Battery Co., Ltd.	623,157,548.45	2,090,531.31				625,248,079.76	
Shenzhen Topband Automation Technology Co., Ltd.	35,743,370.43	294,479.64				36,037,850.07	
Chongqing Topband Industrial Co., Ltd.	211,139,884.59	217,968.30				211,357,852.89	
Topband (Hong Kong) Co., Ltd.	528,408,500.00					528,408,500.00	
Huizhou Topband Electrical Technology Co., Ltd.	1,024,724,989.64	4,215,722.60				1,028,940,712.24	
Ningbo Topband Intelligent Control Co., Ltd.	670,583,468.55	195,159.74				670,778,628.29	
Shenzhen Allied Control System Co., Ltd.	125,645,445.51	1,139,885.40				126,785,330.91	
Shenzhen Meanstone Intelligent Technology Co., Ltd.	10,000,000.00					10,000,000.00	
TOPBANDINDIAPRIVATELIMITED	195,026,748.97					195,026,748.97	
Shenzhen YAKO Automation Technology Co., Ltd.	350,014,659.96					350,014,659.96	
Shenzhen Topband Investment Co., Ltd.	100,236,468.18	30,026.28				100,266,494.46	
Shenzhen Topband Supply Chain Services Co., Ltd.	5,000,000.00					5,000,000.00	
Shenzhen Senxuan Technology Co., Ltd.	8,074,247.94	-38,922.91				8,035,325.03	
Topband (Qingdao) Intelligent Control Co., Ltd.	30,000,000.00					30,000,000.00	
Shenzhen Topband Motor Co., Ltd.	10,666,366.88	563,084.87				11,229,451.75	
Huizhou Chiding Technology Co., Ltd.		5,000,000.00				5,000,000.00	
Total	3,952,516,773.78	14,759,078.13				3,967,275,851.91	

(2) Investment in associated enterprises and joint ventures

Unit: RMB

Investment unit	Beginning balance (book value)	Changes in increase or decrease in the current period								Ending balance (book value)	Ending balance of provision for impairment
		Additional investment	Decrease in investment	Profits and losses on investment recognized under equity	Adjustment to other comprehensive	Other changes in equity	Declaration of distribution for cash dividends	Provision for impairment	Others		

			t	method	income		or profits				
I. Joint venture											
II. Associated enterprises											
Shenzhen Daka Optoelectronics Co., Ltd.	5,886,346.16				-40,895.18					5,845,450.98	
Shenzhen Yuchengxin Power Technology Co., Ltd.											12,433,655.05
Subtotal	5,886,346.16				-40,895.18					5,845,450.98	12,433,655.05
Total	5,886,346.16				-40,895.18					5,845,450.98	12,433,655.05

(3) Other descriptions

None

4. Operating income and operating cost

Unit: RMB

Items	Amount incurred in the current period		Amount incurred in prior period	
	Income	Cost	Income	Cost
Main business	2,168,888,404.03	1,828,400,603.03	2,387,700,802.78	2,029,249,076.26
Other business	83,107,729.82	78,139,272.60	72,146,674.17	64,311,335.67
Total	2,251,996,133.85	1,906,539,875.63	2,459,847,476.95	2,093,560,411.93

Income-related information:

Applicable Not applicable

Information related to performance obligations:

Not applicable

Information related to the transaction price allocated to the remaining performance obligations:

At the end of the current reporting period, the amount of income corresponding to performance obligations under the signed contracts but not yet performed or not fully performed is RMB 0.00.

Other descriptions: None

5. Investment income

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Long-term equity investment income accounted by the cost method	-40,895.18	-31,393.79
Forward foreign exchange profit and loss	377,800.00	
Total	336,904.82	-31,393.79

6. Others

None

XVIII. Supplementary Information**1. Schedule of current non-recurring profit and loss** Applicable Not applicable

Unit: RMB

Items	Amount	Description
Profits and losses on disposal of non-current assets (including the write-off portion of the provision for asset impairment)	-6,219,093.14	
Government subsidies included in current profits and losses (except those that are closely related to the normal business of the Company, conform to national policies and regulations and are continuously enjoyed in a fixed or quantitative manner according to certain standards)	13,429,284.92	
Profits and losses due to fair value changes arising from the holding of tradable financial assets and liabilities, as well as the investment income from the disposal of tradable financial assets and liabilities and available-for-sale financial assets, except for the effective hedging business related to the normal business of the Company	-5,414,897.34	
Other non-operating income and expenses other than those mentioned above	3,716,436.80	
Minus: amount affected by income tax	1,329,800.01	
Impact amount of minority shareholders' equity	245,093.87	
Total	3,936,837.36	--

Details of other items of profits and losses that conform to the definition of non-recurring profit and loss:

 Applicable Not applicable

None.

Explanation of defining the non-recurring profit and loss items listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profit and Loss as recurring profit and loss items

 Applicable Not applicable**2. Return on equity and earnings per share**

Profits of the reporting period	Weighted return on average equity	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net income attributable to the ordinary shareholders of the Company	4.37%	0.20	0.20
Net profit attributable to the ordinary shareholders of the Company after deduction of non-recurring profit and loss	4.30%	0.20	0.20

3. Differences in accounting data under domestic and foreign accounting standards

(1) Differences in net profit and net assets between financial reports disclosed in accordance with International Accounting Standards and those disclosed in accordance with PRC GAAP at the same time

Applicable Not applicable

(2) Difference between the net profit and net assets in the financial reports disclosed in accordance with both foreign accounting standards and Chinese accounting standards at the same time

Applicable Not applicable

(3) Reasons for differences in accounting data under domestic and foreign accounting standards. If the data audited by an overseas audit institution is adjusted for differences, the name of the overseas audit institution shall be indicated

None

4. Others

None

Section XI Other Reported Data

I. Other Major Social Security Issues

Whether the listed company and its subsidiaries have other major social security issues

Yes No Not applicable

Existing problems and rectification

Whether any administrative punishment was imposed during the reporting period

Yes No Not applicable

Punishment items, punishment measures and rectification

II. Registration form of reception, investigation, communication, interview and other activities during the reporting period

Applicable Not applicable

Time of reception	Location of reception	Method of reception	Type of reception object	Reception object	Main contents of interview and materials provided	Basic Information index for investigation
2023/01/06	Conference room of the Company	Field survey	Organizations	TF Securities, Everbright Securities, Shanghai Ducheng Investment, Yimi Fund, Hangzhou Laixing Yuanpin Investment, Guolian Fund, Efunds, Western Leadbank FMC, China Merchants Securities, Deppon, Shanghai Sunsource, TF Securities, Shanghai Qushi Assets, dealers of Haitong Securities, CITIC Prudential Fund, Taikang Pension, CITIC Wealth, Shenzhen HillView Capital, Shanghai Lingze Investment, Ping An Asset Management, Temasek Holdings Consulting (Shanghai), Teng Yue Partners, LP, Sinolink Securities, Ucan Asset Management, Chengnuo (Shanghai) Investment, HSBC Jintrust Fund, AXA SPDB Investment Managers, Current VC, Guotai Junan Securities, Sino Life Asset, Shanghai Greenwoods, Shenzhen Hongding Wealth	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn

				<p>Management, Western Leadbank FMC, China Future Capital, Mingya Funds, GuoDu Securities, Rongtong Fund, China Asset Management, Parantoux Capital, Harvest Fund, Lubao Investment, Shenzhen Hongding Wealth Management, Ren Bridge Fund, Xinghua Fund, Infore Capital, Beijing Zhenke Fund, AEGON-Industrial Fund, China Merchants Fund, V Fund, CCB Life Asset Management, Jumpstart Capital, Shenzhen Shanqi Assets, Taikang Asset Management, China Merchants Securities, Blackrock, Western Securities, Truvalue Asset Management, Springs Capital, Essence Securities, UBS SDIC, Invesco Great Wall, Soochow Securities, Citibank, Blackrock, Dymon Asia Capital (Singapore), HSBC Global Asset Management USA, HelVed capital, Manulife Asset Mgmt (HK) Ltd, Millennium Capital Management, Neuberger & Berman, New Silk Road Investment Pte, POLYMER CAPITAL MANAGEMENT, Templeton Global Equity, Frankin Templeton, Decent Capital, Matthews International Capital, Guosen Securities (15:00-16:00), GF Securities, Hel Ved Capital Management, Prudence Investment Management (Hong Kong), Fangyuan Fund (Hong Kong), Essence Fund, Eastern Smart Rock, ACORN Asset Management, Beijing Yutian Asset Management, Biyun Asset Management, Bosera Funds, Dajia Asset Management, Tebon Fund, Oriental Alpha Fund, Soochow Securities, GF Securities, FOUNDER Fubon Fund, FORTUNE & Royal Asset, Everbright Securities, GF Qianhe, CGB, Guangzhou Ruimin Private Equity Fund, Franklin Templeton Sealand Fund, Guolian Life, Guotai Fund, Guotai Junan Securities, SDIC UBS Fund, China Reform</p>		
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				<p>Securities, Guosen Securities, Haifutong Fund, Hangzhou White Rhino Asset Management, Hangzhou Qipu Private Equity Fund, True Value Partners, Sequoia Capital Equity Investment, Hotland Innovation Asset Management, HuaAn Funds, Harfor Funds, HSBC Jintrust Fund, China Universal Asset Management, Rising Asset Management, Harvest Fund, CCB Life Asset Management, Jiangsu Ruihua Investment, BOCOM Schroders, Kaiyuan Securities, Ningbo Yuanzhen Mingzhi Investment, BNB Wealth Management, ABC Wealth Management, Lion Fund, Penghua Fund, Ping An Asset Management, SPDB AXA Fund, First Seafont Fund, Ren Bridge (Beijing) Asset Management, Rongtong Fund, Ruida AMC, Sanya Hongsheng Asset Management, Xiamen Zhonglue Investment, Shanghai Chengzhou Asset Management, Shanghai Shengmeng Asset Management, Shanghai Orient Securities, Shanghai Coastal Horn Private Equity Fund, Shanghai Hedao Asset Management, Shanghai Chaos Investment, Shanghai Mingyu Asset Management, Panjinginvest.com, Shanghai Chaser Asset Management, Shanghai RunSafe Fund, Shanghai Hawthorn Tree Zhenzhuo Asset Management, Shanghai Tuling Asset Management, Shanghai Zongyi Holding, Shenwan Hongyuan Securities, Shenzhen ELITIMES Asset Management, Shenzhen JM Investment, Shenzhen Zhongying Investment, Shenzhen Zhengyuan Investment, Weixing Asset Management, Western Securities, Tibet YuanCheng Investment, Southwest Securities, New China Asset, First State Cinda Fund, Aegon-Industrial Fund, Yimi Fund, Zhonghai Fund, Bank of Beijing Scotiabank Asset Management,</p>	
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				BOC International, Rosefinch Fund.		
2023/02/01	Conference room of the Company	Field survey	Organizations	Fullgoal Fund, Shenzhen Flying Tiger Investment, SDIC UBS Funds, Rising Asset Management, Essence Fund, Foresea Life Insurance, Taikang Pension Insurance, Zoomtrend Investment, Guosen Securities, Lion Fund, Penghua Fund, Baoying Fund, Qianyou Investment, Yinhua Fund, Ping An Fund, Panze Assets, Legend Investment, Shenzhen ELITIMES Fund, Shenzhen Weihong Long-term Asset Management, China Securities, FOUNDER Fubon Fund, First Capital, Changjiang Securities, Hainan Sanhua Private Equity, Lead Horse Capital, Hua Chuang Securities, Hwabao Securities, New China Asset, BOC Asset Management, Orient Fund, Shenwan Hongyuan Securities, CMS Asset Management, Jincan Capital, Bosera Funds, Hwabao WP Fund, China Post Securities, Cao Yanmei, Zheshang Communications, Hotland Innovation Asset Management, BlackRock, China Merchants Fund, Sinolink Securities, Aegon-Industrial Fund, regents capita, ICBC Credit Suisse Fund, China Merchants Securities, CICC Securities, Foresight Fund, Harvest Fund	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2023/02/14	Conference room of the Company	Field survey	Organizations	FOUNDER Securities, Guotai Junan, Changjiang Pension, ZSAMC, Exodus Point, BrillianCapital, MiraeAsset, Polymer Capital, Oberweis, Jefferies, China Securities, Huashang Fund, Haitong, Harvest Fund, CICC, Yude Capital, CIGNA & CMB Asset Management	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2023/02/27	Conference room of the Company	Field survey	Organizations	AXA SPDB Investment Managers, TF Securities, Caitong Fund, Samsung Asset Management, Shinhan Asset Management, abrdn, FY Investment, Library Group Capital, Haitong, Dymon Asia, Rongtong Fund, Harvest Fund, Shenzhen Qianhai Yiyang Investment, Citibank, Samsung	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn

				Investment Management (Hong Kong), Hinrich Foundation, HSBC Global Asset Management (Hong Kong), Wonderland International, Wobai Business Consulting (Shanghai), Heqi Investment, FountainCap Research & Investment (Hong Kong), Sumitomo Mitsui DS Asset Management (Hong Kong), Matthews Global Investors (Hong Kong), Manulife Investment (Hong Kong), CICC, Hel Ved capital, GLG Partners, Pleiad Investment, OMERS Asia, Baopurongyi Asset Management, Tiger Pacific		
2023/03/30	Conference room of the Company	Field survey	Organizations	TF Securities, CITIC Securities, Huatai Securities, Zhongtai Securities, Guosen Securities, CICC Securities, Guotai Junan Securities, Haitong Securities, China Merchants Securities, Shenwan Hongyuan Securities, Changjiang Securities, Soochow Securities, Western Securities, Everbright Securities, Jefferies Securities, China Galaxy Securities, China Life Asset Management, Greenwoods Asset Management, Sinolink Securities, TF Securities, HFT Investment Management, Korea Investment Trust Management, Fullgoal Fund Management, Shanghai Panjing Investment Center (Limited Partnership), Harvest Fund Management, Hengtai Securities, HENGJIAN INTERNATIONAL INVESTMENT HOLDING (HONG KONG), Shenzhen Hong Ding Wealth Management, Yimi Fund Management, Shanghai Xitai Investment Management, Shanghai HeDao Asset Management, Parametrica Management, Neuberger Berman, First-trust Fund Management, HSBC Jintrust Fund Management, Infore Capital Management, Cyber Atlas Capital, JIAXUYINGHAI(Shanghai)FUND Management, China International Capital Corporation, Shanghai Jujin	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn

				Investment, Beijing Ruigu Investment, Beijing Ding Investment, Goldstate Securities, Shenzhen Gemboom Investment Management, HSBC Jintrust Fund Management, Zhejiang Rice Bank Asset Management, BOC International (China), Shanghai Stock Exchange, DH Fund Management, Beijing Yunfeng Asset Management, Sealand Securities, Pacific Asset Management, Essence Securities, Mingya Fund Management, Shanghai Chaos Investment (Group), Taiping Asset Management, Hengtai Securities, China Securities, Hotland Innovation Asset Management, Fengpei CAPITAL LLC, Shenzhen Hong Ding Wealth Management, Everbright Securities, Shanghai Tourmaline Asset Management, Shanghai Foresight Investment, Huatai-Pinebridge Fund Management, Hang Seng Qianhai Fund Management, Sealand Securities, China Life AMP Asset Management, Western Leadbank Fund Management, Ningbo Liansheng Asset Management, Origin Asset Management, SINO LIFE ASSET, Regent Capital, ShenZhen Comein Finance and Technology, HONOUR ALLIANCE INVESTMENTS, Shengang Securities, Maxwealth Fund Management, Yude Capital, Tibet YuanCheng Investment.		
2023/04/11	Conference room of the Company	Field survey	Organizations	Shenzhen Qianhai OnlyWin Fund Management, Deju Brothers Venture Capital, Shenzhen New Value Capital Management, HYWIN WEALTH MANAGEMENT, Mingfu Fund, Mondrian, China International Capital Corporation, Nomura Asset Management, Capital Investment Trust Corporation, Franklin Templeton SinoAM SIM Inc., IGWT Investment, Cathay Capital Management Inc., Manulife TEDA Fund Management, Tianhong Asset Management, Bosera Fund	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn

				Management, China Life Asset Management, Huachuang Securities, Sinosafe Asset Management, CICC Securities, Wellington, Neuberger Berman, CICC Securities, NanJing Double-Safeguard Asset Management, CICC Securities		
2023/04/14	Flush Roadshow Platform	On-line communication on network platforms	Organizations	Performance presentation session	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2023/04/25	Conference room of the Company	Telephone communication	Organizations	Guotai Asset Management, BlackRock Fund Management, BOC Insurance, China Future Capital Group, Guodu Securities, Beijing Longrising Asset Management, Exodus Point, China Merchants Securities, Shanghai Silver Leaf Investment, Harvest Fund Management, Beijing Ding Investment, Shanghai Everbest Investment Managers, Truvalue Asset Management, Sinolink Securities, Rosefinch Fund Management, Sinosafe Asset Management, China Life AMP Asset Management, Shanghai Chaser Asset Management, TF Securities, Penghua Fund Management, Xinyuan Asset Management, Shanghai Yude Capital Management Center (Limited Partnership), Shanghai Lingze Asset Management, Changzhou Boyan Ruixuan Venture Capital, Beijing Eastern Smart Rock Asset Management, Minya Fund Management, Shenzhen Hong Ding Wealth Management, AEGON-INDUSTRIAL Fund Management, Shanghai Panjing Investment Center (Limited Partnership), Pinpoint Investment Management, Orient Securities, Hotland Innovation Asset Management, Jt Asset Management, Beijing Ruigu Investment, BOC International (China), Shanghai Fuge Investment Management, Shanghai Qinyuan Investment Management, Dajia Asset Management, DA CHENG FUND MANAGEMENT,	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn

				Guangzhou RUIMIN ASSET MANAGEMENT, Guosen Securities, Western Leadbank Fund Management, Shanghai Yingdong Private Fund Management, Guangzhou Jinkong Asset Management, Nuode Asset Management, CCB Life Insurance Asset Management, Shanghai Lingze Asset Management, China Post Life Insurance, Chongqing Derui Hengfeng Asset Management, Zheshang Securities, Bearing No (Shanghai) Investment Management Center (L.P.), Taikang Pension Insurance, Beijing Ding Investment, Fuanda Fund Management, Shanghai Chaos Investment (Group), Neuberger Berman, Huatai Securities, Golden Eagle Asset Management, Taipei Fubon Securities, Shanghai Xitai Investment Management, CITIC Securities, ABC Wealth Management, Haojun Asset Management, RegentsCapital, Shengang Securities, Guotai Junan Securities, Zheshang Securities, China Securities, Soochow Securities, Western Securities, Changjiang Securities, Shenwan Hongyuan Securities, GF Securities, Sinolink Securities, CICC Securities, Citibank, Guosen Securities, Huatai Securities, ZHONGTAI SECURITIES		
2023/05/30	Conference room of the Company	Field survey	Organizations	Citibank, Citi Private Bank, Neuberger Berman, Temasek Holdings, Summit Partners, ICBC International, Fullgoal Fund Management, Hang Seng Investment Management, Lanzhong Investment Management	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn

III. Fund Transfers between the Company & Controlling Shareholders and Other Related Parties

Applicable Not applicable