

TOPBAND 拓邦

Shenzhen Topband Co., Ltd.

Semi-annual Report 2024



Topband Investor Relations Applet

July 2024

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, Chairman of the Company, and Luo Muchen, head of accounting and the accounting department, hereby declare that: the data disclosed in financial reports of the semi-annual report is true, accurate and complete.

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.

The Report is 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 China Securities Regulatory Commission during the reporting period and the original manuscripts of announcements.
- III. Original copy of the Semi-annual Report 2024 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	From January 1, 2024 to June 30, 2024
Huizhou Topband	Refer to	Huizhou Topband Electrical Technology Co., Ltd.
YAKO Automation	Refer to	Shenzhen YAKO Automation Technology Co., Ltd.
Yanxun Investment	Refer to	Shenzhen Yanxun Investment Enterprise (Limited Partnership)
Yanyun Investment	Refer to	Shenzhen Yanyun Investment Enterprise (Limited Partnership)
Allied	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
OPE	Refer to	Outdoor Power Equipment

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
Tel	0755-26957035	0755-26957035
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

The registered address, office address and its postal code, website, E-mail address, etc. of the Company were not changed during the reporting period, and are as given in the Annual Report 2023.

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

The stock exchange website and the names and websites of the media on which the semi-annual report of the Company were disclosed and the location where the semi-annual report of the Company are kept were not changed during the reporting period, and are as given in the Annual Report 2023.

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

	Reporting period	Same period previous year	Increase/decrease in this reporting period over the same period of last year
Operating income (RMB)	5,015,785,165.59	4,256,121,153.72	17.85%
Net profit attributable to shareholders of listed companies (RMB)	388,828,515.18	258,040,692.16	50.68%
Net profit attributable to shareholders of listed companies after deducting non-recurring profit and loss (RMB)	373,156,776.26	254,103,854.80	46.85%
Net cash flow from operating activities (RMB)	470,314,174.67	527,842,471.18	-10.90%
Basic earnings per share (RMB/share)	0.31	0.20	55.00%
Diluted earnings per share (RMB/share)	0.31	0.20	55.00%
Weighted return on average equity	6.10%	4.37%	1.73%
	End of the reporting period	End of the previous year	Increase/decrease at the end of the reporting period compared with the end of the previous year
Total assets (RMB)	12,019,262,403.92	11,184,119,392.80	7.47%
Net assets attributable to shareholders of listed companies (RMB)	6,403,953,083.07	6,284,917,468.50	1.89%

V. Differences in accounting data under domestic and overseas 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 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

International Accounting Standards and those disclosed in accordance with Chinese Accounting Standards during the reporting period.

2. Difference between the net profit and net assets in the financial reports disclosed in accordance with both Overseas 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 Chinese Accounting Standards 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 offset of the provision for impairment of assets accrued)	-3,096,619.05	
Government grants credited to income statement (except for government grants that are closely related to the normal operation of the Company, comply with national policies and regulations, enjoy in accordance with determined criteria, and have a continuous impact on the profit and loss of the Company)	15,418,390.00	
Profit/loss arising from changes in fair value of financial assets and liabilities held by non-financial enterprises, and profits and losses on disposal of financial assets and liabilities, except for the effective hedging business related to the normal operation of the Company,	2,159,263.40	
Reversal of impairment of receivables individually tested for impairment	3,369,846.80	
Other non-operating income and expenses other than those mentioned above	776,803.05	
Minus: amount affected by income tax	2,854,659.99	
Amount affected by minority shareholders' equity (after tax)	101,285.29	
Total	15,671,738.92	

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

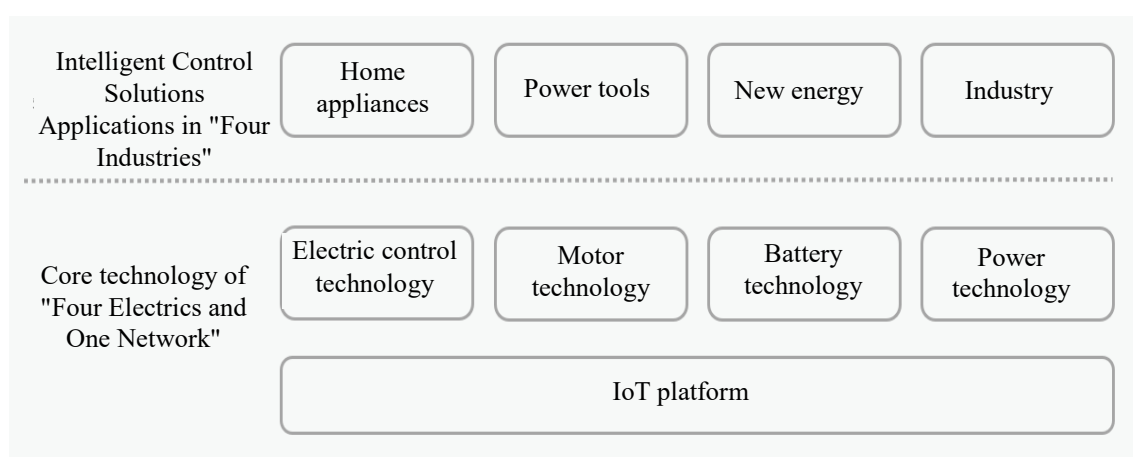
No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profit and Loss as recurring profit and loss items in the Company

Section III Management Discussion and Analysis

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

(I) Main business and products of the Company

During the reporting period, we focused on the development, production and sales of intelligent control system solutions. Based on the core technology system of "four electrics and one network" (electric control, motor, battery, power and IoT platform), our solutions have been widely applied in four major sectors, including home appliances, power tools, new energy and industry automation, providing customers around the world with innovative, efficient and reliable customized services. We have been continuing to strengthen our ability in technological innovation and improve our keen insight and rapid response to market needs. By continuously optimizing and upgrading our technology platform, we are committed to providing our customers with more intelligent and personalized control solutions to help them achieve technological breakthroughs and business growth in their respective fields.



1. The Company's core technologies: "four electrics and one network" (electric control, motor, battery, power and IoT platform).

1.1 Electric control technologies

Electric control technologies take micro-computer as the core to achieve intelligent control, involving a number of technological fields such as sensing technology, power electronics technology, signal processing technology, communication technology, interactive technology, power and energy conversion technology and electromagnetic compatibility. We have profound accumulation in the key fields of automatic control technology, human-computer interactive technology, embedded computing technology, machine vision technology, robotics technology, intelligent sensor technology, motion control technology, etc.

We have developed hundreds of electric control technology platforms that can meet the diversified needs of home appliances, power tools, new energy and industry automation products, and our electric control technology has been widely applied in products such as controllers, E&M integration, power and intelligent batteries.

1.2 Motor technologies

The motor technologies play a key role in converting electrical energy into kinetic energy in intelligent control systems. By focusing on the continuous innovation of motors with high efficiency, low noise, high precision and high stability, we have developed a comprehensive technical capability from design, simulation, testing and verification to large-scale manufacturing of motor and built dozens of advanced motor product platforms such as brushless DC motor (BLDC), coreless motor, stepper motor, servo motor, etc.

Our motor technologies have been successfully applied in many fields, such as power tools, automation equipment, intelligent appliances, new energy vehicles, robots and other fields. Especially in the fields of power tools and automation equipment, our motor technologies have become the leading technology in the industry, with remarkable results in applications in new energy vehicles, robots and medical sectors, and has been widely recognized in the market.

1.3 Battery technologies

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 technologies involve multiple fields like materials science, electrochemistry, electronics and control engineering. On the basis of our technological accumulation over the years, we have developed complete technological capabilities for design, development, customization and production, covering cell technology (CELL), battery management technology (BMS) and battery pack (PACK) systems.

In respect of battery management system (BMS), our technology has achieved a degree of accuracy and reliability that is leading in the industry. With advanced algorithms and control strategies, our BMS enables real-time monitoring and management of battery status to ensure the optimal performance and safe operation of the

battery system. Our technological innovation in this field has made us a market leader in providing efficient and safe battery solutions for energy storage systems, backup power, electric energy conversion, portable devices, etc.

1.4 Power technologies

The power technologies, as the key to the efficient conversion of electric energy, cover analog power, switching power and digital power technologies. We have extensive technology platforms in this field, focusing on providing efficient and reliable power solutions.

For the power conversion system (PCS), we have adopted innovative energy management strategies and a high-precision power quality control technology to optimize the charging and discharging process of the energy storage system and improve the overall performance and life of the system. Our PCS technology supports a wide range of battery types and configurations to meet the requirements of energy storage applications of different scales. In respect of photovoltaic inverter technology, we have significantly improved the energy conversion efficiency of solar panels through advanced control algorithms and efficient electrical energy conversion circuit design, which support a variety of communication protocols.

In the field of high-power DC charging piles, we have achieved fast and safe charging of electric vehicles by applying high-efficiency power electronic conversion technologies and intelligent charging control algorithm. Our DC charging pile design is featured in high power density and excellent heat dissipation performance, and can ensure the high efficiency and stability of the charging process.

1.5 IoT platform

The IoT platform technology, as the key to coupling the sensing layer, the network layer and the application layer, enables us to realize the intelligent linking of devices and the efficient management of data. Our IoT platform consists of complete technical capabilities from modules and intelligent terminals to applications (APPs) and Platform as a Service (PaaS), providing an integrated solution for multiple industries.

In particular, we have made significant progress in our cloud platform for home energy management. By intelligent analysis and processing of household energy usage data, the platform helps users optimize their energy consumption, to realize conservation and efficient use of energy. By seamlessly integrating with smart household devices, the platform provides users with a comprehensive, easy-to-use energy management and control solution.

In the development of the optical storage and charging cloud platform, we have applied advanced IoT technologies to realize the intelligent collaboration among solar power generation, energy storage and charging facilities. The platform can not only improve the efficiency of energy utilization, but also provide users with

convenient energy management and use experiences, to promote the wide application of renewable energies.

In addition, our digital energy management cloud platform also provides comprehensive energy monitoring, analysis and optimization services for industrial, commercial and public facilities through big data and artificial intelligence technologies. The platform can help users reduce energy consumption, improve the sustainability of energy use, and support businesses and the society to achieve green development goals.

2. Main products of the Company: To provide customized system solutions for four major sectors: home appliances, power tools, new energy and industry automation.

Our products are mainly classified into four categories: controller, motor, power and battery. By comprehensively utilizing the "four electrics and one network" core technology, we provide customized products and integrated solutions to satisfy the demands of customers from the four downstream industries including home appliances, tools, new energy and industry.

2.1 Solutions for home 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 home 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 used in various fields, such as HVAC, kitchen appliances, cleaning appliances, health care, lighting, and intelligent home.

Application scenarios



Products

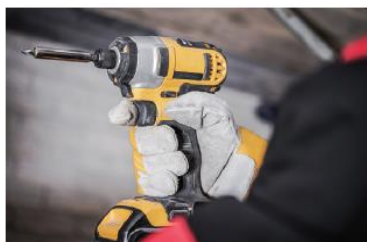


2.2 Solutions for power tools

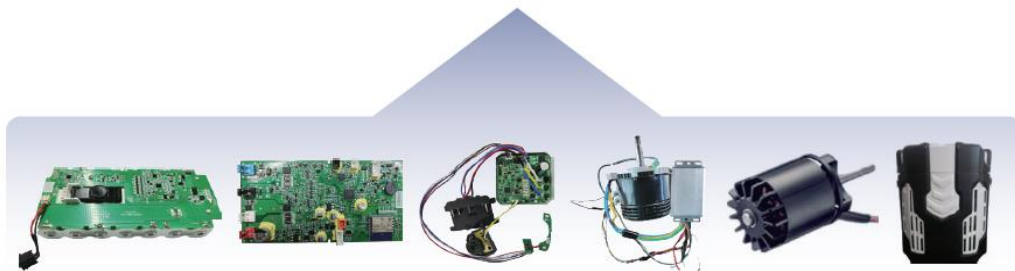
The power tool industry mainly includes power, garden, and other professional tools. We provide brand customers in the power tool industry with customized products and services from product conceptualization, design, development to manufacturing and delivery. Our products mainly include four categories, i.e. controller, motor,

battery and power, and some intelligent machine products.

Application scenarios



Products



2.3 Solutions for new energy

Our new energy business has developed a complete product matrix covering core components, complete machine and system solutions. In respect of core components, we have completed the deployment of the core products, including charging module, cell, BMS, PCS and EMS. In respect of complete machine, we have developed a complete series of products, including AC/DC charging pile, household energy storage, C&I energy storage, backup power for communication, and portable energy storage. In terms of system solutions, we have developed complete solutions around scenarios such as optical storage and charging, zero-carbon parks, and home green energy by integrating the core technical capabilities of complete machine and cloud platform.

Products



Application scenarios



2.4 Industrial solutions

In the industrial control sector, our main business is the research and development, production and sales of special industrial intelligent control products, mainly including stepping, servo drive and motion control products. We mainly provide downstream automation equipment customers with products such as controller, drive and motor, and the downstream applications involve such industries as 3C electronics, robotics, medical equipment, semiconductor equipment, PV, lithium-ion battery, etc. We are committed to helping automation equipment manufacturers improve the equipment design performance, reduce equipment manufacturing costs, and speed up the development of new equipment.

Application scenarios**Products****(II) The industry in which the Company operates****1. Basic situation of the industry**

Intelligent controllers, as high-tech products integrated with advanced automatic control technology, computer technology, sensing technology, microelectronics and power electronics technology, play the role of "nerve center" and "brain" in electronic products, like the nervous system of people. By collecting, processing and analyzing various information and commands, intelligent controllers can realize the intelligent driving and control of the controlled object, so as to complete various tasks. The wave of intelligent substitution has completely changed our way of life and work. As one of the core components of intelligence, intelligent controller has a wide range of applications, including home appliances, smart homes, smart buildings, power tools, industry and automation, automobile electronics, new energy, medical equipment and so on.

With the continuous integration and development of new technologies on artificial intelligence, robotics, IoT and cloud computing, the application fields of intelligent controllers have been further expanded. For example, by combining with AI technology, intelligent controllers are now able to predict and adapt to the behaviors and needs of users, enabling more personalized services. In the field of industry automation, intelligent controllers combined with robotics are able to perform more complex tasks, improve production efficiency and safety, and reduce costs at the same time. It is worth mentioning that humanoid robots are also beginning to go into the reality. From home assistants to operators in high-risk work environments, humanoid robots are capable of performing complex human tasks in a variety of environments, and intelligent controllers play a crucial role in them.

Technological progress not only accelerates the iteration of products, but also indicates a broader development

prospect of the intelligent controller sector. We are standing on the threshold of intelligent technology revolution, and the integration of intelligent controllers with AI and robotics is reshaping the way we live and work, opening up infinite possibilities. In the future, with the continuous progress and innovation of technology, we can look forward to the emergence of more new products, new business formats and new models, which will further promote the development of the intelligent controller sector.

2. Position in industry

As a leader in intelligent control field, we are not only a pioneer in providing intelligent control solutions worldwide, but also a synonym for innovation. Our success is because of our insistence on the core value concept of "Agile·Innovation·Partnership" and our relentless drive for technological innovation. By building an integrated technology system of "four electrics and one network" (electric control, motor, battery, power and IoT platform), we provide advanced customized solutions for four major sectors, including home appliances, power tools, new energy and industry automation.

Our core competence lies in our "platform-based technological innovation ability, partnering customer service ability and systematic rapid response ability". The combination of the three abilities has not only promoted our continuous progress, but also helped us build close relationships with our customers leading in many sectors. Now, we have become the leading provider of intelligent control solutions for the home appliance and power tool industries, and lead innovation in the new energy and industry automation sectors. Our leadership is not only reflected in our market share and technological innovation, but more importantly, we have become a key force driving the entire industry forward.

II. Analysis of core competitiveness

1. Platform-based technological innovation ability

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, we have the "controller + motor + battery + power + cloud platform" overall solution capability that is unique in the industry, the ability to continuously develop innovative new category solutions, and can help customers innovate and win in the competition.

2. Partnering customer service ability

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.

Through deployment in many regions, we have established international production bases in the Pearl River Delta, Yangtze River Delta, Southeast Asia, North America and Europe, have built an international market platform to improve the local service ability from in terms of management ability and resource allocation, and have set up a number of overseas offices to cooperate closely with customers. We have established in-depth cooperative partnership with outstanding brand customers at home and abroad in various business fields. Through long-term cooperation and mutual development, we have gained public praises and a good brand reputation in the industry, and have been widely recognized and praised by our customers.

3. Systematic fast response ability

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

In the first half of 2024, the economic sentiment indexes of the industry have picked up, and we are committed to using cutting-edge intelligent technologies and clean energy application technologies to develop to a more intelligent and low-carbon future world. Although the industry faces many challenges such as multi-regional development, supply chain reconstruction, higher export freights, trade protectionism, etc., we firmly believe that with the general trend of interconnection of everything, intelligence and low carbon, the new energy industry will also usher in upgrades, and the downstream application scenarios are constantly expanding and upgrading. We will continue to adhere to the high-quality development strategy, actively grasp the structured opportunities, keep developing our local and overseas businesses based on our strengths of being a platform-based enterprise and in international operations, enhance our product power and improve our internal operation capability by putting more efforts into technological innovation, and at the same time, accelerate the development of overseas market, strengthen applications in the emerging industries and increase cooperation with the top customers to increase the market share. During the reporting period, we achieved growth in both revenue and gross profit rate in all the business sectors.

In the first half of 2024, with the efforts of all Topband employees, we realized an operating income of RMB 5.016 billion, with a year-on-year growth rate of 17.85%, a net profit attributable to shareholders of the listed company of RMB 389 million, with a year-on-year growth rate of 50.68%, and a net profit attributable to shareholders of the listed company of RMB 373 million after deducting non-recurring profits and losses, with a year-on-year growth rate of 46.85%. In the 2nd quarter, we realized a revenue of RMB 2.698 billion, a new high in a single quarter, with a quarter-on-quarter growth rate of 16.37% and a year-on-year growth rate of 19.31%, and a net profit attributable to parent company of RMB 204 million after deducting non-recurring profits and losses, with a quarter-on-quarter growth rate of 20.32% and a year-on-year growth rate of 25.18%. In the 2nd quarter, we achieved a net cash flow of RMB 371 million from operating activities, with a quarter-on-quarter growth rate of 272.82%. In the 2nd quarter, the exchange rates fluctuated less than the same period last year, and the net profit after deducting non-recurring profits and losses and profits and losses on foreign exchange achieved a substantial increase on a year-on-year basis.

(I) We realized an operating income of RMB 5.016 billion during the reporting period, with a year-on-year growth rate of 17.85%. The business developments in the first half of 2024 are as follows:

1. Power tool sector: The economic sentiment indexes of the sector in the first half of 2024 recovered, and the downstream inventory reached the minimum level. Our power tool sector realized a revenue of RMB 1.959 billion, with a year-on-year growth rate of 20.90%, and a gross profit rate of 24.62%, with a year-on-year growth rate of 1.12%.

Electrification and cordless is the trend for power tools and OPE products. Electric and cordless tools have the product advantages of better user experience, cost effectiveness, environmental protection and low noise, and are expected to accelerate the substitution of manual and fuel tools and devices. In European and American markets, power tools are very popular, and the demands for new products and technological upgrading continue to increase. In the emerging markets, with the penetration of electrified and cordless tools to professional, industrial and consumer scenarios, it will bring continuous growth momentum for the development of the power tool industry. Top customers lay emphasis on faster supply chain transformation and product innovation to meet the market demand for high-performance power tools more quickly and to realize diversified supply and energy consumption reduction.

As a partner of the power tool top customers leading in the world, we focus on the top customers and industrial and professional products with high value to continue to increase sales, make special breakthroughs in the competitive products, and incubates new business opportunities such as high-voltage and high-power tools. We have developed the core technologies on electric control, battery pack BMS, motor, IoT and intelligent system and complete machine, to provide customers with one-stop customized solutions. We are putting continuous efforts to promote industry innovation, give full play to the advantages of technology platform and product platform, provide customers with differentiated solutions based on different product positioning, and develop product application opportunities in the surrounding scenarios of power tool use. At the same time, we rely on our leading advantage of developing overseas markets and excellent operational capabilities to meet the multi-regional supply demands of the top customers to achieve further increases in the share of power tools. The share of power tools in the total revenue increased from 36.05% in 2023 to 39.05% at the end of the reporting period.

2. Home appliance sector: With the lowering of home appliance inventory and the recovery of the economic sentiment indexes, the home appliance sector realized a sales revenue of RMB 1.773 billion in the first half of 2024, with a year-on-year growth rate of 18.15%. With the increase of intelligent upgrading and low carbon needs of the industry, the pace of integration of AI, voice and IoT technologies with the current technologies has become faster,

technological innovation based products have expanded the market space, and the penetration rate of intelligent home appliances in the emerging markets has increased. As Chinese enterprises with proprietary brands are developing overseas markets to building a global supply chain, the market share further concentrates towards the top enterprises.

During the reporting period, there were some short-term disturbance factors such as higher raw material prices and rising sea freights in the industry, and the consumer confidence index improved and was still at a historical low, but the overall impact on our home appliance business was limited. As an important partner of home appliance brands, when brand owners pay more attention to insight into consumer needs and fast iteration of products, our advantages in platform technology can quickly empower brand customers, and enable many home appliance top customers in the European, American, Japanese and emerging markets to increase their market share. The segments we have selected have all realized growth, with the refrigerator, washing machine, air conditioner, small home appliance product, and cleaning product segment contributing most of the growth, where the air conditioner segment that mainly focusing on the overseas markets realized the largest growth and is continuously developing at a high growth rate. The concentration rate of the top 10 customers of the home appliance segment increased, and by selecting product types with high growth rate for the emerging markets, we supplied more cost effective products in virtue of our strengths in product power and supply chain to realize higher growth rates; we have made deployment in many regions in a prospective way to stabilize the share subject to the industrial transfer of customers, and have also developed business opportunities of overseas merger and acquisition and overseas customers for Chinese enterprises. We will continue to intensively develop opportunities with the existing customer and expand new categories to realize multi-category coverage for the major customers, and actively develop various incremental markets and new customers to further increase the market share. In the future, we are expected to maintain a stable growth rate while the industry develops.

3. New energy sector: With the core technologies on charging, cell, cloud platform, BMS, PCS and EMS, we supply two major categories of products to customers, i.e. controller and components, and complete machine and system, which are mainly applied in the energy storage and new energy vehicle fields. We actively grasp the incremental market opportunities in grid-side energy storage, C&I energy storage, and new energy vehicle charging. In the first half of 2024, we realized a sales revenue of RMB 1.04 billion in the new energy sector, with a year-on-year growth rate of 13.74%.

We realized a revenue of RMB 760 million in the energy storage sector, with a year-on-year growth rate of 13.74%. Challenges and opportunities both exist in the energy storage sector, and supply-demand changes in the

sector both bring about a decline in costs and accelerate the rapid increase in end demands. By supplying autonomous and controllable components and products, complete machine products with proprietary brand and multi-scenario solutions, we actively expand the application of household energy storage, industrial and commercial energy storage, PV power generation, energy storage and charging, "zero-carbon park" and other scenarios in Europe, America, Asia, South Africa, West Africa and other countries to meet the differentiated needs of different customer types such as complete machine factories, operators, and government entities. During the reporting period, we realized fast growth in the grid-side energy storage, commercial and industrial energy storage and BMS segments, and made breakthroughs for inverter angle customers, and launched some new products, including hydraulic cooling all-in-one unit, PV power generation, energy storage and charging cloud, BMS of the new generation for commercial and industrial energy storage. The product power continued to increase. The energy storage demand is huge in the context of global energy transition. We will continue to provide multi-scenario integrated energy storage solutions and digitalization based upgrading for these sectors to accelerate the process of energy transition.

We realized a revenue of RMB 280 million in the new energy vehicle sector, with a year-on-year growth rate of 14.43%. The growth rates in the PV power generation, energy storage and charging segment and the core components for intelligent driver assistance were high. We attach importance to the development of autonomous and controllable technologies, continuously improve the product platform, have launched certified new products for DC charging piles, AC charging piles and chargers according to market demands, research on multi-scenario PV power generation, energy storage and charging integrated solutions, and have implemented multiple solutions for the PV power generation, energy storage and charging scenario in many provinces and cities across the country. Since our PV power generation, energy storage and charging cloud platform was launched, a total of 270,000 kWh was charge as of the end of the reporting period, an increase of 533% compared to the end of 2023.

During the reporting period, we realized a revenue of RMB 362 million from controller and component products, with a year-on-year growth rate of 31.39%, a fast growth, and a revenue of RMB 678 million from complete machine and system, with a year-on-year growth rate of 6.11%.

4. Industrial control sector: In the first half of 2024, we realized a sales revenue of RMB 156 million, with a year-on-year growth rate of 13.82%, where the year-on-year growth rate of servo drive and motor system was 16%. We mainly provide PLC, motion control cards, stepper/servo drives, motors and other core components for downstream automation equipment and industrial robots, as well as motion control solutions based on industry processes, which are widely used in such sectors as 3C electronics, industrial robot, medical equipment, PV

equipment, semiconductor equipment, adhesive dispensing, engraving, SMT, etc.

Industrial control sector: The automation market is maturing, and the market is transiting from rapid growth to a steady market. 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 the key sectors and key customers, we achieved substantial revenue growth in such sectors as 3C, harness, engraving, adhesive dispensing, clothing, etc., and the sales volume of servo products increased by more than 30% on a year-on-year basis.

Robot sector: We have developed the core component products and technologies for controller and algorithm, coreless motor, servo drive, battery, etc., and our products, including controller, battery pack, BMS, motor and integrated solution, have been applied in industrial robots, rail-mounted robots for medical purposes, mowing robots and cleaning robots. We have the first-mover advantages of early deployment, top technology in China and a large share in the segment of coreless motor. During the reporting period, we actively confirmed the needs of local humanoid robot customers, completed the prototype production, sent samples to some top customers, and actively developed market opportunities in humanoid robots, low-altitude economy and other fields.

(II) During the reporting period, we realized a net profit of RMB 373 million after deducting non-recurring profits and losses, with a year-on-year growth rate of 46.85%, and a net profit attributable to parent company of RMB 389 million, with a year-on-year growth rate of 50.68%. The main reasons are as follows:

1. Improved profitability: In the first half of 2024, the economic sentiment indexes of the industry that we operate recovered and the supply-demand environment was friendly. By further reducing the cost and improving the efficiency of the old businesses, and improving the comprehensive profitability through technological innovation and adding new products, we achieved a combined gross margin of 23.90% during the reporting period, an increase of 2.32% on a year-on-year basis, and the gross margin of several sectors all increased on a year-on-year basis. The gross profit rate of export in the first half of the year also benefited from the slight depreciation of China Yuan.

2. Three period expenses (selling expenses, R&D expenses, and management expenses): The total amount of the three period expenses increased by approximately RMB 98 million on a year-on-year basis, mainly due to investment for new businesses and new markets. The R&D expenses increased by approximately RMB 71 million on a year-on-year basis, mainly due to investment for the development of new products, accelerated integration and application of AI, IOT, 5G and other technologies, and quicker R&D of new businesses and new technologies; the selling expenses increased by approximately RMB 38 million on a year-on-year basis, mainly due to the increased expenses for domestic and overseas exhibition fees for market development and for new business and market development in the first half of the year; the management expenses decreased by RMB 11 million on a year-on-year basis, mainly due to the optimized internal management, improved operation efficiency and other measures of the Company.

(III) During the reporting period, we realized a net cash flow of RMB 470 million from operating activities, decreased by 10.9% on a year-on-year basis. The main reasons are as follows:

In the 1st and 2nd quarters, the net cash flows from operating activities were RMB 99 million and RMB 371 million respectively, with a quarter-on-quarter growth rate of 272.82% in the 2nd quarter. The net cash flow of the 1st quarter was mainly due to our increased raw material payments for increased demands; in the 2nd quarter, our payments for raw materials and for employee remunerations both decreased, leading to a substantial increase in the net cash flow from operating activities on a quarter-on-quarter basis.

(IV) Progress of overseas bases:

In the first half of the year, the total revenue from our overseas bases in Vietnam, India, Mexico and Romania was RMB 1.011 billion, with a year-on-year growth rate of 72.65%. The percentage of the revenue from overseas bases in the total revenue increased to 20.16%, and that in the revenue from export sales increased to 31.19%.

Year-on-year changes in major financial metrics

Unit: RMB

	Reporting period	Same period previous year	Year-on-year increase/decrease	Reason for change
Operating income	5,015,785,165.59	4,256,121,153.72	17.85%	
Operating cost	3,817,211,001.65	3,337,826,833.15	14.36%	
Selling expenses	180,788,131.47	143,034,445.61	26.39%	Compared with the same period of last year, it increased by RMB 37.75 million during the reporting period, an increase of 26.39%. This was mainly due to the increase in remunerations of employees for new business development during the reporting period, as well as the increase in travel expenses, exhibition fees and advertising expenses incurred for market development.
Management expenses	190,587,638.62	201,474,565.60	-5.40%	Compared with the same period of last year, it decreased by RMB 10.89 million during the reporting period, a decrease of 5.40%. It was mainly due to the optimized internal management and improved operation efficiency of the Company and the absence of equity incentive expenses during the reporting period compared with the same period of last year.
Finance expenses	-28,781,584.15	-50,992,475.24	43.56%	Compared with the same period of last year, it increased by RMB 22.21 million during the reporting period, an increase of 43.56%. It was mainly due to the decreased gains from foreign exchange during the reporting period compared with the same period of last year.
Income tax expenses	36,778,573.81	6,043,729.44	508.54%	Compared with the same period of last year, it increased by RMB 30.73 million during the reporting period, an increase of 508.54%. It was mainly due to the income tax expense for the increased profit during the reporting period.
R&D investment	455,397,817.14	388,935,143.31	17.09%	Compared with that at beginning of period, it increased by RMB 66.46 million during the reporting period, an increase of 17.09%. It was mainly due to the increased investment for the key strategic projects such as frequency variable control system, energy storage inverter, charging pile, and C&I energy storage BMS, etc.
Net cash flow from operating activities	470,314,174.67	527,842,471.18	-10.90%	Compared with the same period of last year, it decreased by RMB 57.53 million during the reporting period, a decrease of 10.90%. It was mainly due to the increased payments for remunerations and cash payments during the reporting period.
Net cash flow from investment activities	-313,160,118.83	-468,657,578.93	33.18%	Compared with the same period of last year, it increased by RMB 155.5 million during the reporting period, an increase of 33.18%. It was mainly due to the decrease in cash payments for purchasing long-term assets during the reporting period compared with the same period of last year.
Net cash flow	-120,296,374.28	284,893,844.15	-142.22%	Compared with the same period of last year, it decreased

from financing activities				by RMB 405.19 million during the reporting period, a decrease of 142.22%. It was mainly due to the increased cash payments for borrowings repayment during the reporting period.
Net increase in cash and cash equivalents	78,953,413.52	358,617,037.74	-77.98%	Compared with the same period of last year, it decreased by RMB 279.66 million during the reporting period, a decrease of 77.98%. It was mainly due to the decrease in net cash flows from financing activities:

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

Applicable Not applicable

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

Composition of operating income

Unit: RMB

	Reporting period		Same period previous year		Year-on-year increase/decrease
	Amount	Proportion in operating income	Amount	Proportion in operating income	
Total operating income	5,015,785,165.59	100%	4,256,121,153.72	100%	17.85%
By industry					
Intelligent control electronics industry	5,015,785,165.59	100.00%	4,256,121,153.72	100.00%	17.85%
By product					
Power tools	1,958,638,686.77	39.05%	1,620,045,611.60	38.06%	20.90%
Home appliances	1,772,717,316.12	35.34%	1,500,351,397.24	35.25%	18.15%
New energy	1,039,957,148.27	20.73%	914,360,730.57	21.48%	13.74%
Industry	155,602,830.56	3.10%	136,712,993.99	3.21%	13.82%
Intelligent solutions and others	88,869,183.87	1.77%	84,650,420.32	1.99%	4.98%
By region					
Domestic	1,777,778,390.12	35.44%	1,634,215,062.54	38.40%	8.78%
Overseas	3,238,006,775.47	64.56%	2,621,906,091.18	61.60%	23.50%

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 income	Operating cost	Gross profit rate	Increase/decrease of operating income over the same period of last year	Increase/decrease of operating costs over the same period of last year	Increase/decrease of gross profit rate over the same period of last year
By industry						
Intelligent control electronics industry	5,015,785,165.59	3,817,211,001.65	23.90%	17.85%	14.36%	2.32%
By product						

Power tools	1,958,638,686.77	1,476,432,898.03	24.62%	20.90%	19.12%	1.12%
Home appliances	1,772,717,316.12	1,362,701,938.28	23.13%	18.15%	13.91%	2.86%
New energy	1,039,957,148.27	803,710,510.83	22.72%	13.74%	8.56%	3.69%
By region						
Domestic	1,777,778,390.12	1,412,106,339.80	20.57%	8.78%	6.28%	1.87%
Overseas	3,238,006,775.47	2,405,104,661.85	25.72%	23.50%	19.71%	2.35%

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 during 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	2,025,727.35	0.48%	Mainly investment incomes from financial products purchased during the reporting period	No
Asset impairment loss	21,090,974.63	-4.95%	Provision for decline in the inventory value made	No
Non-operating income	1,739,303.34	0.41%	Customer default compensations and various fines	No
Non-operating expenses	5,563,887.00	1.31%	Mainly losses on scrapping of non-current asset and quality deductions by customers	No
Impairment losses on credit	-7,181,453.97	-1.68%	Mainly accounts receivable, bad debt provision accrued	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/decrease of proportion	Explanation of major changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary capital	1,601,763,206.84	13.33%	1,550,450,889.82	13.86%	-0.53%	No significant changes
Accounts receivable	2,674,255,585.49	22.25%	2,431,773,877.56	21.74%	0.51%	No significant changes
Inventory	1,847,349,634.73	15.37%	1,653,816,715.51	14.79%	0.58%	No significant changes
Investment property	101,985,215.34	0.85%	103,404,402.85	0.92%	-0.07%	No significant changes

Long-term equity investment	37,614,643.25	0.31%	37,748,179.30	0.34%	-0.03%	No significant changes
Fixed assets	2,327,328,836.76	19.36%	2,102,862,886.72	18.80%	0.56%	No significant changes
Construction in progress	527,629,047.04	4.39%	568,107,950.65	5.08%	-0.69%	No significant changes
Right-of-use assets	91,208,911.39	0.76%	101,446,985.74	0.91%	-0.15%	No significant changes
Short-term loans	328,398,035.22	2.73%	279,348,750.00	2.50%	0.23%	No significant changes
Contractual liabilities	172,851,052.12	1.44%	168,681,571.89	1.51%	-0.07%	No significant changes
Long-term loans	505,888,984.86	4.21%	437,747,877.47	3.91%	0.30%	No significant changes
Lease liabilities	55,996,796.93	0.47%	61,429,811.03	0.55%	-0.08%	No significant changes

2. Major overseas assets

Applicable Not applicable

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	586,483,931.77	Pune, India	R&D, production and sales	Financial supervision and external audit	42,469,097.16	9.16%	No
Vietnam Dong Nai Operation Center	Investment and establishment	889,524,666.33	Dong Nai Province, Vietnam	R&D, production and sales	Financial supervision and external audit	163,820,976.26	13.89%	No
Other disclosures	None							

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
Financial assets								
1. Tradable financial assets (excluding derivative financial assets)	656,704,087.16		243,585,487.17		936,047,600.68	885,430,333.27	-1,370,000.00	705,951,354.57
4. Other equity instrument investments	41,192,950.00							41,192,950.00
Subtotal of financial assets	697,897,037.16		243,585,487.17		936,047,600.68	885,430,333.27	-1,370,000.00	747,144,304.57
Total of the above	697,897,037.16		243,585,487.17		936,047,600.68	885,430,333.27	-1,370,000.00	747,144,304.57
Financial liabilities	0.00							0.00

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

Refer to Section X Financial Report, VII. Notes to Items in Consolidated Financial Statements, 31. Assets with limited ownership or use right for details.

VI. Investment analysis

1. General situation

Applicable Not applicable

Investment during the reporting period (RMB)	Investment amount in the same period of last year (RMB)	Range of change
0.00	40,000,000.00	-100.00%

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

1) Derivative investments for hedging during the reporting period

Applicable Not applicable

Unit: RMB ten thousand

Types of derivatives investment	Initial investment amount	Beginning 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	10,644.08	9,917.28	0	0	726.8	9,917.28	726.8	0.11%
Total	10,644.08	9,917.28	0	0	726.8	9,917.28	726.8	0.11%
Explanation of accounting policies and specific accounting principles for hedging business during the	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							

reporting period, as well as whether there have been significant changes compared to the last reporting period	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 during the reporting period	The amount of our foreign exchange derivative transactions credited to the current actual profits and losses during the reporting period is RMB 155,200.
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
Risk analysis and control measures of derivatives positions during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	<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.
Changes in market price or fair value of products of the invested derivatives during the reporting period, and the disclosure of specific	Determine changes in fair value based on market quotes from external financial institutions.

methods used and relevant assumptions and parameters set in the analysis of the fair value of derivatives	
Litigation (if applicable)	Not applicable
Disclosure date of Board of Directors announcement for approval of derivatives investment (if any)	January 5, 2024

2) Derivative investments for speculation during the reporting period

Applicable Not applicable

We had no derivative investments for speculation during the reporting period.

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	Net amount of raised funds	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	57,300.00	56,543.65	8,741.98	56,543.65	8,241.59	8,241.59	14.38%	0	Not applicable	0
2021	Non-public offering of shares	105,000.00	103,684.71	9,577.86	96,911.87	0	69,144.83	65.85%	6,772.84	Temporary replenishment and deposit in the special account	0

										for raised capitals	
Total	--	162,300.00	160,228.36	18,319.84	153,455.52	8,241.59	77,386.42	47.68%	6,772.84	--	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. Used amount and balance of raised funds in the first half of 2024

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

As of June 30, 2024, the cumulative input amount of the raised funds was RMB 565.4365 million, including RMB 456.7858 million of raised funds directly input, RMB 26.2348 million repayment for input before the raised funds were fully funded, and RMB 82.4159 million permanently supplemented as working capital from the balance raised fund after settlement of the fund raising projects.

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

As of June 30, 2024, the cumulative input amount of the raised funds was RMB 969.1187 million, including RMB 748.1943 million of raised funds directly input, RMB 45.3987 million repayment for input before the raised funds were fully funded, and RMB 175.5257 million of raised fund investment projects paid with banker's acceptance and fund raising projects input with equal amount of raised funds. As of June 30, 2024, RMB 63 million of idle raised funds was used for temporary supplementation of working capital; as of June 30, 2024, the balance amount in the raised fund account was RMB 6.1031 million (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	48,302.06	500.39	48,302.06	100.00%	Already put into operation	-1,307.13	No	No
Topband Huizhou No. 2 Industrial Park Project	Yes	73,684.71	4,539.87	0	4,539.87	100.00%	Not applicable	Not applicable	Not applicable	No

Topband Nantong Industrial Park Phase - I Stage - 1 Project (Lithium Battery)	Yes		61,000	9,577.86	54,227.17	88.90%	Partially put into operation	Not applicable	Not applicable	No
Replenish the Company's working capital	No	30,000	46,386.42	8,241.59	46,386.42	100.00%	Not applicable	Not applicable	Not applicable	No
Subtotal of committed investment projects	--	160,228.36	160,228.36	18,319.84	153,455.52	--	--	-1,307.13	--	--
Investment direction of over raised capitals										
None										
Total	--	160,228.36	160,228.36	18,319.84	153,455.52	--	--	-1,307.13	--	--
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")	Topband East China Operation Center: The project has been accepted and put into production gradually. At present, the production capacity is on the way up, and due to the adjustment of production capacity distribution, some production capacities have been moved to the overseas bases in Vietnam and Mexico.									
Explanation of major changes in project feasibility	No									
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 Proposal on Changing the Implementation Method, Implementation Subject and Implementation Location of Some Raised Funds Investment Projects was deliberated and passed in the 18th meeting of the 7th Board of Directors of the Company, approving the Company to change the implementation subject, implementation location and implementation method of the lithium-ion battery business in the planned raised funds investment 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	Applicable									
	Changes occurred in previous years									

of investment projects with raised capitals	<p>1. On January 8, 2022, the Proposal on Changing the Implementation Method, Implementation Subject and Implementation Location of Some Raised Funds Investment Projects was deliberated and passed in the 18th meeting of the 7th Board of Directors of the Company, approving the Company to change the implementation subject and implementation method of the lithium-ion battery business in the planned raised funds investment 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 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> <p>3. On September 7, 2023, the Proposal on Changing the Purpose of Some Raised Funds to Permanent Supplementary Working Capital was deliberated and passed in the 37th meeting of the 7th Board of Directors and the 30th meeting of the 7th Board of Supervisors of the Company, approving the Company to change the purpose of the balance of the raised funds from the non-publicly offered shares for the Topband Huizhou No. 2 Industrial Park Project (Motor Project) in 2021 to permanent supplementary working capital, and the balance amount of RMB 81.4483 million (excluding interest incomes) shall permanently supplement the working capital for daily operation activities of the Company.</p> <p>4. According to the Proposal on Closing and Permanent Supplementation of Working Capital with the Balance of the Raised Funds of the Topband East China Operation Center Project deliberated and passed in the 9th meeting of the 8th Board of Director, the 6th meeting of the 8th Board of Supervisors and the 2023 Annual General Meeting of Shareholders, the purpose of the balance of the raised funds for the "Topband East China Operation Center Project" through public offering of convertible bonds in 2019 shall be changed to permanent supplementary working capital, and after settlement of the fund raising projects, the balance amount RMB 90.7948 million (including interest incomes and financing incomes, subject to the balance of interests settled by the bank on the date of transfer out) of the fund raising projects after settlement shall permanently supplement the working capital for daily operation activities of the Company.</p> <p>All the above changes have been deliberated and passed in the General Meeting of Shareholders.</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. As of August 1, 2019, the Company has completed the displacement of the self-raised funds input earlier.</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. As of June 10, 2021, the Company has completed the displacement of the self-raised funds input earlier.</p> <p>The Board of Supervisors, Independent Directors and Sponsor Institutions of the Company all expressed their clear consent on the matter.</p>
Temporary replenishment of working capital with idle capitals raised	<p>Applicable</p> <p>On December 1, 2023, the Proposal on Using Some Idle Raised Funds to Temporarily Supplement Working Capital was deliberated and passed in the 30th meeting of the 7th Board of Directors, approving the Company to use no more than RMB 220 million idle raised funds to temporarily supplement the working capital for a period no more than 12 months. As of June 30, 2024, RMB 63 million has been used to temporarily supplement the working capital.</p> <p>Both the Board of Supervisors of the Company and the sponsors have expressed clear agreement on the matter.</p>
Amount and reasons of the balance of raised capitals in project implementation	<p>Applicable</p> <p>1. The 2019 Convertible Bonds Public Offering Fund Raising Project has been accepted, and the balance amount of the raised funds is RMB 82.416 million.</p> <p>2. Reason for the balance of the raised funds: During the implementation of the relevant fund raising investment project, the Company strictly followed the relevant regulations on the use of the raised funds, and on the premise of ensuring the project quality and reasonably controlling risks, prudently used the raised funds and strengthened the control, supervision and management of the costs in all aspects to reasonably reduce the project costs. In addition, due to the limitation period of fund payments and other reasons, the Company contributed part of its own funds in the construction of the fund raising investment project. Therefore, there is a balance for the raised funds.</p> <p>3. The Proposal on Closing and Permanent Supplementation of Working Capital with the Balance of the Raised Funds of the Topband East China Operation Center Project was deliberated and passed in the 9th meeting of the 8th Board of Directors on March 25, 2024 and the 2023 Annual General Meeting of Shareholders on April 17, 2024, approving the Company to settle the fund raising investment project "Topband East China Operation Center Project" and to permanently supplement the working capital of the Company with the balance of the raised funds.</p>

Purpose and whereabouts of unused raised capitals	1. On December 1, 2023, the Proposal on Using Some Idle Raised Funds to Temporarily Supplement Working Capital was deliberated and passed in the 4th (Extraordinary) Meeting of the 8th Board of Directors, approving the Company to use no more than RMB 220 million idle raised funds to temporarily supplement the working capital for a period no more than 12 months. As of June 30, 2024, RMB 63 million has been used to temporarily supplement the working capital. Both the Board of Supervisors of the Company and the sponsors have expressed clear agreement on the matter.2. Other unused raised funds shall be deposited in the special raised fund account of the Company.
Problems or other situations in the usage and disclosure of raised capitals	None

(3) Change of projects with raised capitals

Applicable Not applicable

Unit: RMB ten thousand

Project after change	Corresponding original committed project	Total amount of raised funds to be input by the project after change (1)	Actual input amount during the reporting period	Actual cumulative input amount as of end of the period (2)	Investment progress as of 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	Whether the feasibility of the project after change is subject to a major change
Topband Nantong Industrial Park Phase - I Stage - 1 Project (Lithium Battery)	Topband Huizhou No. 2 Industrial Park Project (Lithium-ion Battery Project)	61,000	9,577.86	54,227.17	88.90%	Partially put into operation	Not applicable	Not applicable	No
Replenish the Company's working capital	Topband Huizhou No. 2 Industrial Park Project (Motor Project)	38,144.83		38,144.83	100.00%	Not applicable	Not applicable	Not applicable	No
Replenish the Company's working capital	Topband East China Operation Center	8,241.6	8,241.6	8,241.6	100.00%	Not applicable	Not applicable	Not applicable	No
Total	--	107,386.43	17,819.46	100,613.6	--	--	Not applicable	--	--
Reason for change, decision-making procedure and information disclosure (by specific projects)	<p>1. In January 2022, due to the fast development of the lithium-ion battery business of the Company in recent years and the strong demands of the downstream market, the Company formerly planned to procure lands and build a plant building to promote the lithium-ion battery project, with a construction period of 2 years, while the Nantong Lithium-ion Battery Project of the Company purchased an existing plant building with infrastructure construction completed, which can greatly shorten the construction period of the project. In order to promote the expansion of the lithium-ion battery business as soon as possible to fully seize the market opportunities of the lithium-ion battery industry and new energy industry, improve the market competitiveness and business performance of the Company and use the raise funds more efficiently, after comprehensive evaluation, the Company planned to change the implementation subject, implementation location and implementation method of the original fund raising investment project for the lithium-ion battery business.</p> <p>The Proposal on Changing the Implementation Method, Implementation Subject and Implementation Location of Some Raised Funds Investment Projects was deliberated and passed in the 18th (Extraordinary) Meeting of the 7th Board of Directors of the Company, the 15th (Extraordinary) Meeting of the 7th Board of Supervisors and the 1st Extraordinary General Meeting of Shareholders in 2022, approving the Company to change the implementation subject,</p>								

	<p>implementation method and implementation location of the lithium-ion battery business in the non-public offering fund raising investment project in 2021.</p> <p>2. In August 2022, because the Administrative Committee of Nantong Economic & Technological Development Area changed the overall planning for the implementation location of the "Topband Nantong Industrial Park Phase - I Stage - 1 Project", and in consideration of the utilization efficiency of the raised funds, the progress of the fund raising investment project and business development requirements of the Company, the Company decided to give up purchasing the use right of the relevant asset after consulting with the Administrative Committee, change the implementation method and implementation location of the fund raising investment project, and procure the land use right of approximately 250 mu in Nantong Economic & Technological Development Area with raised funds and its own funds for its construction of the "Topband Nantong Industrial Park Phase - I Stage - 1 Project (Lithium Battery)".</p> <p>The Proposal on Re-changing the Implementation Method, Implementation Subject and Implementation Location of Some Raised Funds Investment Projects was deliberated and passed in the 27th (Extraordinary) Meeting of the 7th Board of Directors of the Company, the 22nd (Extraordinary) Meeting of the 7th Board of Supervisors and the 2nd Extraordinary General Meeting of Shareholders in 2022, approving the Company to change the implementation method and implementation location of the lithium-ion battery business in the non-public offering fund raising investment project in 2021.</p> <p>3. In September 2023, based on the overall planning and construction period of the Topband Huizhou No. 2 Industrial Park and the market demand of the motor project, the implementation of the motor project was continued in the "Topband Huizhou No. 2 Industrial Park". The initial estimated capital investment of the project can hardly cover the overall project requirement of the Topband Huizhou No. 2 Industrial Park, or to meet the requirements of the construction period of the motor project. At the same time, extending the construction period will make it more difficult to meet the future market demand of the motor project. In order to cope with the complex and changing market environment, the Company had supplemented its own funds to its mature industrial parks in Shenzhen and Vietnam to realize an annual production capacity of 3.5 million sets of high-efficiency motors, so as to quickly seize market opportunities. Later on, the Company will continue to monitor the market environment, dynamically adjust the deployment, and continue to input its own funds into project construction, to ensure the market competitiveness of the Company in the motor sector. Therefore, the Company changed the purpose of the funds raised for the "Topband Huizhou No. 2 Industrial Park (Motor Project)", and used the raised funds and corresponding interest incomes to permanently supplement the working capital.</p> <p>On September 7, 2023, the Proposal on Changing the Purpose of Some Raised Funds to Permanent Supplementary Working Capital was deliberated and passed in the 37th meeting of the 7th Board of Directors, the 30th meeting of the 7th Board of Supervisors and the 2nd Extraordinary General Meeting of Shareholders in 2023 of the Company.</p> <p>4. In April 2024, in order to improve the utilization efficiency of the raised funds, save finance expenses and improve the operation performance of the Company, the Company carried out the settlement of the "Topband East China Operation Center Project" for fund raising via public offering of convertible bonds in 2019, and changed the purpose of the balance of the raised funds to permanent supplementary working capital.</p> <p>The Proposal on Closing and Permanent Supplementation of Working Capital with the Balance of the Raised Funds of the Topband East China Operation Center Project was deliberated and passed in the 9th meeting of the 8th Board of Directors on March 25, 2024, the 6th meeting of the 8th Board of Directors and the 2023 Annual General Meeting of Shareholders on April 17, 2024.</p> <p>5. The Company has disclosed the above contents in strict accordance with the information disclosure requirements.</p>
Failure to fulfill the planned schedule or estimated revenue, and its cause (by projects)	Not applicable
Major change to the feasibility of the project after the change	Not applicable

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 income	Operating profit	Net profit
Huizhou Topband Electrical Technology Co., Ltd.	Subsidiary	R&D, production, sales, import and export of electronic components	300 million	4,464,206,640.14	2,139,419,993.88	3,479,150,735.40	211,356,827.04	184,900,359.21
TOPBAND SMART DONG NAI (VIETNAM) COMPANY LIMITED	Subsidiaries	R&D, production, sales, import and export of electronic components	USD 33.5 million	889,524,666.33	606,939,339.88	658,556,060.10	180,109,069.09	163,820,976.26

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 export revenue of the Company accounted for nearly 60% of the total revenue. In order to cope with the fluctuation risk of China Yuan, the Company will mitigate and hedge foreign exchange risks through hedging against China Yuan, international procurement, and repricing of new products.

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.

XI. Implementation of "Double Improvement of Return on Quality" Action Plan

Whether the Company disclosed the "Double Improvement of Return on Quality" Action Plan.

Yes No

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
2023 Annual General Meeting of Shareholders	Annual General Meeting of Shareholders	20.48%	2024/4/17	2024/4/18	1. Deliberated and passed the Proposal on Annual Report 2023 and Summary 2. Deliberated and passed the Proposal on Final Financial Report 2023 3. Deliberated and passed the Proposal on Profit Distribution Plan 2023 4. Deliberated and passed the Proposal on Work Report of the Board of Directors 2023 5. Deliberated and passed the Proposal on Work Report of the Board of Supervisors 2023 6. Deliberated and passed the Proposal on Remuneration of the Company Directors 2023 7. Deliberated and passed the Proposal on Remuneration of the Company Supervisors 2023 8. Deliberated and passed the Proposal on Application for Comprehensive Credit Line from Banks by the Company and Its Subsidiaries in 2024 9. Deliberated and passed the Proposal on Closing and Permanent Supplementation of Working Capital with the Balance of the Raised Funds of the Topband East China Operation Center Project

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

The directors, supervisors and senior management of the Company did not change during the reporting period, as detailed in the Annual Report 2023.

III. Profit distribution and conversion of capital accumulation fund to share capital during 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 dimission 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 17, 2021, as reviewed and verified by Shenzhen Stock Exchange and Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (CSDC), the Company completed the granting of 187,054 million restricted shares (new shares) and the granting and registration of 14,838,920 restricted shares (repurchased shares) involved in the 2021 Restricted Share Incentive Plan. The above shares were publicly 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/share to RMB 7.18/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 3rd 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 12, 2023, part of the release conditions of the first restricted share trade period stipulated in the 2021 Restricted Share Incentive Plan of the Company was fulfilled, and the Company held the 32nd meeting of the 7th Board of Directors on March 29, 2023, in which, the Proposal on Fulfillment of Restricted Share Release Conditions after the First Restricted Share Trade Period in the 2021 Restricted Share Incentive Plan was deliberated and passed. Upon fulfillment of the release conditions of the first restricted share trade period set in the 2021 Incentive Plan of the Company, 9,351,936 restricted shares were released, accounting for 0.7366% of the total equity of the Company, and covering 1,109 persons under the Incentive Plan. There is no difference between relevant contents of the 2021 Incentive Plan implemented and the Incentive Plan disclosed.

(15) On April 25, 2023, the Proposal on Adjusting the Repurchase Price in the 2021 Restricted Share Option Incentive Plan was deliberated and passed in the 33rd meeting of the 7th Board of Directors and the 28th meeting of the 7th Board of Supervisors. 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.

(16) On September 7, 2023, the Proposal on the Repurchase and Deregistration of Some Restricted Shares in the 2021 Restricted Share Incentive Plan was deliberated and passed in the 37th meeting of the 7th Board of Directors and the 30th meeting of the 7th Board of Supervisors. As 65 incentive objects covered by the 2021 Restricted Share Incentive Plan, including Wang Lin, Sun Liangquan, etc., had quit for personal reasons and left the Company, they no longer meet the incentive object conditions given in the Incentive Plan, and it is approved to repurchase and deregister the 1,062,600 restricted shares granted to those 65 incentive objects but not yet released. The above matter has been deliberated and passed in the 2nd Extraordinary General Meeting of Shareholders in 2023.

(17) On November 16, 2023, as reviewed and verified by Shenzhen Branch of CSDC, the repurchase and

deregistration of the 1,933,260 restricted shares granted to 104 former employees who had quit, including Li Chaoyi, Wang Caizhi, Ding Bo, etc., and to 4 employees whose restricted shares were not released due to their performance appraisal in the first period, including Tang Yingjie, Shi Wenhui (quit), etc. were completed. The number of incentive objects covered by the 2021 Restricted Share Incentive Plan was reduced from 1,148 to 1,044, and the total equity of the Company was reduced from 1,269,535,372 shares to 1,267,602,112 shares.

(18) On December 1, 2023, the Proposal on Terminating the Implementation of the 2021 Restricted Share Incentive Plan and on the Repurchase and Deregistration of Restricted Shares was deliberated and passed in the 4th (Extraordinary) Meeting of the 8th Board of Directors and the 3rd (Extraordinary) Meeting of the 8th Board of Supervisors, approving to repurchase and deregister 270,900 restricted shares that had been granted to 20 incentive objects who had quit for personal reasons, including Shen Haibin, Wang Sifu, etc., but not yet exercised, at the price of RMB 7.12/share; approving to repurchase and deregister 20,496,224 restricted shares that had been granted to 1,024 in-service incentive objects but not yet released for trade, at the price of RMB 7.35/share (to be rounded off, and the amount to be paid shall be subject to the actual amount calculated). The above matters had been deliberated and passed on the 3rd Extraordinary General Meeting of Shareholders in 2023.

(19) On April 24, 2024, according to relevant provisions of the Measures for the Administration of Equity Incentive Plans of Listed Companies and the Incentive Plan (Revised Draft), all the restricted shares that had been granted but not yet released for trade, 20,767,124 shares in total, accounting for 1.64% of the total equity (1,267,602,112 shares) of the Company, shall be repurchased and deregistered. The Company totally paid RMB 152,477,057.64 for repurchasing the shares from the incentive objects who had quit. As reviewed and verified by Shenzhen Branch of CSDC, the above repurchase and deregistration matters were completed on April 24, 2024. After the repurchase and deregistration, the total equity of the Company was reduced from 1,267,602,112 shares to 1,246,834,988 shares.

For details about the 2021 Restricted Share Incentive Plan, refer to the disclosure announcements of the Company on the Securities Times and <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, April 26, 2023, September 9, 2023, November 16, 2023, December 2, 2023 and April 26, 2024.

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 during 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 standing	Fulfill the commitment strictly
Commitments made during the initial public offering or refinancing	All directors and senior executives of the Company	Other commitments	<p>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.</p> <p>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.</p> <p>3. I would strictly abide by the relevant laws and regulations, the regulations and rules of the China Securities Regulatory Commission, 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 Company's assets to engage in investment and consumption activities</p>	2020/4/29	On-going	Fulfill the commitment strictly

			<p>unrelated to the performance of my duties.</p> <p>4. I would try my best to make the Company implement the compensation demand return measures.</p> <p>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).</p> <p>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).</p> <p>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 China Securities Regulatory Commission. 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>			
Commitments made during the initial public offering or refinancing	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</p>	2020/4/29	On-going	Fulfill the commitment strictly

			<p>the Company's interests under any circumstances.</p> <p>2. I would try my best to make the Company implement the compensation demand return measures.</p> <p>3. 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.</p> <p>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.</p> <p>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).</p> <p>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.</p> <p>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 China Securities Regulatory Commission. 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	Yes					

fulfilled on schedule	
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 during 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 semi-annual financial reports have been audited

Yes No

The semi-annual reports of the Company have not been audited.

V. Explanation of the "non-standard audit report" of the Accounting Firm during 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

The Company was not subject to any penalty or rectification during the reporting period.

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 3, 2024, the Proposal on the Conclusion of a Procurement Framework Agreement with Shenzhen Jizhiguang Electronics Co., Ltd. was deliberated and passed in the 5th meeting of the 8th Board of Directors of the Company; 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 was 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 2024	January 5, 2024	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

Disclosure of lease

Refer to VII. 82 in Section X.

Item with profits and losses reaching 10% of the total profit of the Company during the reporting period

Applicable Not applicable

The Company had no lease item with profits and losses reaching 10% of the total profit of the Company 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	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
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
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Guarantee of the subsidiary 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
Huizhou YAKO Automation	2023/1/11	20,000	2023/1/16	3,000	Joint liability guaranty			3 years from maturity date of debts of guaranteed parties	No	No
Huizhou YAKO Automation	2023/1/11		2023/4/24	1,200	Joint liability guaranty			3 years from maturity date of debts of guaranteed parties	No	No
Huizhou YAKO Automation	2023/1/11		2023/6/29	2,000	Joint liability guaranty			3 years from maturity date of debts of guaranteed parties	No	No
Huizhou YAKO Automation	2023/1/11		2023/7/31	1,200	Joint liability guaranty			3 years from maturity date of debts of guaranteed parties	No	No
Huizhou YAKO Automation	2023/1/11		2023/8/29	1,779.74	Joint liability guaranty			3 years from maturity date of debts of guaranteed parties	No	No

Huizhou YAKO Automation	2023/1/11		2024/1/8	1,500	Joint liability guaranty			3 years from maturity date of debts of guaranteed parties	No	No
Huizhou YAKO Automation	2023/1/11		2024/1/31	1,685.98	Joint liability guaranty			3 years from maturity date of debts of guaranteed parties	No	No
Huizhou YAKO Automation	2023/1/11		2024/3/28	1,500	Joint liability guaranty			3 years from maturity date of debts of guaranteed parties	No	No
Huizhou YAKO Automation	2023/1/11		2024/5/8	1,250.82	Joint liability guaranty			3 years from maturity date of debts of guaranteed parties	No	No
Huizhou YAKO Automation	2023/1/11		2024/5/28	450.21	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)				Total actual amount of guarantee for subsidiaries during the reporting period (C2)						6,387.01
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)						15,566.75
Total amount of the corporate guarantee (i.e. the sum of the first three items)										
Total amount of guarantees approved during the reporting period (A1+B1+C1)				Total incurred amount of actual guarantees provided during the reporting period (A2+B2+C2)						6,387.01
Total amount of guarantee approved at the end of the reporting period (A3+B3+C3)		20,000		Total actual balance of guarantee at the end of the reporting period (A4+B4+C4)						15,566.75
The proportion of the total actual amount of guarantee (A4+B4+C4) in the Company's net assets				2.43%						

Explanation of details of complex guarantee

None.

3. Finance management agentApplicable 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	93,604.76	35,711.89	0	0
Total		93,604.76	35,711.89	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

Name of company concluded the contract	Name of counterparty	Contract object	Conclusion date	Pricing principle	Transaction price (RMB 10,000)	Whether a related party transaction	Related party transaction	Implementation status as of the end of the reporting period	Date of disclosure	Reference for disclosure
Topband	China Tower Corporation Limited	LFP battery products for backup power	2022/8/26	Tendering and bidding	52,421.09	No	Not applicable	Implementation completed	2022/7/28	CNINFO (http://www.cninfo.com.cn)
Topband	China Tower Corporation Limited	LFP battery products for backup power	2024/2/21	Tendering and bidding	34,004.84	No	Not applicable	In progress	2024/2/21	CNINFO (http://www.cninfo.com.cn)

XIII. Explanation of other major mattersApplicable Not applicable

1. Share repurchase

On January 23, 2024, the Proposal on Topband Shares Repurchase Plan was deliberated and passed in the 6th (Extraordinary) Meeting of the 8th Board of Directors of the Company, stating that the Company plans to repurchase its shares at a price no more than RMB 13.00/share (inclusive) through centralized bidding with its own fund no less than RMB 30 million and no more than RMB 50 million in total, for the employee shareholding program or optional incentive, and the term for such share repurchase is 12 months from the date on which the Share Repurchase Plan was deliberated and passed in the 6th (Extraordinary) Meeting of the 8th Board of Directors of the Company. On February 5, 2024, the Proposal on Changing the Total Repurchase Amount in the Topband Shares Repurchase Plan was deliberated and passed in the 7th (Extraordinary) Meeting of the 8th Board of Directors of the Company, to change the total amount for repurchasing shares given in the Proposal on Topband Shares Repurchase Plan deliberated and passed in the 6th (Extraordinary) Meeting of the 8th Board of Directors of the Company from "no less than RMB 30 million and no more than RMB 50 million" to "no less than RMB 80 million and no more than RMB 150 million", while other clauses concerning the repurchase method, term of implementation, repurchase price, etc. in the Shares Repurchase Plan remain unchanged.

As of June 30, 2024, the Company has repurchased 10,342,300 shares through centralized bidding via the special stock account for the repurchase, accounting for 0.83% of the total equity of the Company, for which, a cumulative total of RMB 82,347,338.00 (excluding transaction fees) was paid, with the highest transaction price at RMB 9.15/share and the lowest transaction price at RMB 6.34/share.

For specific details, refer to the relevant disclosure announcements of the Company on the Securities Times and <http://www.cninfo.com.cn> on January 24, 2024, January 29, 2024, January 30, 2024, February 2, 2024, February 6, 2024, March 1, 2024, April 2, 2024, May 7, 2024, June 4, 2024 and July 2, 2024.

2. Termination of carveout of a subsidiary for listing on ChiNext of Shenzhen Stock Exchange

On March 11, 2024, the Proposal on Terminating the Carveout of a Subsidiary for Listing on ChiNext of Shenzhen Stock Exchange was deliberated and passed in the 8th meeting of the 8th Board of Directors of the Company, approving to terminate the carveout of a subsidiary, Shenzhen YAKO Automation Technology Co., Ltd., for listing on ChiNext of Shenzhen Stock Exchange.

Refer to the relevant announcements of the Company on the Securities Times and <http://www.cninfo.com.cn> on March 12, 2024 for details.

3. Acquisition of minority shareholder equity of holding subsidiary

On March 11, 2024, the Proposal on Planning the Acquisition of Minority Shareholder Equity of A Holding Subsidiary was deliberated and passed in the 8th meeting of the 8th Board of Directors of the Company, approving the Company to acquire all the equity, 28.46% in total, held by Zhu Juzhong, Yanxun Investment and Yanyun Investment in YAKO Automation.

On May 29, 2024, the Proposal on Acquiring Remaining Equity of YAKO Automation was deliberated and passed in the 11th meeting of the 8th Board of Directors of the Company, and a decision was made to acquire 28.46% equity of YAKO Automation with RMB 165.068 million in cash. On May 29, 2024, the Company entered into an Equity Transfer Agreement with Mr. Zhu Juzhong, a shareholder of YAKO Automation, Shenzhen Yanxun Investment Enterprise (Limited Partnership) and Shenzhen Yanyun Investment Enterprise (Limited Partnership). After completion of the transaction, the Company will hold 100% equity of YAKO Automation.

Refer to the relevant announcements of the Company on the Securities Times and <http://www.cninfo.com.cn> on March 12, 2024 and May 50, 2024 respectively for details.

XIV. Major matters of subsidiaries of the Company

Applicable Not applicable

Section VII Share Change and Shareholders

I. Share change

1. Share change

Unit: Share

	Before this change		Increase/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	223,936,357	17.67%	0	0	0	-48,503,066	-48,503,066	175,433,291	14.07%
1. Shares held by the state		0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned legal persons		0.00%	0	0	0	0	0	0	0.00%

3. Shares held by other domestic capital	223,858,657	17.66%	0	0	0	-48,425,366	-48,425,366	175,433,291	14.07%
Including: shares held by domestic legal persons		0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic natural person	223,858,657	17.66%	0	0	0	-48,425,366	-48,425,366	175,433,291	14.07%
4. Shares held by foreign investment	77,700	0.01%	0	0	0	-77,700	-77,700	0	0.00%
Including: shares held by overseas legal persons		0.00%	0	0	0	0	0	0	0.00%
Shares held by overseas natural persons	77,700	0.01%	0	0	0	-77,700	-77,700	0	0.00%
II. Shares with unlimited tradable conditions	1,043,665,755	82.33%	0	0	0	27,735,942	27,735,942	1,071,401,697	85.93%
1. A shares	1,043,665,755	82.33%	0	0	0	27,735,942	27,735,942	1,071,401,697	85.93%
2. Domestic listed foreign shares		0.00%	0	0	0	0	0	0	0.00%
3. Overseas listed foreign shares		0.00%	0	0	0	0	0	0	0.00%
4. Others		0.00%	0	0	0	0	0	0	0.00%
III. Total number of shares	1,267,602,112	100.00%	0	0	0	-20,767,124	-20,767,124	1,246,834,988	100.00%

Reasons for share change

Applicable Not applicable

The changes in the equity of the Company during the reporting period were due to the repurchase and deregistration of 20,767,124 restricted shares.

Approval of share change

Applicable Not applicable

The Company implemented the following decision-making procedure for the repurchase and deregistration of the restricted shares.

On December 1, 2023, the Proposal on Terminating the Implementation of the 2021 Restricted Share Incentive Plan and on the Repurchase and Deregistration of Restricted Shares was deliberated and passed in the 4th (Extraordinary) Meeting of the 8th Board of Directors and the 3rd (Extraordinary) Meeting of the 8th Board of Supervisors, approving to repurchase and deregister 270,900 restricted shares that had been granted to 20 incentive objects who had quit for personal reasons, including Shen Haibin, Wang Sifu, etc., but not yet exercised, at the price of RMB 7.12/share; approving to repurchase and deregister 20,496,224 restricted shares that had been granted to 1,024 in-service incentive objects but not yet released for trade, at the price of RMB 7.35/share (to be rounded off,

and the amount to be paid shall be subject to the actual amount calculated). The above matters had been deliberated and passed on the 3rd Extraordinary General Meeting of Shareholders in 2023.

The Company totally paid RMB 152,477,057.64 for repurchasing the shares from the above incentive objects who had quit. Baker Tilly China Certified Public Accountants (Special General Partnership) checked the registered capital of the Company, and issued a Capital Verification Report (TZYZ [2024] No. 32338). As reviewed and verified by Shenzhen Branch of CSDC, the above repurchase and deregistration matters were completed on April 24, 2024. After the repurchase and deregistration, the total equity of the Company was reduced from 1,267,602,112 shares to 1,246,834,988 shares.

Transfer of share change

Applicable Not applicable

Implementation progress of share repurchase

Applicable Not applicable

On January 23, 2024, the Proposal on Topband Shares Repurchase Plan was deliberated and passed in the 6th (Extraordinary) Meeting of the 8th Board of Directors of the Company, stating that the Company plans to repurchase its shares at a price no more than RMB 13.00/share (inclusive) through centralized bidding with its own fund no less than RMB 30 million and no more than RMB 50 million in total, for the employee shareholding program or optional incentive, and the term for such share repurchase is 12 months from the date on which the Share Repurchase Plan was deliberated and passed in the 6th (Extraordinary) Meeting of the 8th Board of Directors of the Company. On February 5, 2024, the Proposal on Changing the Total Repurchase Amount in the Topband Shares Repurchase Plan was deliberated and passed in the 7th (Extraordinary) Meeting of the 8th Board of Directors of the Company, to change the total amount for repurchasing shares given in the Proposal on Topband Shares Repurchase Plan deliberated and passed in the 6th (Extraordinary) Meeting of the 8th Board of Directors of the Company from "no less than RMB 30 million and no more than RMB 50 million" to "no less than RMB 80 million and no more than RMB 150 million", while other clauses concerning the repurchase method, term of implementation, repurchase price, etc. in the Shares Repurchase Plan remain unchanged.

As of June 30, 2024, the Company has repurchased 10,342,300 shares through centralized bidding via the special stock account for the repurchase, accounting for 0.83% of the total equity of the Company, for which, a cumulative total of RMB 82,347,338.00 (excluding transaction fees) was paid, with the highest transaction price at

RMB 9.15/share and the lowest transaction price at RMB 6.34/share.

For specific details, refer to the relevant disclosure announcements of the Company on the Securities Times and <http://www.cninfo.com.cn> on January 24, 2024, January 29, 2024, January 30, 2024, February 2, 2024, February 6, 2024, March 1, 2024, April 2, 2024, May 7, 2024, June 4, 2024 and July 2, 2024.

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 shares at the beginning of the period	Desterilization number of non-tradable shares in the current period	Increase number of non-tradable shares in the current period	Number of non-tradable shares at the end of the period	Reasons for non-trading	Date of lifting sales restriction
Wu Yongqiang	159,006,536	0		159,006,536	Executives lock-in shares	Not applicable
Ji Shuhai	27,318,642	27,318,642		0	Executives lock-in shares	On March 25, 2024, the restriction was lifted 6 months after expiration of the term of office.
Ma Wei	6,713,200	431,200		6,282,000	Executives lock-in shares	On April 24, 2024, the repurchase and deregistration of 2021 restricted shares of the Company were completed.
Peng Ganquan	3,852,674	280,000		3,572,674	Executives lock-in shares	On April 24, 2024, the repurchase and deregistration of 2021 restricted shares of the Company were completed.
Zheng Sibin	4,752,727	373,100		4,379,627	Executives lock-in shares	On April 24, 2024, the repurchase and deregistration of 2021 restricted shares of the Company were completed.

Wen Zhaohui	2,078,345	128,100		1,950,245	Executives lock-in shares	On April 24, 2024, the repurchase and deregistration of 2021 restricted shares of the Company were completed.
Dai Huijuan	239,709	0		239,709	Executives lock-in shares	Not applicable
Xiang Wei	417,300	417,300		0	Executives lock-in shares	On March 13, 2024, the restriction was lifted 6 months after expiration of the term of office.
Luo Muchen	37,500	35,000		2,500	Executives lock-in shares	On April 24, 2024, the repurchase and deregistration of 2021 restricted shares of the Company were completed.
Incentive objects of restricted stock incentive plan	19,519,724	19,519,724		0	Stock-option-incentive restricted stocks	On April 24, 2024, the repurchase and deregistration of 2021 restricted shares of the Company were completed.
Total	223,936,357	48,503,066	0	175,433,291	--	--

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		84,412	Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any) (see Note 8)		0			
Shareholding status of common shareholders holding more than 5% shares or top 10 common shareholders (excluding shares lent via refinancing)								
Name of shareholder	Nature of shareholders	Proportion of shareholding	Number of ordinary shares held at the end of the reporting period	Changes in increase/decrease during 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	17.00%	212,008,715	0	159,006,536	53,002,179	Pledge	38,860,000
Ji Shuhai	Domestic natural person	2.19%	27,318,642	0	0	27,318,642	Not applicable	0
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	2.09%	26,047,248	2,607,847	0	26,047,248	Not applicable	0
Xie Renguo	Domestic natural person	1.97%	24,619,688	3,518,700	0	24,619,688	Not applicable	0
ONLINK INDUSTRIAL (HK) LIMITED	Domestic non-state-owned legal person	0.73%	9,120,100	743,700	0	9,120,100	Not applicable	0

AMCM - self-own funds	Overseas legal person	0.70%	8,708,206	-9,331,600	0	8,708,206	Not applicable	0
Ma Wei	Domestic natural person	0.68%	8,519,734	-431,200	6,282,000	2,237,734	Not applicable	0
Zhong Mingyu	Domestic natural person	0.67%	8,374,857	354,000	0	8,374,857	Not applicable	0
Kuwait Investment Authority	Overseas legal person	0.64%	7,940,693	-9,097,600	0	7,940,693	Not applicable	0
Orient Securities Co., Ltd. - Zhonggeng Value Pioneer Type Securities Investment Fund	Others	0.62%	7,760,400	7,760,400	0	7,760,400	Not applicable	0
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)	The special account of the Company for the repurchase is the securities account of Shenzhen Topband Co., Ltd. especially for share repurchase. By way of centralized bidding, the Company repurchased 21,790,100.00 shares in total through the special securities account, accounting for 1.75% of the total equity issued by the Company at present.							
Shareholding status of top 10 common shareholders without restriction conditions (excluding shares lent via refinancing and locked shares held by executives)								
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					
Ji Shuhai	27,318,642	A shares	27,318,642					
Hong Kong Securities Clearing Company Ltd.	26,047,248	A shares	26,047,248					
Xie Renguo	24,619,688	A shares	24,619,688					
ONLINK (HK) INDUSTRIAL LIMITED	9,120,100	A shares	9,120,100					
AMCM - self-own funds	8,708,206	A shares	8,708,206					
Zhong Mingyu	8,374,857	A shares	8,374,857					
Kuwait Investment Authority	7,940,693	A shares	7,940,693					
Orient Securities Co., Ltd. - Zhonggeng Value Pioneer Type Securities Investment Fund	7,760,400	A shares	7,760,400					
New China Life Insurance Co., Ltd. - Traditional-Common Insurance Product - 018L-CT001 Shen	7,499,978	A shares	7,499,978					
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	Not applicable							

shareholders	
Explanation of the participation of the top 10 ordinary shareholders in securities margin trading (if any) (see Note 4)	Mr. Xie Renguo, a shareholder, holds 16,538,603 shares through a credit securities account.

Participation in lending shares via refinancing by shareholders holding over 5% shares, top 10 shareholders and top 10 circulating share shareholders without restriction

Applicable Not applicable

Unit: Share

Participation in lending shares via refinancing by shareholders holding over 5% shares, top 10 shareholders and top 10 circulating share shareholders without restriction								
Name of shareholder (full name)	Shares held through general account and credit account at beginning of period		Shares lent through refinancing at beginning of period and not yet returned		Shares held through general account and credit account at the end of the period		Shares lent through refinancing at the end of the period and not yet returned	
	Total number	Percentage in total equity	Total number	Percentage in total equity	Total number	Percentage in total equity	Total number	Percentage in total equity
AMCM - self-own funds	18,039,806	1.42%	876,200	0.07%	8,708,206	0.70%	192,700	0.02%

Changes from prior period due to lending via refinancing/return of shares by top 10 shareholders and top 10 circulating share shareholders without restriction

Applicable Not applicable

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

No agreed repurchase transaction was conducted by the top 10 common shareholders and top 10 common shareholders without restriction conditions of the Company during the reporting period.

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	212,008,715	0	0	0
Zheng Sibin	Director and deputy general manager	Incumbent	6,336,970		373,100	5,963,870	373,100	0	0
Ma Wei	Director and deputy general manager	Incumbent	8,950,934		431,200	8,519,734	431,200	0	0
Peng Ganquan	Director and deputy general manager	Incumbent	5,136,900		280,000	4,856,900	280,000	0	0
Li Xumeng	Independent director	Incumbent	0		0	0	0	0	0
Chen Zhengxu	Independent director	Incumbent	0		0	0	0	0	0
Qin Wei	Independent director	Incumbent	0		0	0	0	0	0
Wen Zhaohui	Deputy General Manager and Secretary of the Board of Directors	Incumbent	2,771,127		128,100	2,643,027	128,100	0	0
Luo Muchen	Chief financial officer	Incumbent	50,000		35,000	15,000	35,000	0	0
Dai Huijuan	Supervisor	Incumbent	319,612		0	319,612	0	0	0
Kang Weiquan	Supervisor	Incumbent	0		0	0	0	0	0
Chen Jinzhou	Supervisor	Incumbent	0		0	0	0	0	0
Total	--	--	235,574,258	0	1,247,400	234,326,858	1,247,400	0	0

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 semi-annual reports have been audited

Yes No

The semi-annual financial reports 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, 2024

Unit: RMB

Items	Ending balance	Beginning balance
Current assets:		
Monetary capital	1,601,763,206.84	1,550,450,889.82
Settlement of provisions		
Lending funds		
Tradable financial assets	705,951,354.57	656,704,087.16
Derivative financial assets		
Notes receivable	77,997,557.44	54,198,392.53
Accounts receivable	2,674,255,585.49	2,431,773,877.56
Receivables financing	302,159,864.75	278,520,642.22
Prepayments	51,430,889.79	44,088,068.53
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	36,971,780.83	36,524,343.36
Including: interest receivable		
Dividends receivable		
Repurchase of financial assets for resale		
Inventory	1,847,349,634.73	1,653,816,715.51
Including: data resources		
Contract assets		

Assets held for sale		
Non-current assets due within one year		
Other current assets	219,691,147.74	213,212,927.49
Total current assets	7,517,571,022.18	6,919,289,944.18
Non-current assets:		
Loans and advances granted		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investment	37,614,643.25	37,748,179.30
Other equity instrument investment	41,192,950.00	41,192,950.00
Other non-current financial assets		
Investment property	101,985,215.34	103,404,402.85
Fixed assets	2,327,328,836.76	2,102,862,886.72
Construction in progress	527,629,047.04	568,107,950.65
Productive biological assets		
Oil and gas assets		
Right-of-use assets	91,208,911.39	101,446,985.74
Intangible assets	652,179,956.69	607,110,895.95
Including: data resources		
Development expenditure	82,908,232.13	134,191,614.89
Including: data resources		
Goodwill	110,732,042.84	110,732,042.84
Long-term deferred expenses	163,611,343.06	182,804,408.10
Deferred tax assets	168,935,524.91	155,039,996.53
Other non-current assets	196,364,678.33	120,187,135.05
Total non-current assets	4,501,691,381.74	4,264,829,448.62
Total assets	12,019,262,403.92	11,184,119,392.80
Current liabilities:		
Short-term loans	328,398,035.22	279,348,750.00
Loan from the Central Bank		
Borrowed funds		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	1,462,800,767.21	927,833,178.70
Accounts payable	2,063,045,855.42	1,957,626,396.34
Advances received	3,527,349.78	2,808,227.54
Contractual liabilities	172,851,052.12	168,681,571.89
Financial assets sold for repurchase		
Deposit absorption and interbank deposit		
Acting trading securities		

Acting underwriting securities		
Employee compensation payable	169,554,450.89	243,267,783.13
Taxes payable	80,071,803.27	92,374,605.57
Other account payable	268,554,442.45	151,341,029.40
Including: interest payable		
Dividends payable		
Service charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	361,445,125.35	370,623,598.03
Other current liabilities	60,377,622.16	32,561,693.03
Total current liabilities	4,970,626,503.87	4,226,466,833.63
Non-current liabilities		
Insurance contract reserve		
Long-term loans	505,888,984.86	437,747,877.47
Bonds payable		
Including: preferred shares		
Perpetual capital securities		
Lease liabilities	55,996,796.93	61,429,811.03
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	9,351,017.56	11,146,292.42
Deferred tax liabilities	73,105,967.14	77,730,856.81
Other non-current liabilities		
Total non-current liabilities	644,342,766.49	588,054,837.73
Total liabilities	5,614,969,270.36	4,814,521,671.36
Owner's equity:		
Share capital	1,246,834,988.00	1,246,834,988.00
Other equity instruments		
Including: preferred shares		
Perpetual capital securities		
Capital reserves	2,132,631,591.66	2,212,629,919.51
Minus: treasury shares	194,780,122.84	112,426,101.24
Other comprehensive income	-22,005,828.47	11,932,029.41
Special reserves		
Surplus reserves	219,446,936.59	219,446,936.59
General risk provision		
Retained earnings	3,021,825,518.13	2,706,499,696.23

Total owner's equity attributable to the parent company	6,403,953,083.07	6,284,917,468.50
Minority shareholders' equity	340,050.49	84,680,252.94
Total owners' equity	6,404,293,133.56	6,369,597,721.44
Total liabilities and owners' equity	12,019,262,403.92	11,184,119,392.80

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	Ending balance	Beginning balance
Current assets:		
Monetary capital	702,625,752.19	564,655,392.19
Tradable financial assets	448,132,886.74	449,502,886.74
Derivative financial assets		
Notes receivable	32,214,590.46	21,283,544.89
Accounts receivable	1,365,638,215.99	1,255,501,213.69
Receivables financing	181,507,545.76	187,096,121.14
Prepayments	12,363,512.35	9,934,227.02
Other receivables	345,934,589.72	359,906,911.54
Including: interest receivable		
Dividends receivable		
Inventory	439,362,321.12	144,733,773.21
Including: data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,396,632.19	6,508,120.43
Total current assets	3,529,176,046.52	2,999,122,190.85
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investment	4,154,461,865.33	3,987,403,182.73
Other equity instrument investment		
Other non-current financial assets		
Investment property		
Fixed assets	173,466,752.08	168,610,949.25
Construction in progress	12,827,126.91	12,393,132.55
Productive biological assets		

Oil and gas assets		
Right-of-use assets	17,384,531.63	9,098,366.55
Intangible assets	182,746,643.36	160,674,130.76
Including: data resources		
Development expenditure	60,195,344.62	83,523,254.86
Including: data resources		
Goodwill		
Long-term deferred expenses	14,013,822.33	15,656,340.48
Deferred tax assets	50,180,733.21	44,367,498.96
Other non-current assets	14,505,254.42	9,641,839.34
Total non-current assets	4,679,782,073.89	4,491,368,695.48
Total assets	8,208,958,120.41	7,490,490,886.33
Current liabilities:		
Short-term loans	100,000,000.00	204,133,333.33
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	1,302,497,751.98	1,136,576,558.75
Accounts payable	755,994,544.76	242,320,060.42
Advances received		
Contractual liabilities	79,772,492.42	95,017,210.64
Employee compensation payable	96,427,778.93	134,992,084.62
Taxes payable	26,624,958.38	17,927,120.33
Other account payable	720,111,551.36	470,481,715.23
Including: interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	307,226,425.00	307,665,202.21
Other current liabilities	20,431,071.34	11,806,507.10
Total current liabilities	3,409,086,574.17	2,620,919,792.63
Non-current liabilities		
Long-term loans	31,000,000.00	
Bonds payable		
Including: preferred shares		
Perpetual capital securities		
Lease liabilities	10,389,634.06	1,591,379.57
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	3,118,693.56	3,806,112.42
Deferred tax liabilities	33,512,139.45	32,635,559.80
Other non-current liabilities		
Total non-current liabilities	78,020,467.07	38,033,051.79

Total liabilities	3,487,107,041.24	2,658,952,844.42
Owner's equity:		
Share capital	1,246,834,988.00	1,246,834,988.00
Other equity instruments		
Including: preferred shares		
Perpetual capital securities		
Capital reserves	2,254,729,914.19	2,254,729,914.19
Minus: treasury shares	194,780,122.84	112,426,101.24
Other comprehensive income		
Special reserves		
Surplus reserves	219,418,418.13	219,418,418.13
Retained earnings	1,195,647,881.69	1,222,980,822.83
Total owners' equity	4,721,851,079.17	4,831,538,041.91
Total liabilities and owners' equity	8,208,958,120.41	7,490,490,886.33

3. Consolidated Income Statement

Unit: RMB

Items	First half of 2024	2023 Half-year Statements
I. Total operating income	5,015,785,165.59	4,256,121,153.72
Including: operating income	5,015,785,165.59	4,256,121,153.72
Interest income		
Premium earned		
Service charge and commission income		
II. Total operating cost	4,578,211,459.86	3,972,666,304.82
Including: operating cost	3,817,211,001.65	3,337,826,833.15
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	29,865,374.27	24,032,385.59
Selling expenses	180,788,131.47	143,034,445.61
Management expenses	190,587,638.62	201,474,565.60
R&D expenses	388,540,898.00	317,290,550.11
Finance expenses	-28,781,584.15	-50,992,475.24
Including: interest expenses	28,863,971.32	19,596,648.04
Interest income	15,326,718.58	15,720,869.63
Plus: other income	21,414,975.09	17,194,559.29

Investment income (loss indicated by "-")	2,025,727.35	-3,244,186.21
Including: income from investment in associated enterprises and joint ventures	-133,536.05	-941,734.97
Derecognized gains from financial assets measured at amortized cost		
Exchange gain (loss indicated by "-")		
Net gain from exposure hedges (loss indicated by "-")		
Gain from fair-value changes (loss indicated by "-")		-6,041,282.00
Loss from credit impairment (loss indicated by "-")	-7,181,453.97	-2,376,908.52
Loss from asset impairment (loss indicated by "-")	-21,090,974.63	-23,666,214.06
Gain from disposal of assets (loss indicated by "-")	-2,580,837.22	-1,279,902.83
III. Operating profit (loss indicated by "-")	430,161,142.35	264,040,914.57
Plus: non-operating income	1,739,303.34	4,591,331.07
Minus: non-operating expenses	5,563,887.00	4,250,758.69
IV. Total profit (total loss indicated by "-")	426,336,558.69	264,381,486.95
Minus: income tax expense	36,778,573.81	6,043,729.44
V. Net profit (net loss indicated by "-")	389,557,984.88	258,337,757.51
(I) Classification according to business continuity		
1. Net profit on continuing operations (net loss indicated by "-")	389,557,984.88	258,337,757.51
2. Net profit on discontinued operations (net loss indicated by "-")		
(II) Classification according to ownership		
1. Net profit attribute to shareholders of parent company (net loss indicated by "-")	388,828,515.18	258,040,692.16
2. Profit/loss attributable to minority shareholders (net loss indicated by "-")	729,469.70	297,065.35
VI. Net after-tax amount of other comprehensive income	-33,937,857.88	60,692,638.82
Net after-tax amount of other comprehensive income attributable to the owner of the parent company	-33,937,857.88	60,692,638.82
(I) Other comprehensive income that cannot be reclassified into profits and losses		
1. Re-measurement of changes in the defined benefit plans		
2. Other comprehensive income not available for transferring to profits and 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	-33,937,857.88	60,692,638.82
1. Other comprehensive income that can be transferred into profits and 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	-33,937,857.88	60,692,638.82
7. Others		
Net after-tax amount of other comprehensive income attributed to the minority of shareholders		

VII. Total comprehensive income	355,620,127.00	319,030,396.33
Total consolidated income attributable to the owners of the parent company	354,890,657.30	318,733,330.98
Total consolidated income attributable to minority shareholders	729,469.70	297,065.35
VIII. Earnings per share:		
(I) Basic earnings per share	0.31	0.20
(II) Diluted earnings per share	0.31	0.20

In case of business merger involving enterprises under the same control in the current period, the net profit realized by the merged party before the merger is: RMB 0.00, and the net profit realized by the merged party in the prior period is: RMB 0.00.

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	First half of 2024	2023 Half-year Statements
I. Operating income	2,408,336,475.85	2,251,996,133.85
Minus: operating cost	1,950,338,909.54	1,906,539,875.63
Taxes and surcharges	8,506,336.53	5,560,404.09
Selling expenses	116,036,258.24	90,986,205.50
Management expenses	96,839,658.18	97,211,587.17
R&D expenses	222,191,120.63	156,684,225.51
Finance expenses	-24,745,298.32	-30,562,740.37
Including: interest expenses	8,930,422.33	8,774,186.09
Interest income	7,037,069.58	6,279,923.28
Plus: other income	12,305,323.68	6,469,767.96
Investment income (loss indicated by "-")	470,417.09	336,904.82
Including: income from investment in associated enterprises and joint ventures	-9,317.40	-40,895.19
Recognized gain of financial assets calculated based on amortized cost at the end of the period (loss indicated by "-")		
Net gain from exposure hedges (loss indicated by "-")		
Gain from fair-value changes (loss indicated by "-")		-6,041,282.00
Loss from credit impairment (loss indicated by "-")	-3,339,018.66	-1,870,859.80
Loss from asset impairment (loss indicated by "-")	-5,513,253.27	-1,949,576.95
Gain from disposal of assets (loss indicated by "-")	-83,340.41	104,514.76
II. Operating profit (loss indicated by "-")	43,009,619.48	22,626,045.11
Plus: non-operating income	191,262.62	422,626.97
Minus: non-operating expenses	1,961,918.17	788,989.26
III. Total profit (total loss indicated by "-")	41,238,963.93	22,259,682.82
Minus: income tax expense	-4,930,788.21	-9,738,580.52

IV. Net profit (net loss indicated by "-")	46,169,752.14	31,998,263.34
(I) Net profit on continuing operations (net loss indicated by "-")	46,169,752.14	31,998,263.34
(II) Net profit on discontinued operations (net loss indicated by "-")		
V. Net after-tax amount of other comprehensive income		
(I) Other comprehensive income that cannot be reclassified into profits and losses		
1. Re-measurement of changes in the defined benefit plans		
2. Other comprehensive income not available for transferring to profits and 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 and 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	46,169,752.14	31,998,263.34
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Cash Flow Statement

Unit: RMB

Items	First half of 2024	2023 Half-year Statements
I. Cash flow from operating activities:		
Cash received from sales of goods or rendering of services	4,987,452,982.82	4,469,184,753.48
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	282,746,532.49	218,867,332.07

Other cash received related to operating activities	71,969,813.90	67,492,756.77
Subtotal of cash inflow from operating activities	5,342,169,329.21	4,755,544,842.32
Cash paid for purchasing goods and accepting labor services	3,517,455,046.31	3,128,270,632.34
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	986,965,195.81	810,553,360.68
Tax payments	160,449,258.75	113,547,827.98
Other cash paid in connection with operating activities	206,985,653.67	175,330,550.14
Subtotal of cash outflow from operating activities	4,871,855,154.54	4,227,702,371.14
Net cash flow from operating activities	470,314,174.67	527,842,471.18
II. Cash flow from investing activities:		
Cash received from investment recovery	320,623,714.10	41,535,369.30
Cash received as return on an investment	6,726,780.63	465,610.97
Net cash recouped from disposal of fixed assets, intangible assets, and other long-term assets	706,000.00	3,048,022.16
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investment activities	2,235,246.36	
Subtotal of cash inflow from investment activities	330,291,741.09	45,049,002.43
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	276,431,701.74	444,995,875.67
Cash paid for investment	359,752,158.18	68,710,705.69
Net increase in pledged loans		
Net cash obtained from subsidiaries and other business units		
Other cash paid related to investment activities	7,268,000.00	
Subtotal of cash outflow from investment activities	643,451,859.92	513,706,581.36
Net cash flow from investment activities	-313,160,118.83	-468,657,578.93
III. Cash flow from financing activities:		
Cash received from absorbing investment		
Including: cash received by subsidiaries' absorption of minority shareholders' investment		
Cash received from loan	837,696,102.40	885,000,000.00
Other cash received relating to financing activities	5,021,283.53	3,101,583.74
Subtotal of cash inflow from financing activities	842,717,385.93	888,101,583.74
Cash paid for repayments of debts	727,060,000.01	481,310,000.00
Cash paid to distribute dividends, profits or pay interest	98,468,158.57	91,887,916.38
Including: dividends and profits paid by subsidiaries to minority shareholders		
Other cash paid related to financing activities	137,485,601.63	30,009,823.21
Subtotal of cash outflow from financing activities	963,013,760.21	603,207,739.59
Net cash flow from financing activities	-120,296,374.28	284,893,844.15

IV. Impact of exchange rate fluctuations on cash and cash equivalents	42,095,731.96	14,538,301.34
V. Net increase in cash and cash equivalents	78,953,413.52	358,617,037.74
Plus: balance of cash and cash equivalents at the beginning of the period	1,494,743,705.76	1,374,281,693.23
VI. Balance of cash and cash equivalents at the end of the period	1,573,697,119.28	1,732,898,730.97

6. Cash flow statement of the parent company

Unit: RMB

Items	First half of 2024	2023 Half-year Statements
I. Cash flow from operating activities:		
Cash received from sales of goods or rendering of services	2,174,049,368.22	2,377,904,756.11
Refund of tax and levies	122,565,220.28	107,900,631.47
Other cash received related to operating activities	1,370,428,415.47	912,529,650.38
Subtotal of cash inflow from operating activities	3,667,043,003.97	3,398,335,037.96
Cash paid for purchasing goods and accepting labor services	1,580,535,393.06	1,865,163,048.56
Cash paid to and for employees	422,141,949.13	362,203,603.62
Tax payments	23,631,911.02	17,241,561.23
Other cash paid in connection with operating activities	1,186,205,200.13	947,072,850.31
Subtotal of cash outflow from operating activities	3,212,514,453.34	3,191,681,063.72
Net cash flow from operating activities	454,528,550.63	206,653,974.24
II. Cash flow from investing activities:		
Cash received from investment recovery	200,000,000.00	
Cash received as return on an investment	1,949,141.49	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	14,235,246.36	
Subtotal of cash inflow from investment activities	216,184,387.85	697,800.00
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	59,832,583.11	64,993,076.30
Cash paid for investment	231,761,025.80	5,000,000.00
Net cash obtained from subsidiaries and other business units		
Other cash paid related to investment activities	7,268,000.00	
Subtotal of cash outflow from investment activities	298,861,608.91	69,993,076.30
Net cash flow from investment activities	-82,677,221.06	-69,295,276.30
III. Cash flow from financing activities:		
Cash received from absorbing investment		
Cash received from loan	131,000,000.00	230,000,000.00
Other cash received relating to financing activities		
Subtotal of cash inflow from financing activities	131,000,000.00	230,000,000.00
Cash paid for repayments of debts	200,000,000.00	10,000.00
Cash paid to distribute dividends, profits or pay interest	85,212,715.51	83,201,916.97

Other cash paid related to financing activities	88,026,170.65	9,876,571.83
Subtotal of cash outflow from financing activities	373,238,886.16	93,088,488.80
Net cash flow from financing activities	-242,238,886.16	136,911,511.20
IV. Impact of exchange rate fluctuations on cash and cash equivalents	22,503,553.14	1,042,806.27
V. Net increase in cash and cash equivalents	152,115,996.55	275,313,015.41
Plus: balance of cash and cash equivalents at the beginning of the period	530,273,423.70	394,701,442.83
VI. Balance of cash and cash equivalents at the end of the period	682,389,420.25	670,014,458.24

7. Consolidated statement of changes in owner's equity

Amount in the current period

Unit: RMB

Items	First half of 2024											Minority shareholders' equity	Total owners' equity		
	Owner's equity attributable to the parent company														
	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	Other equity instruments	Other equity instruments											
I. Ending balance of last year	1,246,834,988.00				2,212,629,919.51	112,426,101.24	11,932,029.41		219,446,936.59		2,706,499,696.23		6,284,917,468.50	84,680,252.94	6,369,597,721.44
Plus: changes in accounting policies															
Early error correction															
Others															
II. Beginning balance of the current year	1,246,834,988.00				2,212,629,919.51	112,426,101.24	11,932,029.41		219,446,936.59		2,706,499,696.23		6,284,917,468.50	84,680,252.94	6,369,597,721.44
III. Amount of changes in increase/decrease in the current period (decrease indicated by "-")					-79,998,327.85	82,354,021.60	-33,937,857.88				315,325,821.90		119,035,614.57	-84,340,202.45	34,695,412.12

Early error correction													
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/decrease in the current period (decrease indicated by "-")				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. Common share contribution from owners													
2. Capital contribution from other equity instrument holders													
3. Share-based payment recorded in owner's equity				33,143,382.77					33,143,382.77		33,143,382.77		
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. Appropriation of surplus reserve													
2. Accrual of general risk reserve													
3. Distribution to owner (or shareholder)								-75,861,250.32	-75,861,250.32		-75,861,250.32		
4. Others													
(IV) Internal carryover of owner's equity													

		shares	securities			income					
I. Ending balance of last year	1,246,834,988.00				2,254,729,914.19	112,426,101.24			219,418,418.13	1,222,980,822.83	4,831,538,041.91
Plus: changes in accounting policies											
Early error correction											
Others											
II. Beginning balance of the current year	1,246,834,988.00				2,254,729,914.19	112,426,101.24			219,418,418.13	1,222,980,822.83	4,831,538,041.91
III. Amount of changes in increase/decrease in the current period (decrease indicated by "-")						82,354,021.60				-27,332,941.14	-109,686,962.74
(I) Total comprehensive income										46,169,752.14	46,169,752.14
(II) Capital invested and reduced by owners						82,354,021.60					-82,354,021.60
1. Common share contribution from owners											
2. Capital contribution from other equity instrument holders											
3. Share-based payment recorded in owner's equity											
4. Others						82,354,021.60					-82,354,021.60
(III) Profit distribution										-73,502,693.28	-73,502,693.28
1. Appropriation of surplus reserve											
2. Distribution to owner (or shareholder)										-73,502,693.28	-73,502,693.28
3. Others											
(IV) Internal carryover of owner's equity											
1. Capital reserve transferred to paid-in capital (or equity)											

2. Surplus reserve transferred to paid-in capital (or equity)												
3. Recover of loss by surplus reserve												
4. Defined benefit plan changed amount carried forward to retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6. Others												
(V) Special reserves												
1. Accrual in the current period												
2. Utilization in the current period												
(VI) Others												
IV. Ending balance of the current year	1,246,834,988.00				2,254,729,914.19	194,780,122.84			219,418,418.13	1,195,647,881.69		4,721,851,079.17

Amount of prior year

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 equity	owners'
		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/decrease in the current period (decrease indicated by "-")					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. Common share contribution from owners												
2. Capital contribution from other equity instrument holders												
3. Share-based payment recorded in owner's equity					30,347,889.00							30,347,889.00
4. Others						-67,614,497.28						67,614,497.28
(III) Profit distribution										-75,861,250.32		-75,861,250.32
1. Appropriation of surplus reserve												
2. Distribution to owner (or shareholder)										-75,861,250.32		-75,861,250.32
3. Others												
(IV) Internal carryover of owner's equity												
1. Capital reserve transferred to paid-in												

capital (or equity)												
2. Surplus reserve transferred to paid-in capital (or equity)												
3. Recover of loss by surplus reserve												
4. Defined benefit plan changed amount carried forward to retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6. Others												
(V) Special reserves												
1. Accrual in the current period												
2. Utilization 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

III. Basic information of the Company

Shenzhen Topband Co., Ltd. (hereinafter referred to as the Company), former name: Shenzhen Topband Electronic Equipment Co., Ltd., was incorporated and registered at Shenzhen Municipal Administration of Industry & Commerce on February 9, 1996, and obtained the Enterprise Legal Person Business License (Registration No. 19241377-3). On January 10, 2001, after approval, Shenzhen Topband Electronic Equipment Co., Ltd. Was renamed to Shenzhen Topband Electronics & Technology Co., Ltd. On July 15, 2002, with the approval of the People's Government of Shenzhen Municipality by issuing the Reply on the Approval of the Reorganization and Establishment of Shenzhen Topband Electronics & Technology Co., Ltd. (SFG [2002] No. 24), Guangdong Province, it was agreed to reorganize Shenzhen Topband Electronics & Technology Co., Ltd. as a whole into a company limited by shares, with five shareholders as the promoter. On June 26, 2007, with the approval of China Securities Regulatory Commission by issuing the Notice on Approving the IPO of Shenzhen Topband Electronics & Technology Co., Ltd. (ZJH No. 2007135), Topband issued shares to the public and was listed on the Shenzhen Stock Exchange (stock code: 002139). The company name was changed to Shenzhen Topband Co., Ltd. In September 2009.

The registered address of the Company is F1, Topband Industrial Park Phase II, Keji Second Road, Tangtou Community, Shiyan Sub-district, Bao'an District, Shenzhen. The unified social credit identifier on the business license is 91440300192413773Q. The legal representative of the Company is Wu Yongqiang. As of June 30, 2024, the share capital was RMB 1,246,834,988.

The main business activities of the Company include: the research, development, production and sales of intelligent control system solutions, to provide customized solutions to home appliances, power tools, new energy and industry sectors with "four electrics and one network" (electric control, motor, battery, power and IoT platform) as the core.

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.

In addition, the financial report is prepared in accordance with the reporting and disclosure requirements of the Compilation Rules No. 15 for Information Disclosure by Companies Offering Securities to the Public - General Provisions on Financial Reports (Revised in 2023) issued by the China Securities Regulatory Commission.

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 2024.

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. Determination method and selection basis of importance criteria

Applicable Not applicable

Items	Criteria of importance
Accounts receivable on individual basis for material bad debt provision	The balance of individual accounts receivables and other accounts receivables at the end of the period is more than RMB 1 million
Important construction in progress	The amount of individual accounts receivable is over RMB 10 million

6. Accounting treatment for business merger involving enterprises under the same control and under different control

1. Accounting treatment for consolidation under the same control

The Company implements business merger involving enterprises under the same control through single or multiple transactions by steps, and the assets and liabilities obtained in business merger are accounted based on book value of the assets and liabilities of the merged 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.

Situation with equity disposal by steps through multiple transactions until the control of the subsidiary is lost:

(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.

7. Criteria of control and methods for preparation of consolidated financial statements

The consolidation scope of consolidated financial statements of the Company shall be determined based on control.

Control means that the Company has power over the invested party, enjoys variable returns by participating in related activities of the invested party, and has the ability to use its power over the invested party to influence the amount of returns. Related activities are those that have a significant impact on the return of the invested party. Related activities of the invested party shall be judged according to specific circumstances, and usually include the sale and purchase of goods or services, the management of financial assets, the purchase and disposal of assets,

research and development activities, and financing activities.

The Company determines whether it has control over the invested party on the basis of comprehensive consideration of all relevant facts and circumstances. Once changes in relevant facts and circumstances lead to changes in the relevant elements involved in the definition of control, the Company will re-evaluate.

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.

8. 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.

9. 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.

10. Foreign currency transaction and translation of foreign currency financial statements

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.

11. 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 and 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. For details about specific assessment of credit risks by the Company, refer to the Note "XI. 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 provision for impairment) 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) 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.

12. 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 its risk of overdue credit loss is low and 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 bad debts shall be accrued for the expected credit loss of accounts receivables according to the accounting policy.

13. 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, and reviewed the appropriateness of the provisions for bad debts receivables in previous years based on the Company's historical impairment losses on bad debt provision. 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. Therefore, the credit risk loss of the Company on accounts receivables is still estimated on the basis of aging according to the original loss ratio of the 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 provision for impairment 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 account 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.

14. 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.

15. Other accounts receivable

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.

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

For contract assets without material financing components (including cases in which financing components in contracts not exceeding one year are not taken into account in accordance with the standards) as specified in the Accounting Standards for Business Enterprises No. 14 - Income, the Company measures provisions for losses as per the amount of expected credit losses throughout the whole duration by using a simplified model for the expected credit loss. The increased or reversed amount of loss provisions generated therefrom shall be credited to the current profits and losses as impairment losses or gains.

For contract assets with material financing components, the Company measures provisions for losses as per the amount of expected credit losses throughout the whole duration by using a simplified model for the expected credit loss.

17. Inventory

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. Inventory system

Perpetual inventory system is the inventories.

4. Amortization of low value consumables and packaging materials

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

5. Determination criteria and accrual method of provision for impairment on inventories

On the balance sheet date, inventories are measured at the lower of cost and net realizable value, and provisions of impairment on inventories are accrued with the difference between the cost of single inventory and 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 selling 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, selling 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.

18. Assets held for sale

1. Determination criteria and accounting treatment of non-current assets or disposal group classified as held for sale

The Company classifies the group components (or non-current assets) as holding for sale if both of the following conditions are met: (1) in accordance with the practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under current conditions; (2) the sale is highly likely to occur, a sale plan has been agreed upon and a firm purchase commitment has been obtained (a firm purchase commitment is a legally binding purchase agreement between the enterprise and other parties that contains the major terms concerning the price and time of transaction, severe enough penalties for breach of contract, etc. that make it highly unlikely that the agreement will be materially adjusted or cancellation). It is expected the sale will be completed within one year. It has been approved by relevant authorities or regulatory authorities in accordance with relevant provisions.

The Company adjusts the estimated net residual value of assets held for sale to a net amount reflecting its fair value less selling expenses (but shall not exceed the original carrying value of the assets held for sale), the difference

between the original carrying value and the adjusted estimated net residual value is credited to the current profit and loss as an asset impairment loss, and at the same time, a provision for impairment is made for the assets held for sale. For the amount of asset impairment losses recognized for the disposal group held for sale, the carrying value of goodwill in the disposal group shall be offset first, and then the carrying value shall be offset proportionally according to the proportion of the carrying value of each non-current asset in the disposal group applicable to the measurement provisions of the standard.

If the net amount of the fair value of the non-current assets held for sale less the selling expenses increases on the subsequent balance sheet date, the amount previously written down shall be restored and reversed below the amount of asset impairment losses recognized after the assets are classified as holding for sale, and the amount reversed shall be credited to the current profits and losses. Impairment losses on assets recognized before they are classified as holding for sale cannot be reversed. If the net amount of the fair value of the disposal group held for sale less the selling expenses increases on the subsequent balance sheet date, the amount previously written down shall be restored and reversed below the amount of asset impairment losses recognized for the non-current assets applicable to the measurement provisions of the standard after the assets are classified as holding for sale, and the amount reversed shall be credited to the current profits and losses. The carrying value of goodwill that has been written off and the asset impairment losses recognized before the non-current assets are classified as holding for sale under the measurement provisions of the standard cannot be reversed. For the subsequent reversed amount of asset impairment losses recognized for the disposal group held for sale, the carrying value shall be increased proportionally according to the proportion of the carrying value of each non-current asset in the disposal group applicable to the measurement provisions of the standard, except goodwill. If an enterprise loses its control over a subsidiary due to the sale of its investment in the subsidiary, regardless of whether the enterprise retains part of the equity investment after the sale, it shall, when the investment in the subsidiary to be sold meets the classification conditions for holding for sale, classify the investment in the subsidiary as a whole as holding for sale in the individual financial statements of the parent company, and classify all assets and liabilities of the subsidiary as holding for sale in the consolidated financial statements.

2. Determination criteria and presentation of discontinued operations

Discontinued operations refer to a separable component of the enterprise that meets one of the following conditions and has been disposed of or classified as holding for sale: (1) the component represents a separate principal business or a separate principal operating region; (2) the component is part of an associated plan

concerning the disposal of a separate principal business or a separate principal operating region; (3) the component is a subsidiary acquired exclusively for resale.

The definition of discontinued operations includes the following three meanings:

(1) The discontinued operations shall be a component that can be separated by the enterprise. The operation and cash flows of this component can be clearly distinguished from the other components of the enterprise in its operation and in the preparation of financial statements.

(2) The discontinued operations shall have a certain scale. The discontinued operations shall represent a separate principal business or a separate principal operating region, or part of an associated plan concerning the disposal of a separate principal business or a separate principal operating region.

(3) The discontinued operations shall satisfy the given time requirement. A component that meets the definition of discontinued operations shall be in one of two situations, i.e. the component has been disposed of before the balance sheet date, including having been sold and discontinued (e.g. closure or scrapping); this component has been classified as holding for sale prior to the balance sheet date.

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 for 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 for 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 for impairment reserve shall be made accordingly based on the difference between the book value and the recoverable amount.

See Note III. (23)"Long-term Assets Impairment" for details about the methods for impairment testing and provision for impairment applicable to investment properties.

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.

(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	9.50
Transportation equipment	Straight-line method	5 years	5	19.00
Tooling	Straight-line method	5 years	5	19.00
Electronic equipment and other equipment	Straight-line method	5 years	5	19.00

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 construction in progress 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. Intangible assets

(1) Service life and its determination criteria, estimation, amortization method or review procedure

1. The intangible assets of the Company, including land use rights, software, patent rights and non-patented technologies, 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 signs 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 condition, the impairment tests shall be carried out every year, whether there are signs of impairment or not.

(2) Collection range of R&D expenditures and relevant accounting treatment

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.

30. 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 impairment of assets shall be made at the same time.

31. 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.

32. Contract 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.

33. Employee compensation

(1) Accounting treatment of short-term compensation

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.

34. Estimated liabilities

None.

35. 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.

36. Preferred shares, perpetual bonds and other financial instruments

None.

37. Revenue

Disclose accounting policies applied for revenue recognition and measurement by business type

1. Accounting policies applied 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 determines 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 recognizes revenues according to the following principles respectively.

When the Company meets one of the following conditions, it shall be performance obligations fulfilled in a certain period:

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.

For performance obligations fulfilled at a certain time point rather than in a certain period, the Company recognizes revenues 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.

(3) Revenue measurement

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, and consideration payable to customers as well as other factors.

① Variable consideration

The Company determines the optimal estimation of variable considerations based on the expected value or the most likely amount, but the transaction price including the variable consideration shall not exceed an amount that is highly unlikely to result in a material reversal of cumulative recognized revenue when the 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 Company. 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.

2. Specific policies of the Company for revenue recognition

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 advances received are 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.

Different revenue recognition and measurement methods for similar businesses using different operation modes
None.

38. Contract cost

Contract cost is divided into contract performance cost and contract acquisition cost.

The cost incurred by the enterprises of the Company for contract performance shall be deemed as a contract performance cost and recognized as an asset if the following conditions are met:

1. The cost is directly related to a current contract or a contract expected to be acquired, including direct labor cost, direct material cost, manufacturing (or similar) cost, cost clearly stated to be borne by the customer, and other costs incurred only as a result of the contract;
2. The cost requires enterprises to use more resources to perform the obligation in the future;
3. The cost is expected to be recoverable.

When an incremental cost incurred by the Company for acquiring a contract is expected to be recovered, it shall be treated as a contract acquisition cost and recognized as an asset; however, if the asset is amortized for less than one year, it can be credited to the current profits and losses when incurred.

Assets related to contract costs are amortized on the same basis as the recognition of revenue of goods or services related to that asset.

If the carrying value of an asset related to the contract cost is higher than the difference between the following two items, the Company will make a provision for impairment for the excess and recognize it as an asset impairment loss:

1. Remaining consideration expected to be obtained as a result of the transfer of goods or services related to the asset;

2. Cost estimated to be incurred for the transfer of the relevant goods or services.

In case of reversal of the above provision for impairment of assets, the carrying value of the asset shall not be higher than its book value on the reversal date when the provision for impairment would have not been accrued.

39. 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 that contain both a part related to assets and a part related to income, separate the

different parts for accounting treatment; if indistinguishable, classify such subsidies as income-related government subsidies as a whole.

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.

40. Deferred income tax assets/deferred income 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.

41. Lease

(1) Accounting for leases as a 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) Accounting for leases as a 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.

42. Other important accounting policies and accounting estimation

Share repurchase

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.

43. Changes to important accounting policies and accounting estimation**(1) Important accounting policy changes**

Applicable Not applicable

(2) Important accounting estimation changes

Applicable Not applicable

(3) Relevant items in financial statements at the beginning of 2024 when such adjustments were made for the first time for initial implementation of the new accounting standard

Applicable Not applicable

44. 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%、0%
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.
Education surcharges	Paid turnover tax amount	3%

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.	15.00%
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	25.17%

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 SMART DONGNAI (VIETNAM) Co.,Ltd	20.00%
Topband Germany GmbH	15.83%
Huizhou Topband 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 Jingfei Investment Co., Ltd.	20.00%
Huizhou Chiding Technology Co., Ltd.	20.00%
Q.B.PTE.LTD	17.00%
TOPBAND MEXICO,S.DER.L.DEC.V.	30.00%
TOPBAND SMART EUROPE COMPANY LIMITED S.R.L.	16.00%
Yolaness Technology (HK) Co., Ltd	8.25%
Huizhou Jiuwan Lvyuan Agriculture Co., Ltd.	20.00%
YOLANESS AFRICA (PTY) LTD	27.00%

2. Tax preference

Shenzhen YAKO Automation Technology Co., Ltd. was recognized as a software enterprise by Economy, Trade and Information Commission of Shenzhen Municipality on April 27, 2013, and received the software enterprise certification, which number is Shen R-2010-0237. According to relevant provisions in the Notice on the Distribution of Several Policies on Further Encouraging the Development of the Software and Integrated Circuit

Industries issued by the State Council (GF [2011] No. 4), after the sales revenue of the above products is levied for value-added tax at the statutory tax rate of 13% during the reporting period, the refund-upon-collection policy shall be applied to the part of actual VAT burden in excess of 3%.

Shenzhen Topband Software Technology Co., Ltd. was recognized as a software enterprise by Economy, Trade and Information Commission of Shenzhen Municipality on June 28, 2013, and received the software enterprise certification, which number is Shen R-2013-0616. According to relevant provisions in the Notice on the Distribution of Several Policies on Further Encouraging the Development of the Software and Integrated Circuit Industries issued by the State Council (GF [2011] No. 4), after the sales revenue of the above products is levied for value-added tax at the statutory tax rate of 13% during the reporting period, the refund-upon-collection policy shall be applied to the part of actual VAT burden in excess of 3%.

Shenzhen Yansheng Software Co., Ltd. was recognized as a software enterprise by Shenzhen Software Industry Association on August 31, 2017, and received the software enterprise certification, which number is Shen RQ-2017-0587. According to relevant provisions in the Notice on the Distribution of Several Policies on Further Encouraging the Development of the Software and Integrated Circuit Industries issued by the State Council (GF [2011] No. 4), after the sales revenue of the above products is levied for value-added tax at the statutory tax rate of 13% during the reporting period, the refund-upon-collection policy shall be applied to the part of actual VAT burden in excess of 3%.

According to the Notice of the Ministry of Finance and the State Taxation Administration on VAT Policies for Software Products (CS [2011] No. 100), the refund-upon-collection policy shall be applied to the part of actual VAT burden of software products in excess of 3%. The provision of the policy is applicable to Shenzhen Allied Control System Co., Ltd. and Shenzhen Meanstone Intelligent Technology Co., Ltd., subsidiaries of the Company.

On November 15, 2023, the Company received the Hi-tech Enterprise Certificate (No. GR202344206777) issued by Shenzhen Science and Technology Innovation Commission, Finance Bureau of Shenzhen Municipality and Shenzhen Tax Service, State Taxation Administration, which is valid for three years. According to the relevant provisions of the Enterprise Income Tax Law of the People's Republic of China, the Rules for the Implementation of the Enterprise Income Tax Law and the Measures for the Administration of the Recognition of High and New Technology Enterprises, the enterprise income tax rate applicable to the Company for the years 2023 to 2025 is 15%.

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. According to the relevant provisions of the Enterprise Income Tax Law of the People's Republic of China, the Rules for the Implementation of the Enterprise Income Tax Law and the Measures for the Administration of the Recognition of High and New Technology Enterprises, the enterprise income tax rate applicable for the years 2022 to 2024 is 15%.

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. According to the relevant provisions of the Enterprise Income Tax Law of the People's Republic of China, the Rules for the Implementation of the Enterprise Income Tax Law and the Measures for the Administration of the Recognition of High and New Technology Enterprises, the enterprise income tax rate applicable for the years 2021 to 2023 is 15%.

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. According to the relevant provisions of the Enterprise Income Tax Law of the People's Republic of China, the Rules for the Implementation of the Enterprise Income Tax Law and the Measures for the Administration of the Recognition of High and New Technology Enterprises, the enterprise income tax rate applicable for the years 2021 to 2023 is 15%.

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. According to the relevant provisions of the Enterprise Income Tax Law of the People's Republic of China, the Rules for the Implementation of the Enterprise Income Tax Law and the Measures for the Administration of the Recognition of High and New Technology Enterprises, the enterprise income tax rate applicable for the years 2021 to 2023 is 15%.

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. According to the relevant provisions of the Enterprise Income Tax Law of the People's Republic of China, the Rules for the Implementation of the Enterprise Income Tax Law and the Measures for the Administration of the Recognition of High and New Technology Enterprises, the enterprise income tax rate applicable for the years 2021 to 2023 is 15%.

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. According to the relevant provisions of the Enterprise Income Tax Law of the People's Republic of China, the Rules for the Implementation of the Enterprise Income Tax Law and the Measures for the Administration of the Recognition of High and New Technology Enterprises, the enterprise income tax rate applicable for the years 2021 to 2023 is 15%.

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. According to the relevant provisions of the Enterprise Income Tax Law of the People's Republic of China, the Rules for the Implementation of the Enterprise Income Tax Law and the Measures for the Administration of the Recognition of High and New Technology Enterprises, the enterprise income tax rate applicable for the years 2021 to 2023 is 15%.

On November 15, 2023, Shenzhen Topband Automation Technology Co., Ltd. received the Hi-tech Enterprise Certificate (No. GR202344204958) issued by Shenzhen Science and Technology Innovation Commission, Finance Bureau of Shenzhen Municipality and Shenzhen Tax Service, State Taxation Administration, which is valid for three years. According to the relevant provisions of the Enterprise Income Tax Law of the People's Republic of China, the Rules for the Implementation of the Enterprise Income Tax Law and the Measures for the Administration of the Recognition of High and New Technology Enterprises, the enterprise income tax rate applicable for the years 2023 to 2025 is 15%.

According to the provisions of the Announcement on Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Businesses issued by the Ministry of Finance and the State Taxation Administration (Announcement 2023 No. 12 by the Ministry of Finance and the State Taxation Administration), small low-profit enterprises shall calculate their taxable income at a reduced rate of 25% and pay

enterprise income tax at a rate of 20%, and this policy is extended till December 31, 2027. The provisions of this policy are applicable the subsidiaries and sub-subsidiaries of the Company, including Hangzhou Zhidong Motor Technology Co., Ltd., Shenzhen Xinghuo IoT Technology Co., Ltd., Shenzhen Tunnu Innovation Co., Ltd., Huizhou Topband Battery Co., Ltd., Shenzhen Topband Motor 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 Automobile Electronics Co., Ltd., Shenzhen Yueshang Robot Co., Ltd., Shenzhen Jingfei Investment Co., Ltd., Huizhou Chiding Technology Co., Ltd., and Huizhou Jiuwan Lvyuan Agriculture Co., Ltd.

3. Others

None.

VII. Notes to Items of Consolidated Financial Statements

1. Monetary capital

Unit: RMB

Items	Ending balance	Beginning balance
Cash on hand	942,476.08	1,069,045.22
Bank deposit	1,553,769,502.27	1,352,610,241.43
Other monetary capital	47,051,228.49	196,771,603.17
Total	1,601,763,206.84	1,550,450,889.82
Including: total amount deposited abroad	209,092,202.16	270,380,160.96

Other description

1. At the end of the period, the amount of pledges, blocked funds and other restricted funds is RMB 28,066,087.56.
2. At the end of the period, there is no amount deposited overseas or 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 profits and losses	705,951,354.57	656,704,087.16
Including:		
Financial products	357,118,885.97	303,000,000.00
Investment in equity instruments	348,832,468.60	352,334,087.16
Forward foreign exchange contract		1,370,000.00

Including:		
Total	705,951,354.57	656,704,087.16

Other description

None.

3. Derivative financial assets

Applicable Not applicable

4. Notes receivable

(1) List of classification of notes receivable

Unit: RMB

Items	Ending balance	Beginning balance
Bank acceptance instruments	71,179,083.04	48,332,530.42
Commercial acceptance bill	6,818,474.40	5,865,862.11
Total	77,997,557.44	54,198,392.53

(2) Disclosure based on accrual methods of bad-debt provision

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	71,179,083.04	91.00%			71,179,083.04	48,332,530.42	88.87%			48,332,530.42
Including:										
Bank acceptance bill	71,179,083.04	91.00%			71,179,083.04	48,332,530.42	88.87%			48,332,530.42
Notes receivable with provision for bad debts by portfolio	7,036,609.29	9.00%	218,134.89	3.10%	6,818,474.40	6,053,521.27	11.13%	187,659.16	3.10%	5,865,862.11
Including:										
Commercial acceptance bill	7,036,609.29	9.00%	218,134.89	3.10%	6,818,474.40	6,053,521.27	11.13%	187,659.16	3.10%	5,865,862.11

Total	78,215,692.33	100.00%	218,134.89	0.28%	77,997,557.44	54,386,051.69	100.00%	187,659.16	0.35%	54,198,392.53
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Description of bad-debt provision on combined basis: Commercial acceptance bill

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Commercial acceptance bill	7,036,609.29	218,134.89	3.10%
Total	7,036,609.29	218,134.89	

Explanation of the basis for determining the portfolio:

None.

In case of provision for bad debts on notes receivable based on the general model of expected credit loss:

Applicable Not applicable

(3) Provision for bad debts accrued, 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 - notes receivable	187,659.16	30,475.73				218,134.89
Total	187,659.16	30,475.73				218,134.89

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

Applicable Not applicable

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

Unit: RMB

Items	Pledged amount at the end of the period
Bank acceptance instruments	1,364,281.25
Total	1,364,281.25

(5) Notes receivable endorsed or discounted by the Company at the end of the period and not due 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		57,744,156.21
Total		57,744,156.21

5. Accounts receivable

(1) Disclosure by aging

Unit: RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	2,750,777,993.64	2,501,663,449.76
1-2 years	25,501,412.28	26,101,888.01
2-3 years	30,788,650.65	34,426,751.55
Above 3 years	38,718,684.39	38,418,609.23
3-4 years	36,561,755.06	36,343,415.96
4-5 years	822,155.35	742,628.55
Above 5 years	1,334,773.98	1,332,564.72
Total	2,845,786,740.96	2,600,610,698.55

(2) Disclosure based on accrual methods of bad-debt provision

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	84,187,120.77	2.96%	84,187,120.77	100.00%		90,294,270.19	3.47%	90,294,270.19	100.00%	
Including:										
Accounts receivable with a single significant amount and single bad debt provision	81,107,488.78	2.85%	81,107,488.78	100.00%		86,711,553.79	3.33%	86,711,553.79	100.00%	
Accounts receivable with not significant amount but with single provision for bad debts	3,079,631.99	0.11%	3,079,631.99	100.00%		3,582,716.40	0.14%	3,582,716.40	100.00%	
Accounts receivable with provision for bad debts by portfolio	2,761,599,620.19	97.04%	87,344,034.70	3.16%	2,674,255,585.49	2,510,316,428.36	96.53%	78,542,550.80	3.13%	2,431,773,877.56
Including:										
Provision for impairment of combined accounts receivable by aging	2,761,599,620.19	97.04%	87,344,034.70	3.16%	2,674,255,585.49	2,510,316,428.36	96.53%	78,542,550.80	3.13%	2,431,773,877.56

Total	2,845,786,740.96	100.00%	171,531,155.47	6.03%	2,674,255,585.49	2,600,610,698.55	100.00%	168,836,820.99	6.49%	2,431,773,877.56
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Description of bad-debt provisions on individual basis: Provision for impairment of individual accounts receivable with material balance, and provision for impairment of individual accounts receivable with non-material balance

Unit: RMB

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Proportion of provision	Reasons for provision
Accounts receivable with a single significant amount and single bad debt provision	86,711,553.79	86,711,553.79	81,107,488.78	81,107,488.78	100.00%	It is difficult to recover
Accounts receivable with not significant amount but with single provision for bad debts	3,582,716.40	3,582,716.40	3,079,631.99	3,079,631.99	100.00%	It is difficult to recover
Total	90,294,270.19	90,294,270.19	84,187,120.77	84,187,120.77		

Description of bad-debt provision on combined basis: Provision for impairment of combined accounts receivable by aging

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Provision for impairment of combined accounts receivable by aging	2,761,599,620.19	87,344,034.70	3.16%
Total	2,761,599,620.19	87,344,034.70	

Explanation of the basis for determining the portfolio:

None.

In case of provision for bad debts on accounts receivable based on the general model of expected credit loss:

Applicable Not applicable

(3) Provision for bad debts accrued, 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 impairment of accounts receivable	168,836,820.99	5,638,039.01		2,448,102.37	-495,602.16	171,531,155.47
Total	168,836,820.99	5,638,039.01		2,448,102.37	-495,602.16	171,531,155.47

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

None.

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

Unit: RMB

Items	Amount written off
Accounts receivable actually written off	2,448,102.37

Writing off of accounts receivables:

None.

(5) Accounts receivables with top five ending balances grouped by debtors, and contract assets

Unit: RMB

Name of unit	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivables and contract assets	Percentage in total ending balance of accounts receivables and contract assets	Ending balance of provision for impairment of accounts receivables and contract assets
No. 1	625,914,392.68		625,914,392.68	21.99%	19,406,301.57
No. 2	65,080,405.66		65,080,405.66	2.29%	65,080,405.66
No. 3	60,451,212.75		60,451,212.75	2.12%	1,873,987.60
No. 4	46,087,486.43		46,087,486.43	1.62%	1,428,712.08
No. 5	44,476,008.85		44,476,008.85	1.56%	1,388,578.74
Total	842,009,506.37		842,009,506.37	29.58%	89,177,985.65

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

Applicable Not applicable

6. Contract assets

Applicable Not applicable

7. Receivables financing

(1) Classified presentation of receivables financing

Unit: RMB

Items	Ending balance	Beginning balance
Bank acceptance instruments	132,728,581.41	126,350,412.69
Factoring accounts receivable	135,849,185.07	111,968,012.71
Notes receivables of supply chain	33,582,098.27	40,202,216.82
Total	302,159,864.75	278,520,642.22

(2) Disclosure based on accrual methods of bad-debt provision

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	
Bad debt provision on individual basis	166,310,679.68	54.26%			166,310,679.68	166,552,629.51	59.04%			166,552,629.51
Including:										
Bank acceptance bill	132,728,581.41	43.30%			132,728,581.41	126,350,412.69	44.79%			126,350,412.69
Notes receivables of supply chain	33,582,098.27	10.96%			33,582,098.27	40,202,216.82	14.25%			40,202,216.82
Bad debt provision on combined basis	140,195,237.43	45.74%	4,346,052.36	3.10%	135,849,185.07	115,550,064.71	40.96%	3,582,052.00	3.10%	111,968,012.71
Including:										

Factoring accounts receivable	140,195,237.43	45.74%	4,346,052.36	3.10%	135,849,185.07	115,550,064.71	40.96%	3,582,052.00	3.10%	111,968,012.71
Total	306,505,917.11	100.00%	4,346,052.36	1.42%	302,159,864.75	282,102,694.22	100.00%	3,582,052.00	1.27%	278,520,642.22

Description of bad-debt provision on combined basis: Factoring accounts receivables

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Provision for impairment of factoring accounts receivable	140,195,237.43	4,346,052.36	3.10%
Total	140,195,237.43	4,346,052.36	

Explanation of the basis for determining the portfolio:

None.

Provision for bad debts based on the general model of expected credit loss

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, 2024	3,582,052.00			3,582,052.00
Balance as of January 1, 2024 in the current period				
Accrual in the current period	764,000.36			764,000.36
Balance as of June 30, 2024	4,346,052.36			4,346,052.36

Basis of phasing and percentage of provision for impairment

None.

Significant changes in the book balance of receivables financing with loss reserve changes occurred during the current period

None.

(3) Provision for bad debts accrued, recovered or reversed in the current period

Unit: RMB

Type	Beginning balance	Amount changed in the current period				Ending balance
		Provision	Recover or reversal	Transfer or write-off	Other changes	
Provision for impairment of factoring accounts receivable	3,582,052.00	764,000.36				4,346,052.36
Total	3,582,052.00	764,000.36				4,346,052.36

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

None.

(4) Receivables financing pledged by the Company at the end of the period

Unit: RMB

Items	Pledged amount at the end of the period
Notes receivable	2,901,642.16
Total	2,901,642.16

(5) Receivables financing endorsed or discounted by the Company at the end of the period and not due on balance sheet date

Unit: RMB

Items	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Discounted banker's acceptance bill	397,382,094.28	
Endorsed banker's acceptance bill	424,759,570.81	
Total	822,141,665.09	

(6) Receivables financing actually written off in the current period

None.

(7) Changes in increase/decrease in receivables financing in the current period and changes in fair value

None.

(8) Other notes

None.

8. Other receivables

Unit: RMB

Items	Ending balance	Beginning balance
Interest receivable	0.00	0.00
Dividends receivable	0.00	0.00
Other receivables	36,971,780.83	36,524,343.36
Total	36,971,780.83	36,524,343.36

(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	30,744,447.22	24,942,814.39
Employee personal loan	7,262,937.66	7,837,283.76
Compensation	2,217,210.33	2,217,210.33
Others	1,027,709.19	2,698,876.37
Export rebate	6,209,708.13	8,682,341.31
Total	47,462,012.53	46,378,526.16

2) Disclosure by aging

Unit: RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	23,383,848.66	21,094,463.33
1-2 years	7,038,402.38	8,282,956.38
2-3 years	10,516,552.37	10,637,952.10
Above 3 years	6,523,209.12	6,363,154.35
3-4 years	504,996.69	824,947.24
4-5 years	2,489,960.27	3,683,926.82
Above 5 years	3,528,252.16	1,854,280.29
Total	47,462,012.53	46,378,526.16

3) Disclosure based on accrual methods of bad-debt provision

☑Applicable ☐ Not applicable

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	
Bad debt provision on individual basis	6,209,708.13	13.08%	0.00	0.00%	6,209,708.13	8,682,341.31	18.72%	0.00	0.00%	8,682,341.31
Bad debt provision on combined basis	41,252,304.40	86.92%	10,490,231.70	25.43%	30,762,072.70	37,696,184.85	81.28%	9,854,182.76	26.14%	27,842,002.09
Total	47,462,012.53	100.00%	10,490,231.70	22.10%	36,971,780.83	46,378,526.16	100.00%	9,854,182.76	21.25%	36,524,343.40

Description of bad debt provision on individual basis: Export rebate

Unit: RMB

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Proportion of provision	Reasons for provision
Export rebate	8,682,341.31	0.00	6,209,708.13	0.00	0.00%	No loss is expected for export rebates
Total	8,682,341.31	0.00	6,209,708.13	0.00		

Description of bad-debt provision on combined basis: Provision for impairment of combined accounts receivable by credit risk features

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Accounts receivable on credit risk feature combination basis for bad debt provision	41,252,304.40	10,490,231.70	25.43%
Total	41,252,304.40	10,490,231.70	

Explanation of the basis for determining the portfolio:

None.

Provision for bad debts based on the general model of expected credit loss:

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, 2024	9,854,182.80			9,854,182.80
Balance as of January 1, 2024 in the current period				
Accrual in the current period	636,048.90			636,048.90
Balance as of June 30, 2024	10,490,231.70			10,490,231.70

Basis of phasing and percentage of provision for impairment

None.

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

 Applicable Not applicable

4) Provision for bad debts accrued, 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	Transfer or write-off	Others	
Provision for bad debts	9,854,182.80	748,938.87			-112,889.97	10,490,231.70
Total	9,854,182.80	748,938.87			-112,889.97	10,490,231.70

None.

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

None.

5) Other accounts receivable actually written off in the current period

None.

6) Other accounts receivable of the top five debtors in respect of the ending balances

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	Export rebate	6,209,708.13	Within 1 year	13.08%	0.00
No. 2	Plant rent deposit	3,965,601.09	2-3 years	8.36%	1,189,680.33
No. 3	Deposits and bonds	2,337,136.32	Within 1 year, 2-3 years	4.92%	575,321.20
No. 4	Compensation	2,217,210.33	1-2 years	4.67%	221,721.03
No. 5	Deposits and bonds	1,520,178.00	Above 5 years	3.20%	1,520,178.00
Total		16,249,833.87		34.23%	3,506,900.56

7) Included in other accounts receivables due to centralized management of funds

None.

9. Prepayments**(1) List of prepayments by aging**

Unit: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	43,795,294.88	85.15%	41,217,371.39	93.49%
1-2 years	6,422,871.68	12.49%	2,649,254.74	6.01%
2-3 years	1,058,674.14	2.06%	173,711.61	0.39%
Above 3 years	154,049.09	0.30%	47,730.79	0.11%
Total	51,430,889.79		44,088,068.53	

Cause for late settlement of prepayments aging more than 1 year with significant amount:

None.

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

The total amount of the Company's top five prepayments at the end of the reporting period grouped by debtors is RMB 14,447,189.50, accounting for 28.09% of the total year-end balance of prepayments.

Other description:

None.

10. 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	1,054,025,793.10	86,179,485.30	967,846,307.80	883,406,451.52	84,959,315.65	798,447,135.87
Goods in process	140,499,323.53		140,499,323.53	187,129,741.78		187,129,741.78
Goods on hand	541,745,665.23	22,067,058.65	519,678,606.58	477,050,469.57	22,099,671.18	454,950,798.39
Goods shipped in transit	132,913,533.76	4,577,489.24	128,336,044.52	118,434,872.84	4,566,699.62	113,868,173.22
Self-manufactured semi-finished	82,189,918.47	6,593,601.69	75,596,316.78	86,682,330.39	4,046,746.35	82,635,584.04

product						
Materials entrusted for processing	14,803,522.17		14,803,522.17	16,730,489.94		16,730,489.94
Low-value consumables	589,513.35		589,513.35	54,792.27		54,792.27
Total	1,966,767,269.61	119,417,634.88	1,847,349,634.73	1,769,489,148.31	115,672,432.80	1,653,816,715.51

(2) Data resources recognized as inventory

None.

(3) Provision for impairment on inventories and on contract performance costs

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	84,959,315.65	13,140,758.10	-155,032.31	11,765,556.14		86,179,485.30
Goods on hand	22,099,671.18	4,892,313.04	-716.94	4,924,208.63		22,067,058.65
Self-manufactured semi-finished product	4,046,746.35	2,954,730.60	-2,673.94	405,201.32		6,593,601.69
Goods shipped in transit	4,566,699.62	103,172.89		92,383.27		4,577,489.24
Total	115,672,432.80	21,090,974.63	-158,423.19	17,187,349.36		119,417,634.88

Provision for impairment on inventories on combined basis

None.

Accrual criteria for provision for impairment on inventories on combined basis

None.

(4) Closing balance of inventories with capitalized amount of borrowing costs

None.

(5) Amortized amount of contract performance cost in the current period

None.

11. Assets held for sale

None.

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	214,291,642.32	201,581,758.39
Other prepaid taxes	5,252,767.00	6,944,576.68
Deferred expense	146,738.42	4,686,592.42
Total	219,691,147.74	213,212,927.49

Other description:

None.

14. Debt investment Applicable Not applicable**15. Other debt investment** Applicable Not applicable

Other description:

None.

16. Other equity instrument investments

Unit: RMB

Project name	Beginning balance	Gains credited to other comprehensive income in the current period	Losses credited to other comprehensive income in the current period	Cumulative gain credited to other comprehensive income at the end of current period	Cumulative loss credited to other comprehensive income at the end of current period	Dividend incomes recognized in the current period	Ending balance	Cause for designated measurement at fair value and for changes crediting to other comprehensive income
Suzhou Legendsem	20,000,000.00						20,000,000.00	Strategic investment

i Technology Co., Ltd.								
Suzhou SEEEEx Technology Co., Ltd.	21,192,950.0 0						21,192,950.0 0	Strategic investment
Total	41,192,950.0 0						41,192,950.0 0	

Other description:

None.

17. Long-term receivables

None.

18. Long-term equity investment

Unit: RMB

Investee	Beginning balance (book value)	Opening balance of provision for impairment	Changes in increase/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	Other changes in equity	Declaration of distribution for	Provision for impairment		
I. Joint venture											
II. Associated enterprises											
Tai'an Yuchengxin Power Technology Co., Ltd.		9,764,719.19									9,764,719.19
Shenzhen Daka Optoelectronics Co., Ltd.	5,839,292.85				-9,317.40					5,829,975.45	
Shanghai Yidong Power Technology Co., Ltd.	9,722,015.21									9,722,015.21	
Dongguan Jujin Plastic Technology Co., Ltd.	22,186,871.24				-124,218.65					22,062,652.59	
Subtotal	37,748,179.30	9,764,719.19			-133,536.05					37,614,643.25	9,764,719.19
Total	37,748,179.30	9,764,719.19			-133,536.05					37,614,643.25	9,764,719.19

Determination of net amount of recoverable amount at fair value less disposal expense

 Applicable Not applicable

Determination of net amount of recoverable amount at present value of estimated future cash flows

 Applicable Not applicable

Cause for significant discrepancy between abovementioned information and information used in the previous year's impairment test or external information

None.

Cause for significant discrepancy between information used in the previous year's impairment test of the Company and actual information in current year

None.

Other description

None.

19. Other non-current financial assets

None.

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	15,666,159.21			15,666,159.21
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	17,085,346.72			17,085,346.72
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	101,985,215.34			101,985,215.34
2. Beginning book value	103,404,402.85			103,404,402.85

Determination of net amount of recoverable amount at fair value less disposal expense

Applicable Not applicable

Determination of net amount of recoverable amount at present value of estimated future cash flows

Applicable Not applicable

Cause for significant discrepancy between abovementioned information and information used in the previous year's impairment test or external information

None.

Cause for significant discrepancy between information used in the previous year's impairment test of the Company and actual information in current year

None.

Other description:

None.

(2) Investment property with fair value measurement model

Applicable Not applicable

(3) Transfer to investment property and measurement at fair value

Applicable Not applicable

(4) Investment property without property certificate of title

Applicable Not applicable

21. Fixed assets

Unit: RMB

Items	Ending balance	Beginning balance
Fixed assets	2,327,328,836.76	2,102,862,886.72
Total	2,327,328,836.76	2,102,862,886.72

(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	1,345,250,527.85	1,372,182,154.73	3,590,498.65	73,330,922.05	2,794,354,103.28
2. Increase in the current period	185,857,016.69	142,780,472.69	552,687.21	5,939,439.52	335,129,616.11
(1) Purchase	146,132.18	106,958,010.37	552,434.98	5,923,801.01	113,580,378.54
(2) Transfer into construction in progress	185,442,975.97	35,636,017.71			221,078,993.68
(3) Increment from consolidation					
(4) Impact of exchange rate changes	267,908.54	186,444.61	252.23	15,638.51	470,243.89
3. Decrease in the current period	3,138,477.24	31,595,665.84	70,540.59	1,083,655.08	35,888,338.75
(1) Disposal or scrapping		19,290,970.04		569,620.16	19,860,590.20
(2) Impact of exchange rate changes	3,138,477.24	12,304,695.80	70,540.59	514,034.92	16,027,748.55
4. Ending balance	1,527,969,067.30	1,483,366,961.58	4,072,645.27	78,186,706.49	3,093,595,380.64
II. Accumulated depreciation					

1. Beginning balance	175,071,877.29	474,301,808.15	2,620,340.89	39,497,190.23	691,491,216.56
2. Increase in the current period	16,671,881.13	69,495,312.32	260,951.61	5,241,762.95	91,669,908.01
(1) Accrual	16,639,357.40	69,495,312.32	260,718.00	5,236,252.75	91,631,640.47
(2) Impact of exchange rate changes	32,523.73		233.61	5,510.20	38,267.54
3. Decrease in the current period	231,719.27	15,974,235.35	19,426.20	669,199.87	16,894,580.69
(1) Disposal or scrapping		13,861,520.71		511,181.69	14,372,702.40
(2) Impact of exchange rate changes	231,719.27	2,112,714.64	19,426.20	158,018.18	2,521,878.29
4. Ending balance	191,512,039.15	527,822,885.12	2,861,866.30	44,069,753.31	766,266,543.88
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	1,336,457,028.15	955,544,076.46	1,210,778.97	34,116,953.18	2,327,328,836.76
2. Beginning book value	1,170,178,650.56	897,880,346.58	970,157.76	33,833,731.82	2,102,862,886.72

(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) Impairment test of fixed assets

Applicable Not applicable

(6) Disposal of fixed assets

Applicable Not applicable

22. Construction in progress

Unit: RMB

Items	Ending balance	Beginning balance
Construction in progress	527,629,047.04	568,107,950.65
Total	527,629,047.04	568,107,950.65

(1) Construction in progress

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	131,735,114.43		131,735,114.43	162,683,370.16		162,683,370.16
Decoration of Huizhou Plant	183,486.24		183,486.24	183,486.24		183,486.24
Huizhou YAKO Automation Plant	172,369,153.77		172,369,153.77	112,992,616.66		112,992,616.66
Sporadic items	1,064,980.66		1,064,980.66	845,983.99		845,983.99
Nantong Lithium Battery Industrial Park	162,639,894.21		162,639,894.21	244,737,333.79		244,737,333.79
Ningbo Topband Industrial Park	18,546,992.00		18,546,992.00	16,898,437.26		16,898,437.26
Qingdao Plant	1,835,469.17		1,835,469.17	1,835,469.17		1,835,469.17
Topband Huizhou No. 2 Industrial Park	37,559,181.34		37,559,181.34	27,708,391.40		27,708,391.40
Topband (India) Plant	0.00		0.00	68,648.97		68,648.97
Vietnam Dong Nai Decoration	1,694,775.22		1,694,775.22	154,213.01		154,213.01
Total	527,629,047.04		527,629,047.04	568,107,950.65		568,107,950.65

(2) Changes in the important construction in progress 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
Ningbo Topband Industrial Park	465,704,300	16,898,437.26	4,519,456.04	502,876.29	2,368,025.01	18,546,992.00	92.75%	93.00%	6,883,762.50			Raised funds
Huizhou YAKO Automation Plant	370,000,000	112,992,616.66	64,477,498.50	0.00	5,100,961.39	172,369,153.77	80.63%	81.00%	2,995,081.38	2,457,373.25	3.90%	Others
Topband Huizhou No. 2 Industrial Park	190,000,000	27,708,391.40	11,053,381.02	225,105.24	977,485.84	37,559,181.34	20.40%	20.00%				Others
Nantong Lithium Battery Industrial Park	800,000,000	244,737,333.79	102,617,554.86	184,714,994.44	0.00	162,639,894.21	43.42%	45.00%				Raised funds
Total	1,825,704,300	402,336,779.11	182,667,890.42	185,442,975.97	8,446,472.24	391,115,221.32			9,878,843.88	2,457,373.25		

(3) Provision for impairment of construction in progress in the current period Applicable Not applicable**(4) Impairment test of construction in progress** Applicable Not applicable**(5) Project material** Applicable Not applicable**23. Productive biological assets****(1) Productive biological assets with cost measurement model** Applicable Not applicable**(2) Impairment test of productive biological assets with cost measurement model** Applicable Not applicable**(3) Productive biological assets with fair value measurement model** Applicable Not applicable**24. Oil and gas assets** Applicable Not applicable**25. Right-of-use assets****(1) Right-of-use assets**

Unit: RMB

Items	Houses and buildings	Land	Total
I. Original book value			
1. Beginning balance	180,033,528.88	5,875,457.96	185,908,986.84
2. Increase in the current period	18,672,401.76		18,672,401.76

(1) Lease contract in the current period	18,431,531.86		18,431,531.86
(2) Changes to contract	240,869.90		240,869.90
(3) Exchange rate changes			
3. Decrease in the current period	7,835,237.11		7,835,237.11
(1) Contracts with lease terminated in the current period	1,341,819.23		1,341,819.23
(2) Changes to contract	2,762,788.36		2,762,788.36
(3) Exchange rate changes	3,730,629.52		3,730,629.52
4. Ending balance	190,870,693.53	5,875,457.96	196,746,151.49
II. Accumulated depreciation			
1. Beginning balance	84,290,633.58	171,367.52	84,462,001.10
2. Increase in the current period	23,173,800.79	146,886.45	23,320,687.24
(1) Accrual	23,173,800.79	146,886.45	23,320,687.24
(2) Changes to contract			
(3) Exchange rate changes			
3. Decrease in the current period	2,245,448.24		2,245,448.24
(1) Disposal	1,001,638.36		1,001,638.36
(2) Changes to contract			
(3) Exchange rate changes	1,243,809.88		1,243,809.88
4. Ending balance	105,218,986.13	318,253.97	105,537,240.10
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	85,651,707.40	5,557,203.99	91,208,911.39
2. Beginning book value	95,742,895.30	5,704,090.44	101,446,985.74

(2) Impairment test of right-of-use assets

Applicable Not applicable

Other description:

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	391,220,157.09	435,321.58	599,800,783.26	29,281,753.38	9,728,450.00	1,030,466,465.31
2. Increase in the current period			118,140,301.90	1,483,823.58		119,624,125.48
(1) Purchase				1,483,823.58		1,483,823.58
(2) Internal R&D			118,140,301.90			118,140,301.90
(3) Increment from consolidation						
3. Decrease in the current period	1,848,511.01			41,207.20		1,889,718.21
(1) Disposal						
(2) Decrease from exchange rate changes	1,848,511.01			41,207.20		1,889,718.21
4. Ending balance	389,371,646.08	435,321.58	717,941,085.16	30,724,369.76	9,728,450.00	1,148,200,872.58
II. Accumulated amortization						
1. Beginning balance	29,135,751.55	435,321.58	362,526,912.03	25,091,697.68	6,165,886.52	423,355,569.36
2. Increase in the current period	3,462,946.78		68,137,406.57	1,278,850.13		72,879,203.48
(1) Accrual	3,462,946.78		68,137,406.57	1,278,850.13		72,879,203.48
3. Decrease in the current period	176,082.19			37,774.76		213,856.95
(1) Disposal						
(2) Decrease from exchange rate changes	176,082.19			37,774.76		213,856.95
4. Ending balance	32,422,616.14	435,321.58	430,664,318.60	26,332,773.05	6,165,886.52	496,020,915.89
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	356,949,029.94		287,276,766.56	4,391,596.71	3,562,563.48	652,179,956.69
2. Beginning book value	362,084,405.54		237,273,871.23	4,190,055.70	3,562,563.48	607,110,895.95

The intangible assets from internal development of the Company at the end of the current period accounts for 44.05% of the intangible asset balance

(2) Data resources recognized as intangible asset

Applicable Not applicable

(3) Land-use-right without certificate of title

None.

(4) Impairment test of intangible assets

Applicable Not applicable

27. 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

(3) Information about the asset group or portfolio of goodwill

None.

(4) Specific method for determining collectible amounts

Determination of net amount of recoverable amount at fair value less disposal expense

 Applicable Not applicable

Determination of net amount of recoverable amount at present value of estimated future cash flows

 Applicable Not applicable

Cause for significant discrepancy between abovementioned information and information used in the previous year's impairment test or external information

None.

Cause for significant discrepancy between information used in the previous year's impairment test of the Company and actual information in current year

None.

(5) Fulfillment of performance commitment and corresponding goodwill impairment

There was a performance commitment when goodwill was established, and the reporting period or the period preceding the reporting period is within the performance commitment period

 Applicable Not applicable

Other description

None.

28. Long-term deferred expenses

Unit: RMB

Items	Beginning balance	Increase in the current period	Amortization in the current period	Other reduced amount	Ending balance
Renovation cost	182,289,438.61	17,446,014.88	33,497,863.02	3,111,393.84	163,126,196.63
Others	514,969.49	120,353.98	150,177.04		485,146.43
Total	182,804,408.10	17,566,368.86	33,648,040.06	3,111,393.84	163,611,343.06

Other description

None.

29. Deferred income tax assets/deferred income 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 impairment of assets	308,623,316.62	49,470,431.03	294,545,474.56	46,678,454.85
Deductible loss	465,839,128.33	77,514,523.72	390,699,314.09	65,486,472.23
Amortization of intangible assets	154,693,580.73	23,204,037.11	133,446,425.92	20,016,963.88
Deferred income	9,301,017.56	1,638,005.03	11,071,292.42	1,881,581.86
Lease liabilities	98,420,478.96	17,108,528.02	107,881,215.35	20,976,523.71
Total	1,036,877,522.20	168,935,524.91	937,643,722.34	155,039,996.53

(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	190,248.74	28,537.31	412,730.28	61,909.54
Book-tax difference of fixed assets depreciation	69,682,079.01	14,235,548.46	71,278,660.11	14,299,191.58
Book-tax difference of rental income	6,570,083.32	1,642,520.83	6,120,608.60	1,530,152.15
Changes in fair value of tradable financial assets	243,585,487.17	40,842,306.07	248,096,517.73	41,833,063.71
Right-of-use assets	92,493,476.58	16,357,054.47	102,290,793.51	20,006,539.83

Total	412,521,374.82	73,105,967.14	428,199,310.23	77,730,856.81
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(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		168,935,524.91		155,039,996.53
Deferred tax liabilities		73,105,967.14		77,730,856.81

(4) Details of unrecognized deferred tax assets

Unit: RMB

Items	Ending balance	Beginning balance
Deductible temporary differences	3,673,067.23	13,441,041.61
Deductible loss	208,169,615.75	170,793,360.18
Total	211,842,682.98	184,234,401.79

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

Unit: RMB

Year	Ending amount	Beginning amount	Remarks
2024	796.72	796.72	
2025	2,046,917.10	2,106,518.93	
2026	13,323,172.03	14,899,970.42	
2027	18,850,821.86	26,254,597.91	
2028	33,175,698.37	27,003,257.68	
2019 and later	7,869,309.39		
No time limit	132,902,900.28	100,528,218.52	
Total	208,169,615.75	170,793,360.18	

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.

30. 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
Prepaid long-	196,364,678.33		196,364,678.33	120,187,135.05		120,187,135.05

term assets						
Total	196,364,678.33		196,364,678.33	120,187,135.05		120,187,135.05

Other description:

None.

31. Assets with limited ownership or use right

Unit: RMB

Items	End of period				Beginning of period			
	Book balance	Book value	Type of restriction	Restriction situation	Book balance	Book value	Type of restriction	Restriction situation
Monetary capital	28,066,087.56	28,066,087.56	Bonds, frozen by court	Bonds, amount of frozen property	39,587,800.49	39,587,800.49	Bonds, frozen by court, financial management in subscription period	Bonds, financial management money in subscription period, amount of frozen property
Fixed assets	120,856,655.54	118,464,700.90	Loan in mortgage	Pledge borrowings with buildings	120,856,655.54	119,899,873.68	Loan in mortgage	Pledge borrowings with buildings
Intangible assets	61,302,043.62	58,879,881.53	Loan in mortgage	Pledge borrowings with land use right	61,302,043.62	59,492,901.97	Loan in mortgage	Pledge borrowings with land use right
Construction in progress	172,369,153.77	172,369,153.77	Loan in mortgage	Pledge borrowings with construction in progress	112,992,616.66	112,992,616.66	Loan in mortgage	Pledge borrowings with construction in progress
Total	382,593,940.49	377,779,823.76			334,739,116.31	331,973,192.80		

Other description:

None.

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

Unit: RMB

Items	Ending balance	Beginning balance
Credit loan	127,061,000.00	218,148,750.00
Letter of credit	200,000,000.00	60,000,000.00
Outstanding discounted bills	1,337,035.22	1,200,000.00
Total	328,398,035.22	279,348,750.00

Classification of short-term loans:

None.

(2) Overdue short-term loans

None.

33. Tradable financial liabilities

None.

34. Derivative financial liabilities

None.

35. Notes payable

Unit: RMB

Category	Ending balance	Beginning balance
Bank acceptance bill	1,462,800,767.21	927,833,178.70
Total	1,462,800,767.21	927,833,178.70

The total amount of notes payable due but unpaid at the end of the current period is RMB 0.00.

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

Unit: RMB

Items	Ending balance	Beginning balance
Within 1 year	2,059,358,056.75	1,953,706,413.01
1-2 years	1,615,622.31	2,139,042.19

2-3 years	445,650.16	598,185.50
3 years and above	1,626,526.20	1,182,755.64
Total	2,063,045,855.42	1,957,626,396.34

(2) Significant accounts payable aged over 1 year or overdue

None.

37. Other accounts payable

Unit: RMB

Items	Ending balance	Beginning balance
Interest payable	0.00	0.00
Dividends payable	0.00	0.00
Other account payable	268,554,442.45	151,341,029.40
Total	268,554,442.45	151,341,029.40

(1) Interest payable

None.

(2) Dividends payable

None.

(3) Other payables**1) Other payables listed by fund nature**

Unit: RMB

Items	Ending balance	Beginning balance
Equity acquisition payments payable	115,547,600.00	
Long-term assets	63,216,848.21	60,945,718.78
Expenses	43,194,219.04	23,067,327.79
Current accounts	30,686,290.11	37,115,852.17
Margin, deposit	8,479,699.64	9,559,259.36
Others	7,429,785.45	20,308,975.30
Restricted stock repurchase obligations	0.00	343,896.00
Total	268,554,442.45	151,341,029.40

2) Significant other accounts payable aged over 1 year or overdue

None.

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

Unit: RMB

Items	Ending balance	Beginning balance
Within 1 year (inclusive)	3,527,349.78	2,808,227.54
Total	3,527,349.78	2,808,227.54

(2) Significant advances received aged over 1 year or overdue

None.

39. Contract liabilities

Unit: RMB

Items	Ending balance	Beginning balance
Advances on sales	172,851,052.12	168,681,571.89
Total	172,851,052.12	168,681,571.89

Significant contract liabilities aged over 1 year

None.

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

None.

40. 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	243,115,049.48	974,036,790.28	1,048,317,964.91	168,833,874.85
II. Post-employment benefits - defined contribution plan	152,733.65	52,659,053.95	52,091,211.56	720,576.04
Total	243,267,783.13	1,026,695,844.23	1,100,409,176.47	169,554,450.89

(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	238,419,554.35	932,079,837.31	1,005,819,179.88	164,680,211.78

and subsidies				
2. Employee benefits	112,922.58	16,269,134.85	16,039,049.87	343,007.56
3. Social insurance expense	1,513,581.33	13,211,432.46	14,250,091.66	474,922.13
Including: medical insurance premiums	1,509,551.71	10,919,422.80	11,958,065.00	470,909.51
Industrial injury insurance expense	4,029.62	984,851.38	984,868.38	4,012.62
Maternity insurance expense	0.00	1,307,158.28	1,307,158.28	0.00
4. Housing provident fund	0.00	11,676,496.67	11,676,496.67	0.00
5. Trade union funds and staff education funds	489.28	279,492.05	279,442.23	539.10
6. Others	3,068,501.94	520,396.94	253,704.60	3,335,194.28
Total	243,115,049.48	974,036,790.28	1,048,317,964.91	168,833,874.85

(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	146,223.44	50,795,181.00	50,235,772.51	705,631.93
2. Unemployment insurance expense	6,510.21	1,863,872.95	1,855,439.05	14,944.11
Total	152,733.65	52,659,053.95	52,091,211.56	720,576.04

Other description

None.

41. Taxes payable

Unit: RMB

Items	Ending balance	Beginning balance
VAT (value-added tax)	11,633,980.05	38,272,199.07
Corporate income tax	33,260,417.96	27,477,646.56
Individual income tax	29,531,701.75	14,288,257.83
Urban maintenance and construction tax	83,836.40	1,068,455.46
Education surcharge	59,870.51	763,182.49
Property tax	4,838,295.65	8,767,641.43
Land use tax	461,935.79	1,184,938.91
Other taxes	201,765.16	552,283.82
Total	80,071,803.27	92,374,605.57

Other description

None.

42. Liabilities held for sale

None.

43. Non-current liabilities due within one year

Unit: RMB

Items	Ending balance	Beginning balance
Long-term loans due within one year	320,778,490.00	326,208,942.16
Lease liabilities due within one year	40,666,635.35	44,414,655.87
Total	361,445,125.35	370,623,598.03

Other description:

None.

44. Other current liabilities

Unit: RMB

Items	Ending balance	Beginning balance
Tax amount to be resold	3,970,501.17	3,598,492.74
Notes receivable that have been endorsed but not derecognized	56,407,120.99	28,963,200.29
Total	60,377,622.16	32,561,693.03

Changes in increase/decrease of short-term bond payable:

None.

45. Long-term loans**(1) Classification of long-term loans**

Unit: RMB

Items	Ending balance	Beginning balance
Pledge borrowings	70,500,000.00	500,000.00
Credit loan	280,499,999.98	345,679,999.99
Pledge + guaranteed borrowings	154,888,984.88	91,567,877.48
Total	505,888,984.86	437,747,877.47

Classification of long-term loans:

None.

Additional notes, including interest rate ranges:

None.

46. Bonds payable

None.

47. Lease liabilities

Unit: RMB

Items	Ending balance	Beginning balance
Lease payment	61,848,683.74	69,176,893.60
Unrecognized financing cost	-5,851,886.81	-7,747,082.57
Total	55,996,796.93	61,429,811.03

Other description:

None.

48. Long-term payables

None.

49. Long-term employee compensation payable

None.

50. Estimated liabilities

None.

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	11,146,292.42	500,000.00	2,295,274.86	9,351,017.56	Governmental subsidies related to assets
Total	11,146,292.42	500,000.00	2,295,274.86	9,351,017.56	

Other description:

None.

52. Other non-current liabilities

None.

53. Share capital

Unit: RMB

	Beginning balance	Increase/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	1,246,834,988.00						1,246,834,988.00

Other description:

None.

54. Other equity instruments

None.

55. Capital reserve

Unit: RMB

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
Capital premium (share premium)	2,056,248,939.03		79,998,327.85	1,976,250,611.18
Other capital reserves	156,380,980.48			156,380,980.48
Total	2,212,629,919.51		79,998,327.85	2,132,631,591.66

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

Note: The capital premium (share premium) was decreased by 79,998,327.85 due to acquisition of the equity of the minority shareholder of YAKO Automation.

56. Treasury shares

Unit: RMB

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
Repurchase of the Company's shares by auction trading	112,426,101.24	82,354,021.60		194,780,122.84
Total	112,426,101.24	82,354,021.60		194,780,122.84

Additional descriptions, including the changes in increase/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	
II. Other comprehensive income that is reclassified into profits and losses	11,932,029.41	-33,937,857.88				-33,937,857.88	-22,005,828.47
Difference in translation of foreign currency financial statements	11,932,029.41	-33,937,857.88				-33,937,857.88	-22,005,828.47
Total amount of other comprehensive income	11,932,029.41	-33,937,857.88				-33,937,857.88	-22,005,828.47

Additional note, 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

None.

59. Surplus reserves

Unit: RMB

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
Statutory surplus reserve	219,446,936.59			219,446,936.59
Total	219,446,936.59			219,446,936.59

Note for surplus reserve, including changes in increase/decrease in the current period, cause of the changes:

None.

60. Retained earnings

Unit: RMB

Items	Current period	Previous period
Retained earnings at the end of the previous period before adjustment	2,706,499,696.23	2,271,529,693.82
Total retained earnings at the beginning of the period (+ for increase, - for decrease)	0.00	0.00
Retained earnings at the beginning of last period after adjustment	2,706,499,696.23	2,271,529,693.82
Plus: net profit attributable to owners of parent company in current year	388,828,515.18	515,513,995.18
Minus: accrual of statutory surplus reserves		4,682,742.45
Common stock dividends payable	73,502,693.28	75,861,250.32
Retained earnings at the end of the period	3,021,825,518.13	2,706,499,696.23

Details of adjustments to beginning retained earnings:

- 1). Due to the retroactive adjustments made according to the Accounting Standards for Business Enterprises and relevant new provisions therein, RMB 0.00 of the beginning/closing retained earnings was affected.
- 2). Due to changes to the accounting policies, RMB 0.00 of the beginning/closing retained earnings was affected.
- 3). Due to corrections of material accounting errors, RMB 0.00 of the beginning/closing retained earnings was affected.
- 4). Due to changes to the contract scope as a result of the same control, RMB 0.00 of the beginning/closing retained earnings was affected.
- 5). Due to other adjustments, RMB 0.00 of the beginning/closing retained earnings was affected in total.

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	5,005,642,038.82	3,811,892,079.31	4,245,380,855.39	3,332,427,372.30
Other business	10,143,126.77	5,318,922.34	10,740,298.33	5,399,460.85
Total	5,015,785,165.59	3,817,211,001.65	4,256,121,153.72	3,337,826,833.15

Breakdown of operating incomes and operating costs:

Applicable Not applicable

Information related to performance obligations:

Applicable Not applicable

Other description

None.

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

At the end of the 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, including RMB 0.00 expected to be recognized as income in Year (), RMB 0.00 expected to be recognized as income in Year () and RMB 0.00 expected to be recognized as income in Year ().

Information about variable consideration in contracts:

None.

Significant changes to contract or significant adjustments to transaction price

None.

62. Taxes and surcharges

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Urban maintenance and construction tax	12,005,978.29	8,735,223.48
Education surcharge	8,577,082.19	6,339,213.38
Property tax	5,191,428.79	5,088,912.36
Land use tax	780,357.23	650,764.25
Stamp duty	3,303,662.35	3,189,645.46
Others	6,865.42	28,626.66
Total	29,865,374.27	24,032,385.59

Other description:

None.

63. Management expenses

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Employee compensation	122,566,301.05	114,187,392.52
Depreciation and amortization	33,240,964.57	35,033,783.00
Intermediary service expenses	7,423,354.12	9,399,249.84
Office and traveling expenses	7,276,860.24	6,997,968.78
Rent and utility fees	6,473,096.51	10,120,081.51
Property insurance expenses	1,649,400.64	2,052,153.88
Others	11,957,661.49	16,175,892.29
Equity incentive expenses		7,508,043.78

Total	190,587,638.62	201,474,565.60
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Other description

None.

64. Selling expenses

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Employee compensation	97,956,934.31	81,107,869.20
Business entertainment fees and traveling expenses	28,473,653.46	18,480,497.11
Intermediary service expenses	13,639,586.77	9,341,011.65
Material costs	11,641,993.77	8,184,375.87
Low-value consumables	9,398,566.87	4,016,987.34
Advertising and exhibition fees	7,009,515.84	4,731,322.60
Others	12,667,880.45	10,598,513.79
Equity incentive expenses		6,573,868.05
Total	180,788,131.47	143,034,445.61

Other description:

None.

65. R&D expenses

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Employee compensation	230,923,453.91	187,631,470.05
Depreciation and amortization	78,330,098.77	53,316,811.19
Material and mould costs	38,258,046.94	31,214,349.49
Intermediary service expenses	6,255,916.91	3,290,664.70
Rent and utilities	9,829,472.60	6,440,176.21
Low-value consumables	5,072,914.74	3,829,519.60
Traveling expenses	4,614,366.71	2,884,334.59
Others	15,256,627.42	14,826,583.48
Equity incentive expenses		13,856,640.80
Total	388,540,898.00	317,290,550.11

Other description

None.

66. Finance expenses

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Interest expense	28,863,971.32	19,596,648.04
Minus: interest income	15,326,718.58	15,720,869.63
Profits and losses on exchange	-43,037,714.77	-55,962,757.24
Others	718,877.88	1,094,503.59
Total	-28,781,584.15	-50,992,475.24

Other description

None.

67. Other revenues

Unit: RMB

Source for other revenues	Amount incurred in the current period	Amount incurred in prior period
Governmental subsidies	15,418,390.00	13,429,284.92
Return of individual income tax service charge	1,125,817.55	1,169,120.09
Tax reduction and exemption	404,450.00	196,389.92
VAT refund upon collection	1,910,980.21	2,399,764.36
Input tax plus tax reduction	2,555,337.33	
Total	21,414,975.09	17,194,559.29

68. Net gain from exposure hedges

None.

69. Gain from fair-value changes

Unit: RMB

Sources of gain from fair-value changes	Amount incurred in the current period	Amount incurred in prior period
Financial liabilities held for trading		-6,041,282.00
Total		-6,041,282.00

Other description:

None.

70. Investment income

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Long-term equity investment income	-133,536.05	-941,734.97

accounted by the cost method		
Investment income from disposal of long-term equity investments		-2,928,835.90
Investment income from disposal of tradable financial assets	2,004,081.40	248,584.66
Profits and losses of foreign exchange derivatives after settlement	155,182.00	377,800.00
Total	2,025,727.35	-3,244,186.21

Other description

None.

71. Credit impairment loss

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Loss of bad debt of notes receivable	-30,475.73	185,610.25
Bad debt loss of accounts receivable	-5,638,039.01	-712,252.82
Bad debt loss of other receivables	-748,938.87	-1,063,126.85
Loss from bad debt of receivable financing	-764,000.36	-787,139.10
Total	-7,181,453.97	-2,376,908.52

Other description

None.

72. Asset impairment loss

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
I. Impairment loss on inventories and on contract performance costs	-21,090,974.63	-23,666,214.06
Total	-21,090,974.63	-23,666,214.06

Other description

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	-2,580,837.22	-1,279,902.83
Total	-2,580,837.22	-1,279,902.83

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	41,884.93	523,039.11	41,884.93
Others	1,697,418.41	4,068,291.96	1,697,418.41
Total	1,739,303.34	4,591,331.07	1,739,303.34

Other description:

None.

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
Losses on scrapping of non-current assets	557,666.76	2,530,330.52	557,666.76
Customer quality deduction expenses	4,019,824.31	1,024,170.82	4,019,824.31
Others	986,395.93	696,257.35	986,395.93
Total	5,563,887.00	4,250,758.69	5,563,887.00

Other description:

None.

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	55,408,628.96	13,309,352.18
Deferred tax expense	-18,630,055.15	-7,265,622.74
Total	36,778,573.81	6,043,729.44

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

Unit: RMB

Items	Amount incurred in the current period
Total profit	426,336,558.69
Income tax expenses calculated at statutory/applicable tax rates	63,950,483.80
Influence of different tax rates applicable to subsidiary	8,430,548.71

Effect of income tax adjustment in previous period	1,752,590.09
Impact of non-taxable income	-768,549.54
Impact of non-deductible cost, expense and loss	1,238,956.08
Impact of deductible loss of unrecognized deferred tax assets in previous period	-2,647,397.76
Impact of deductible temporary differences or deductible losses of unrecognized deferred tax assets in the current period	16,413,282.10
Impact of additional deductible expenses	-24,551,103.91
Influence of preferential tax policy for the sub-subsidiary in Vietnam	-17,975,445.05
The impact of changes in tax rates on the initial balance of deferred tax	805,605.52
Other adjustments	-9,870,396.23
Income tax expenses	36,778,573.81

Other description

None

77. Other comprehensive income

Refer to Note VII. 57 for details.

78. Items of cash flow statement

(1) Cash related to operating activities

Other cash received related to operating activities

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Interest income	31,716,998.12	10,914,934.74
Governmental subsidies	17,690,558.27	15,871,269.60
Current accounts	19,012,136.34	36,602,276.24
Others	3,550,121.17	4,104,276.19
Total	71,969,813.90	67,492,756.77

Explanation of other cash received related to operating activities:

None.

Other cash paid related to operating activities

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Service charge	1,872,495.39	913,661.81
Out-of-pocket expenses	174,203,813.59	149,586,149.20
Margin and deposit expenses	5,922,397.40	4,309,067.57

Employee loans	6,752,625.17	4,501,875.40
Others	18,234,322.12	16,019,796.16
Total	206,985,653.67	175,330,550.14

Explanation of other cash paid related to operating activities:

None.

(2) Cash related to investment activities

Other cash received related to investment activities

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Recovery of foreign exchange deposit	2,235,246.36	
Total	2,235,246.36	

Significant cash received related to investment activities

None.

Other cash paid related to investment activities

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Foreign exchange deposit	7,268,000.00	
Total	7,268,000.00	

Significant cash paid related to investment activities

None.

(3) Cash related to financing activities

Other cash received related to financing activities

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Bill discount	5,021,283.53	3,101,583.74
Total	5,021,283.53	3,101,583.74

Explanation of other cash received related to financing activities:

None.

Other cash paid related to financing activities

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Note margin		

Share repurchase	82,697,917.60	6,199,099.20
Payment for lease liabilities	25,026,658.23	16,010,724.01
Takeover of minority equity	29,761,025.80	7,800,000.00
Total	137,485,601.63	30,009,823.21

Explanation of other cash paid related to financing activities:

None.

Changes in liabilities from financing activities

Applicable Not applicable

(4) Explanation of cash flows presented in net value

Items	Information of relevant facts	Basis for presentation in net value	Financial impact
Cash paid for investment	Cash flows from purchasing and redeeming financial management products	Cash inflows and outflows of projects with quick turnover, large amount and short period	The net value listed for "Cash flow from payments for investments" is RMB 130,000,000.00.
Cash received from investment recovery	Cash flows from purchasing and redeeming financial management products	Cash inflows and outflows of projects with quick turnover, large amount and short period	The net value listed for "Cash flow of cash receipts from withdraw of investments" is RMB 318,000,000.00.

(5) Major activities not involving cash receipts and payments in the current period but influencing the financial position of enterprise or may influence the cash flow of enterprise in the future, and their financial influence

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	389,557,984.88	258,337,757.51
Plus: Provision for impairment of assets	28,272,428.60	26,043,122.58
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	91,631,640.46	83,492,575.76
Depreciation of right-of-use assets	23,320,687.24	21,919,558.35
Amortization of intangible assets	72,879,203.48	50,804,303.17
Amortization of long-term deferred expenses	33,648,040.06	21,427,228.65
Loss from disposal of fixed assets, intangible assets and other long-term assets	2,580,837.22	-1,279,902.83

(income marked with "-")		
Losses on scrapping of fixed assets (income marked with "-")	557,666.76	2,007,291.41
Loss from changes in fair value (income marked "-")	0.00	6,041,282.00
Finance expenses (income marked with "-")	14,586,264.55	-44,158,884.67
Investment loss (income marked with "-")	-2,025,727.35	3,244,186.21
Decrease in deferred tax assets (increase marked with "-")	-13,895,528.38	-10,498,339.47
Increase in deferred tax liabilities (decrease marked with "-")	-4,624,889.67	3,097,914.16
Decrease in inventory (increase marked with "-")	-214,623,893.85	216,980,327.68
Decrease in operating receivables (increase marked with "-")	-408,247,566.47	82,527,391.45
Increase in operating payables (decrease marked with "-")	454,405,998.28	-222,491,229.78
Others	2,291,028.86	30,347,889.00
Net cash flow from operating activities	470,314,174.67	527,842,471.18
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	1,573,697,119.28	1,732,898,730.97
Minus: beginning balance of cash	1,494,743,705.76	1,374,281,693.23
Plus: ending balance of cash equivalents		
Minus: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	78,953,413.52	358,617,037.74

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

None.

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

None.

(4) Composition of cash and cash equivalents

Unit: RMB

Items	Ending balance	Beginning balance
I. Cash	1,573,697,119.28	1,494,743,705.76
Including: cash in stock	942,476.08	1,069,045.22
Bank deposit available for payment at any time	1,549,267,936.90	1,333,111,676.06
Other monetary capital for payment at any time	23,486,706.30	160,562,984.48
III. Balance of cash and cash equivalents at the end of the period	1,573,697,119.28	1,494,743,705.76

(5) Information listed with limited scope of use but still pertaining to cash and cash equivalents

None.

(6) Monetary capitals not falling under cash and cash equivalents

Unit: RMB

Items	Amount in the current period	Amount in the previous period	Reason for not falling under cash and cash equivalents
Bank deposit	4,501,565.37	19,498,565.37	Financial management products, freezing by court, etc. in subscription period
Other monetary capital	23,564,522.19	36,208,618.69	Bonds and accrued but not received interests at the end of period
Total	28,066,087.56	55,707,184.06	

Other description:

None.

(7) Explanation of other major activities

None.

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

Provide the description of the "Other" item for adjusting the closing balance of previous year, the adjusted amount, etc.:

None.

81. 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			581,698,506.49
Including: US dollars	53,899,767.64	7.1268	384,132,864.02
Euros	2,811,858.91	7.6617	21,543,619.41
Hong Kong dollars	1,889,217.75	0.9127	1,724,251.26
Indian Rupee	1,166,065,700.48	0.0854	99,556,952.07
Vietnamese Dong	224,546,057,579.00	0.0003	62,861,668.82
Japanese Yen	92,578,411.00	0.0447	4,141,772.95
Romanian Leu	964,186.86	1.5306	1,475,756.91

Mexican Peso	16,230,866.42	0.3857	6,260,942.13
South African Rand	1,754.74	0.3869	678.92
Accounts receivable			1,388,701,169.47
Including: US dollars	171,419,313.93	7.1268	1,221,671,166.52
Euros			
Hong Kong dollars			
Indian Rupee	1,212,685,727.34	0.0854	103,537,295.19
Vietnamese Dong	203,685,909,356.00	0.0003	57,021,653.30
Japanese Yen	144,643,356.00	0.0447	6,471,054.46
Long-term loans			
Including: US dollars			
Euros			
Hong Kong dollars			
Receivables financing			140,195,237.46
Including: US dollars	19,671,554.90	7.1268	140,195,237.46
Accounts payable		-	54,330,219.46
Including: US dollars	3,112,628.79	7.1268	22,183,082.86
Euro	6,622.53	7.6617	50,739.84
Indian Rupee	107,728,532.53	0.0854	9,197,701.12
Vietnamese Dong	60,989,120,871.00	0.0003	17,073,839.40
Japanese Yen	99,048,613.00	0.0447	4,431,236.85
Mexican Peso	3,612,818.90	0.3857	1,393,619.39
Other accounts receivable		-	8,132,136.07
Including: US dollars	850,050.71	7.1268	6,058,141.40
Euro	7,885.83	7.6617	60,418.86
Indian Rupee	16,722,881.53	0.0854	1,427,774.63
Vietnamese Dong	1,446,404,003.00	0.0003	404,919.26
Japanese Yen	4,043,138.00	0.0447	180,881.91
Other accounts payable		-	7,169,802.90
Including: US dollars	369,495.47	7.1268	2,633,320.32
Euro	1,035.72	7.6617	7,935.38
Vietnamese Dong	16,176,333,083.00	0.0003	4,528,547.21

Other description:

None.

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

82. Lease

(1) The Company as the lessee

Applicable Not applicable

Variable lease payments not included in the measurement of lease liabilities

Applicable Not applicable

Rent of simply treated short-term leases or low-value assets

Applicable Not applicable

The rents of simply treated short-term leases credited to relevant asset costs or current profits and losses of the current year is RMB 704,585.31.

Information involving sale and leaseback transactions

None.

(2) The Company as the lessor

Operating lease by lessor

Applicable Not applicable

Unit: RMB

Items	Rental income	Including: incomes related to variable lease payments not credited to rental receipts
Rental income	11,495,486.59	0.00
Total	11,495,486.59	0.00

Financing lease by lessor

 Applicable Not applicable

Undiscounted rental receipts for each of the next five years

 Applicable Not applicable

Reconciliation statement of undiscounted rental receipts and net lease investment

None.

(3) Profits and losses on finance lease/sales recognized by manufacturer or distributor Applicable Not applicable**83. Data resources**

None.

84. Others

None.

VIII. R&D costs

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Employee compensation	289,007,969.63	247,893,618.50
Depreciation and amortization	79,398,391.61	54,667,719.99
Material and mould costs	42,359,538.83	38,967,345.91
Intermediary service expenses	8,037,357.06	4,469,525.83

Rent and utilities	9,980,960.92	6,920,851.94
Low-value consumables	5,371,208.09	4,789,230.16
Traveling expenses	5,099,031.15	3,984,021.65
Others	16,143,359.85	13,386,188.53
Equity incentive expenses		13,856,640.80
Total	455,397,817.14	388,935,143.31
Including: expensed R&D costs	388,540,898.00	317,290,550.11
Capitalized R&D costs	66,856,919.14	71,644,593.20

1. R&D items satisfying the capitalization conditions

Unit: RMB

Items	Beginning balance	Increase in the current period		Decrease amount in the current period		Ending balance
		Internal development expenditure	Others	Recognized as intangible assets	Transferred to current profit and loss	
Intelligent controller project	87,956,121.45	28,988,740.68		76,292,043.57		40,652,818.56
Lithium battery project	40,719,362.86	31,927,745.85		41,848,258.33		30,798,850.38
Motor and control system project	5,516,130.58	5,940,432.61		0.00		11,456,563.19
Total	134,191,614.89	66,856,919.14		118,140,301.90		82,908,232.13

Major capitalized R&D items

 Applicable Not applicable

Provision for impairment of development costs

 Applicable Not applicable

2. Major outsourced projects under development

Other description:

None.

IX. Changes in the scope of consolidation

 Applicable Not applicable

X. Interests in other entities

1. Equities in subsidiaries

(1) Composition of enterprise group

Unit: RMB

Name of subsidiary	Registered capital	Principal place of business	Registered place	Nature of business	Proportion of shareholding		Acquisition method
					Direct	Indirect	
Shenzhen Topband Software Technology Co., Ltd.	1,000,000.00	Shenzhen	Shenzhen	Production and sales	100.00%		Establishment
Shenzhen Topband Automation Technology Co., Ltd.	35,000,000.00	Shenzhen	Shenzhen	Production and sales	100.00%		Establishment
Shenzhen Topband Battery Co., Ltd.	50,000,000.00	Shenzhen	Shenzhen	Production and sales	100.00%		Establishment
Chongqing Topband Industrial Co., Ltd.	50,000,000.00	Chongqing	Chongqing	Production and sales	100.00%		Establishment
Topband (Hong Kong) Co., Ltd.	HKD 155 million	Hong Kong	Hong Kong	Investor:	100.00%		Establishment
Huizhou Topband Electrical Technology Co., Ltd.	300,000,000.00	Huizhou	Huizhou	Production and sales	100.00%		Establishment
TOPBAND INDIA PRIVATE LIMITED	INR 1.96 billion	India	India	Production and sales	100.00%		Establishment
Shenzhen YAKO Automation Technology Co., Ltd.	60,000,000.00	Shenzhen	Shenzhen	Production and sales	100.00%		Consolidation under different control
Shenzhen Allied Control System Co., Ltd.	55,999,998.00	Shenzhen	Shenzhen	Production and sales	100.00%		Consolidation under different control
Huizhou Topband Battery Co., Ltd.	50,000,000.00	Huizhou	Huizhou	Production and sales		100.00%	Establishment
Ningbo Topband Intelligent Control Co., Ltd.	300,000,000.00	Ningbo	Ningbo	Production and sales	100.00%		Establishment
Shenzhen Meanstone Intelligent Technology Co., Ltd.	7,600,000.00	Shenzhen	Shenzhen	Production and sales	77.25%		Consolidation under different control
Shenzhen Yansheng Software Co., Ltd.	1,500,000.00	Shenzhen	Shenzhen	Production and sales		100.00%	Consolidation under different control
Hangzhou Zhidong Motor Technology Co., Ltd.	1,500,000.00	Hangzhou	Hangzhou	Production and sales		75.00%	Consolidation under different control
TOPBAND SMART DONGNAI (VIETNAM) COMPANY LIMITED	USD 33.5 million	Vietnam	Vietnam	Production and sales		100.00%	Establishment
Topband Germany GmbH	Euro 25,000	Germany	Germany	Sales		100.00%	Establishment

TOPBAND JAPAN Co., Ltd	Yen 30 million	Japan	Japan	Sales		100.00%	Establishment
Shenzhen Topband Supply Chain Services Co., Ltd.	5,000,000.00	Shenzhen	Shenzhen	Sales	100.00%		Establishment
Shenzhen Topband Investment Co., Ltd.	50,000,000.00	Shenzhen	Shenzhen	Sales	100.00%		Establishment
Shenzhen Spark IOT Technology Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Sales		100.00%	Establishment
Shenzhen Tunnu Innovation Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Sales		100.00%	Establishment
Shenzhen Senxuan Technology Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Sales	100.00%		Establishment
Topband (Qingdao) Intelligent Control Co., Ltd.	10,000,000.00	Qingdao	Qingdao	Production and sales	100.00%		Establishment
Shenzhen Tengyi Industrial Co., Ltd.	1,000,000.00	Shenzhen	Shenzhen	Sales		100.00%	Establishment
Taixing Ninghui Lithium Battery Co., Ltd.	105,000,000.00	Taixing	Taixing	Production and sales		100.00%	Consolidation under different control
Shenzhen Topband Automotive Electronics Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Sales	100.00%		Establishment
Q.B.PTE.LTD	SGD 10,000	Singapore	Singapore	Sales		100.00%	Establishment
TOPBAND MEXICO,S.DE R.L.DEC.V.	MXN 20 million	Mexico	Mexico	Production and sales		100.00%	Establishment
Tunnu Innovation (Hong Kong) Limited	10,000,000.00	Hong Kong	Hong Kong	Sales		100.00%	Establishment
TOPBAND SMART EUROPE COMPANY LIMITED S.R.L.	ROL 20.1816 million	Romania	Romania	Sales		100.00%	Establishment
Huizhou YAKO Automation Technology Co., Ltd.	50,000,000.00	Shenzhen	Shenzhen	Production and sales		100.00%	Establishment
Shenzhen Zhongli Consulting Co., Ltd.	2,000,000.00	Shenzhen	Shenzhen	Sales		100.00%	Establishment
TUNNU INNOVATION,INC	USD 10,000	The United States	The United States	Sales		100.00%	Establishment
Nantong Topband Youneng Technology Co., Ltd.	100,000,000.00	Nantong	Nantong	Production and sales		100.00%	Establishment
Shenzhen Topband Motor Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Production and sales	100.00%		Establishment
Shenzhen Yueshang Robot Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Production and sales		100.00%	Establishment
Shenzhen Jingfei Investment Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Sales	100.00%		Establishment
Huizhou Chiding Technology Co., Ltd.	5,000,000.00	Huizhou	Huizhou	Production and sales	100.00%		Establishment
Yolaness Technology (HK) Co., Limited	USD 500,000	Hong Kong	Hong Kong	Sales		100.00%	Establishment
Huizhou Jiuwan Lvyuan Agriculture Co., Ltd.	5,000,000.00	Huizhou	Huizhou	Production and sales		100.00%	Establishment

YOLANESS AFRICA (PTY) LTD		South Africa	South Africa	Sales		100.00%	Establishment
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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 scope of consolidation, the basis for control:

None.

Basis for determining whether the Company is an agent or a principal:

None.

Other description:

None.

(2) Important non-wholly-owned subsidiaries

None.

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

None.

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

None.

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

None.

Other description:

None.

2. Transactions causing the owner's equity share change but still controlling the subsidiary

(1) Explanation of changes in owner's equity component in a subsidiary

On May 29, 2024, the Company entered into an Equity Transfer Agreement with Mr. Zhu Juzhong, a shareholder of YAKO Automation, Yanxun Investment and Yanyun Investment for the acquisition of 28.46% equity of YAKO Automation. After completion of the transaction, the Company will hold 100% equity of YAKO Automation.

(2) Impact of transaction on minority equity and interests attributable to parent company

Unit: RMB

Purchase cost/disposal consideration	
-- Cash	165,068,000.00
-- Fair value of non-cash assets	
Total of purchase costs/disposal considerations	165,068,000.00
Minus: share of subsidiary net assets calculated in proportion to equity acquired/disposed of	85,069,672.15
Difference	79,998,327.85
Including: adjusted capital reserve	79,998,327.85
Adjusted surplus reserves	
Adjusted retained profit	

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 the 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	37,614,643.25	35,680,088.03
Sum of the following items calculated according to the shareholding ratio		
-- Net profit	-133,536.05	-941,734.98
-- Total comprehensive income	-133,536.05	-941,734.98

(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

None.

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

None.

(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

Explanation for structured subject not included in the scope of consolidated financial statements

6. Others

None.

XI. Government subsidies

1. Government subsidies recognized as receivables at the end of the reporting period

Applicable Not applicable

Reason for failure to receive a government subsidy with expected amount at the expected time point

Applicable Not applicable

2. Liability items involving government subsidies

Applicable Not applicable

Unit: RMB

Accounting title	Beginning balance	Newly increased subsidy in the current period	Amount accounted into non-operating income in the current period	Transferred to the amount of other incomes in the current period	Other changes in the current period	Ending balance	Related to assets/incomes
Deferred income	11,146,292.42	500,000.00		2,295,274.86		9,351,017.56	Governmental subsidies related to assets
Total	11,146,292.42	500,000.00		2,295,274.86		9,351,017.56	/

3. Government subsidies included in current profits and losses

Applicable Not applicable

Unit: RMB

Accounting title	Amount incurred in the current period	Amount incurred in prior period
Other income	15,418,390.00	13,429,284.92

Other description:

None.

XII. Risks related to financial instruments

1. Various risks from 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 risk management of the Company is intended to achieve an appropriate balance between risks and returns, mitigate the negative impact of risks on the Company's business performance to minimum, 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 (Hong Kong) Co., Ltd. that purchase and sell some materials and products in US dollars, Euros and Hong Kong dollars, its subsidiary TOPBAND INDIA PRIVATE LIMITED that uses Indian Rupee, its sub-subsidiary TOPBAND SMART DONG NAI (VIETNAM) Co., Ltd that use Vietnamese Dong, its sub-subsidiary Topband Germany GmbH that uses Euros, its sub-subsidiary TOPBAND JAPAN Co., Ltd. that uses Japanese Yen, its sub-subsidiary Q.B.PTE.LTD that uses Singapore dollars, its sub-subsidiary TOPBAND MEXICO, S.DER.L.DEC.V. that uses Mexican Peso, its sub-subsidiary TOPBAND SMART EUROPE COMPANY LIMITED S.R.L. that uses Romanian Leu, its sub-subsidiary Tunnu Innovation (Hong Kong) Limited that uses Hong Kong dollars, its sub-subsidiary TUNNU INNOVATION, INC that uses US dollars, and its sub-subsidiary YOLANESS AFRICA (PTY) LTD that uses Rand as the settlement currency, other major business activities of the Company are settled in Chinese Yuan. As of June 30, 2024, the balances of assets and liabilities of the Company are in Chinese Yuan, except the balances of assets or liabilities stated in VII. (81) foreign currency monetary items are in US dollars, Hong Kong dollars, Euros, Vietnamese Dong, Japanese Yen, Indian Rupee, Romanian Leu, Mexican Peso, Rand

and Canadian dollars. 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

As of June 30, 2024, the maximum credit risk exposure that may cause financial losses to the Company was mainly due to a failure of the other party to fulfill obligations, which led to financial asset losses to the Company, and financial guarantee undertaken by the Company, including recognized carrying amounts of financial assets in consolidated balance sheets; for financial instruments measured at the fair value, the carrying value only reflects its risk exposure, rather than the maximum risk exposure that varies with the fair value in the future.

In order to reduce credit risks, the Company has arranged special positions responsible for determining credit limits, conducting credit review and 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.

2. Hedging**(1) The Company carries out hedging business for risk management**

Applicable Not applicable

(2) The Company carries out hedging business that meets the conditions, and applies hedge accounting

Applicable Not applicable

(3) The Company carries out hedging business for risk management and is expected to realize the risk management objects, but does not apply hedge accounting

Applicable Not applicable

3. Financial assets**(1) Classification of transfer methods**

Applicable Not applicable

(2) Derecognized financial assets due to transfer

Applicable Not applicable

(3) Transfer of financial assets with assets in continuing involvement

Applicable Not applicable

Other description:

None.

XIII. 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	The second-level fair value	The third level of fair value measurement	Total

	measurement	measurement		
I. Continuous fair value measurement	--	--	--	--
(I) Tradable financial assets			705,951,354.57	705,951,354.57
1. Financial asset at fair value and changes through current profits and losses			705,951,354.57	705,951,354.57
(1) Debt instrument investment			357,118,885.97	357,118,885.97
(2) Equity instrument investment			348,832,468.60	348,832,468.60
(II) Other equity instrument investments			41,192,950.00	41,192,950.00
(III) Receivables financing			302,159,864.75	302,159,864.75
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.

XIV. Related parties and related party 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 Company
Wu Yongqiang	Shenzhen			17.00%	17.00%

Information of parent company of the Company

None.

The ultimate controller of the Company is Wu Yongqiang.

Other description:

None.

2. Profile of subsidiaries of the Company

See Note X. 1 for information about our subsidiaries.

3. Information on the joint ventures and associated enterprises of the Company

See Note X. 3 for the key joint ventures or associated enterprises of the Company.

4. Other related parties

Names of other related parties	Relationship between other related parties and the Company
Shenzhen Jizhiguang Electronics Co., Ltd.	A company substantially controlled by the relative of the Company's legal representative
Shenzhen Lianghui 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

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
Dongguan Jujin Plastic Technology Co., Ltd.	Shareholding companies of the Company

Other description

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	6,723,361.25	34,000,000.00	No	6,213,891.11
Shenzhen ORVIBO Technology Co., Ltd.	Purchase of raw materials			No	5,534.37
Jiangsu Donghai Semiconductor Co., Ltd.	Purchase of raw materials	15,125.00		No	49,179.00
Dongguan Jujin Plastic Technology Co., Ltd.	Purchase of raw materials	14,204,210.67		No	6,775,522.76
Jiangxi Sarui Microelectronics Technology Co., Ltd.	Purchase of raw materials	1,915.00		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.	LED product	5,010,688.23	7,332,764.07

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

None.

(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	3,841,100.00	3,266,000.00

(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.	1,843,588.12	57,151.23	3,747,603.20	116,175.70
Prepayment	Shenzhen ORVIBO Technology Co., Ltd.			3,037.05	

(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.	2,185,143.57	866,888.49
Accounts payable	Jiangsu Donghai Semiconductor Co., Ltd.	6,215.01	51,217.50
Accounts payable	Guangdong Huixin Semiconductor Co., Ltd.	2,180.53	311.50
Accounts payable	Jiangxi Sarui Microelectronics Technology Co., Ltd.	2,113.67	100,087.00
Accounts payable	Dongguan Jujin Plastic Technology Co., Ltd.	13,483,054.08	8,514,044.84
Other account payable	Dongguan Jujin Plastic Technology Co., Ltd.		39,000.00

7. Commitment of related parties

None.

8. Others

None.

XV. Share-based payment

1. General situation of share-based payments

Applicable Not applicable

2. Equity-settled share-based payments

Applicable Not applicable

3. Cash-settled share-based payments

Applicable Not applicable

4. Share-based payments in the current period

Applicable Not applicable

5. Modification and termination of share-based payments

None.

6. Others

None.

XVI. 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**

None.

(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.

XVII. Events after the balance sheet date

None.

XVIII. Other important matters

None.

XIX. Notes to main items of financial statements of the parent company**1. Accounts receivable****(1) Disclosure by aging**

Unit: RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
-------	---------------------------------------	---

Within 1 year (including 1 year)	1,402,570,972.20	1,287,212,115.69
1-2 years	2,212,939.85	5,268,760.84
2-3 years	504,549.02	791,447.31
Above 3 years	2,108,422.46	2,078,206.45
3-4 years	127,257.51	97,063.40
4-5 years	646,390.97	648,578.33
Above 5 years	1,334,773.98	1,332,564.72
Total	1,407,396,883.53	1,295,350,530.29

(2) Disclosure based on accrual methods of bad-debt provision

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	164,229,607.00	11.67%	2,994,574.69	1.82%	161,235,032.31	120,945,555.34	9.34%	2,994,574.69	2.48%	117,950,980.65
Including:										
Accounts receivable with a single significant amount and single bad debt provision	163,165,846.62	11.59%	1,930,814.31	1.18%	161,235,032.31	119,881,794.96	9.26%	1,930,814.31	1.61%	117,950,980.65
Accounts receivable with insignificant single amount but separate bad debt provision	1,063,760.38	0.08%	1,063,760.38	100.00%		1,063,760.38	0.08%	1,063,760.38	100.00%	0.00
Accounts receivable with provision for bad debts by portfolio	1,243,167,276.53	88.33%	38,764,092.85	3.12%	1,204,403,183.68	1,174,404,974.95	90.66%	36,854,741.91	3.14%	1,137,550,233.04
Including:										
Accounts receivable with provision for bad debts by combination (aging analysis method)	1,243,167,276.53	88.33%	38,764,092.85	3.12%	1,204,403,183.68	1,174,404,975.00	90.66%	36,854,741.91	3.14%	1,137,550,233.04
Total	1,407,396,883.53	100.00%	41,758,667.54	2.97%	1,365,638,215.99	1,295,350,530.29	100.00%	39,849,316.60	3.08%	1,255,501,213.69

Description of bad-debt provisions on individual basis: Provision for impairment of individual accounts receivable with material balance, and provision for impairment of individual accounts receivable with non-material balance

Unit: RMB

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Proportion of provision	Reasons for provision
Accounts receivable with a single significant amount and single bad debt provision	119,881,794.96	1,930,814.31	163,165,846.62	1,930,814.31	1.18%	It is difficult to recover
Accounts receivable with insignificant single amount but separate bad debt provision	1,063,760.38	1,063,760.38	1,063,760.38	1,063,760.38	100.00%	It is difficult to recover
Total	120,945,555.34	2,994,574.69	164,229,607.00	2,994,574.69		

Description of bad-debt provision on individual basis:

Applicable Not applicable

Description of bad-debt provision on combined basis: Provision for impairment of combined accounts receivable (by aging analysis)

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)	1,243,167,276.53	38,764,092.85	3.12%
Total	1,243,167,276.53	38,764,092.85	

Explanation of the basis for determining the portfolio:

None.

In case of provision for bad debts on accounts receivable based on the general model of expected credit loss:

Applicable Not applicable

(3) Provision for bad debts accrued, 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	39,849,316.60	1,909,350.94				41,758,667.54
Total	39,849,316.60	1,909,350.94				41,758,667.54

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

None.

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

Applicable Not applicable

(5) Accounts receivables with top five ending balances grouped by debtors, and contract assets

Unit: RMB

Name of unit	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivables and contract assets	Percentage in total ending balance of accounts receivables and contract assets	Ending balance of provision for impairment of accounts receivables and contract assets
No. 1	323,155,473.00		323,155,473.00	22.96%	10,017,819.67
No. 2	62,930,587.27		62,930,587.27	4.47%	
No. 3	60,451,212.75		60,451,212.75	4.30%	1,873,987.60
No. 4	51,165,729.71		51,165,729.71	3.64%	
No. 5	38,722,194.36		38,722,194.36	2.75%	1,200,388.03
Total	536,425,197.09		536,425,197.09	38.12%	13,092,195.30

2. Other receivables

Unit: RMB

Items	Ending balance	Beginning balance
Interest receivable	0.00	0.00
Dividends receivable	0.00	0.00
Other receivables	345,934,589.72	359,906,911.54
Total	345,934,589.72	359,906,911.54

(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
Other receivables	350,687,107.19	363,928,704.37
Total	350,687,107.19	363,928,704.37

2) Disclosure by aging

Unit: RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	343,578,118.20	357,493,959.23
Within 1 year (inclusive), subtotal	343,578,118.20	357,493,959.23
1-2 years	1,795,356.92	1,691,269.55
2-3 years	1,011,302.65	547,927.64
Above 3 years	4,302,329.42	4,195,547.95
3-4 years	228,279.20	556,684.11
4-5 years	1,219,964.00	2,458,782.00
Above 5 years	2,854,086.22	1,180,081.84
Total	350,687,107.19	363,928,704.37

3) Disclosure based on accrual methods of bad-debt provision

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	
Bad debt provision on individual basis	337,070,238.89	96.12%		0.00%	337,070,238.89	352,237,197.66	96.79%		0.00%	352,237,197.66
Bad debt provision on combined basis	13,616,868.30	3.88%	4,752,517.47	34.90%	8,864,350.83	11,691,506.71	3.21%	4,021,792.83	34.40%	7,669,713.88
Total	350,687,107.19	100.00%	4,752,517.47	1.36%	345,934,589.72	363,928,704.37	100.00%	4,021,792.83	1.11%	359,906,911.54

Description of bad-debt provision on individual basis:

None.

Description of bad-debt provision on combined basis:

None.

Explanation of the basis for determining the portfolio:

None.

Provision for bad debts based on the general model of expected credit loss:

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, 2024	4,021,792.83			4,021,792.83
Balance as of January 1, 2024 in the current period				
Accrual in the current period	730,724.64			730,724.64
Balance as of June 30, 2024	4,752,517.47			4,752,517.47

Basis of phasing and percentage of provision for impairment

Applicable Not applicable

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

Applicable Not applicable

4) Provision for bad debts accrued, 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	Transfer or write-off	Others	
Provision for bad debts	4,021,792.83	730,724.64				4,752,517.47
Total	4,021,792.83	730,724.64				4,752,517.47

None.

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

None.

5) Other accounts receivable actually written off in the current period

Applicable Not applicable

6) Other accounts receivable of the top five debtors in respect of the ending balances

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	142,861,510.36	Within 1 year	40.74%	0.00
No. 2	Transactions with related parties	68,968,536.00	Within 1 year	19.67%	0.00
No. 3	Transactions with related parties	68,000,000.00	Within 1 year	19.39%	0.00
No. 4	Transactions with related parties	11,940,509.87	Within 1 year	3.40%	0.00
No. 5	Transactions with related parties	10,500,000.00	Within 1 year	2.99%	0.00
Total		302,270,556.23		86.19%	0.00

7) Included in other accounts receivables due to centralized management of funds

Applicable Not applicable

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	4,148,631,889.88		4,148,631,889.88	3,981,563,889.88		3,981,563,889.88
Investment in associated enterprises and joint ventures	18,263,630.50	12,433,655.05	5,829,975.45	18,272,947.90	12,433,655.05	5,839,292.85
Total	4,166,895,520.38	12,433,655.05	4,154,461,865.33	3,999,836,837.78	12,433,655.05	3,987,403,182.73

(1) Investment in subsidiaries

Unit: RMB

Investee	Beginning balance (book value)	Opening balance of provision for impairment	Changes in increase/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.	26,150,537.86					26,150,537.86	
Shenzhen Topband Battery Co., Ltd.	628,362,316.54					628,362,316.54	
Shenzhen Topband Automation Technology Co., Ltd.	36,511,327.16					36,511,327.16	
Chongqing Topband Industrial Co., Ltd.	211,708,311.75					211,708,311.75	
Topband (Hong Kong) Co., Ltd.	528,408,500.00					528,408,500.00	
Huizhou Topband Electrical Technology Co., Ltd.	1,035,280,971.92					1,035,280,971.92	
Ningbo Topband Intelligent Control Co., Ltd.	671,193,958.69					671,193,958.69	
Shenzhen Allied Control System Co., Ltd.	128,405,047.58					128,405,047.58	
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		165,068,000.00			515,082,659.96	
Shenzhen Topband Investment Co., Ltd.	99,314,771.98					99,314,771.98	
Shenzhen Topband Supply Chain Services Co., Ltd.	5,000,000.00					5,000,000.00	
Shenzhen Senxuan Technology Co., Ltd.	8,035,325.03		2,000,000.00			10,035,325.03	
Topband (Qingdao) Intelligent Control Co., Ltd.	30,000,000.00					30,000,000.00	
Shenzhen Topband Motor Co., Ltd.	12,151,412.44					12,151,412.44	
Huizhou Chiding Technology Co., Ltd.	5,000,000.00					5,000,000.00	
Shenzhen Jingfei Investment Co., Ltd.	1,000,000.00					1,000,000.00	
Total	3,981,563,889.88		167,068,000.00			4,148,631,889.88	

(2) Investment in associated enterprises and joint ventures

Unit: RMB

Investment unit	Beginning balance (book value)	Opening balance of provision for impairment	Changes in increase/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 Daka Optoelectronics Co., Ltd.	5,839,292.85				-9,317.40						5,829,975.45	
Tai'an Yuchengxin Power Technology Co., Ltd.		12,433,655.05										12,433,655.05
Subtotal	5,839,292.85	12,433,655.05			-9,317.40						5,829,975.45	12,433,655.05
Total	5,839,292.85	12,433,655.05			-9,317.40						5,829,975.45	12,433,655.05

Determination of net amount of recoverable amount at fair value less disposal expense

 Applicable Not applicable

Determination of net amount of recoverable amount at present value of estimated future cash flows

 Applicable Not applicable

Cause for significant discrepancy between abovementioned information and information used in the previous year's impairment test or external information

None.

Cause for significant discrepancy between information used in the previous year's impairment test of the Company and actual information in current year

None.

(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	2,335,186,489.30	1,887,021,091.59	2,168,888,404.03	1,828,400,603.03
Other business	73,149,986.55	63,317,817.95	83,107,729.82	78,139,272.60
Total	2,408,336,475.85	1,950,338,909.54	2,251,996,133.85	1,906,539,875.63

Breakdown of operating incomes and operating costs:

 Applicable Not applicable

Information related to performance obligations:

None.

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

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	-9,317.40	-40,895.18
Investment income from disposal of tradable financial assets	507,252.49	
Interest income from other debt investments in holding period	-182,700.00	
Profits and losses of foreign exchange derivatives after settlement	155,182.00	377,800.00
Total	470,417.09	336,904.82

6. Others

None.

XX. 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	-3,096,619.05	
Government grants credited to income statement (except for government grants that are closely related to the normal operation of the Company, comply with national policies and regulations, enjoy in accordance with determined criteria, and have a continuous impact on the profit and loss of the Company)	15,418,390.00	
Profit/loss arising from changes in fair value of financial assets and liabilities held by non-financial enterprises, and profits and losses on disposal of financial assets and liabilities, except for the effective hedging business related to the normal operation of the Company,	2,159,263.40	
Reversal of impairment of receivables individually tested for impairment	3,369,846.80	
Other non-operating income and expenses other than those mentioned above	776,803.05	
Minus: amount affected by income tax	2,854,659.99	
Amount affected by minority shareholders' equity (after tax)	101,285.29	
Total	15,671,738.92	--

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 profit attributable to the ordinary shareholders of the Company	6.10%	0.31	0.31
Net profit attributable to the ordinary shareholders of the Company after deduction of non-recurring profit and loss	5.85%	0.30	0.30

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 Chinese Accounting Standards 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 Overseas Accounting Standards and Chinese Accounting Standards at the same time

Applicable Not applicable

(3) Reasons for differences in accounting data under domestic and overseas 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

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

Whether any administrative punishment was imposed during the reporting period

Yes No Not applicable

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
2024/1/9 2024/1/10 2024/1/11	Conference room of the Company	Field survey	Organizations	Harvest Fund, Kaiyuan Securities, Aegon-Industrial Fund, J.P. Morgan Asset Management, Bopu Fund, China Asset Management, China Everwin Asset, CICC Asset Management, China Securities, PICC Pension, Horizon Fund, Future Vessel Capital, Rongtong Fund, and Chongyang Investment	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2024/2/22 2024/2/23	Conference room of the Company	Field survey	Organizations	HSBC Jintrust Fund Management, TF Securities, Bosera Funds, Changjiang Securities, FORTUNE & Royal Asset, Huamei Investment	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2024/3/27	Conference room of the Company	Telephone communication	Organizations	TF Securities, Regents Capital, Guotai Asset Management, Western Securities, Taiping Asset Management, Shengang Securities, Invesco Great Wall, Value Partners Limited, China Merchants Securities, Shanghai Everbest Investment Managers, Jianshun Investment, Loyal Valley Capital, Ruiyi Investment, Chengluo Investment, Ever Fortune, Hwabao WP Fund, Xingyin Fund, Great Abundance Year Asset, Zhengyuan Investment, Truvalue Asset Management, Yuanlesheng Assets, Springs Capital, Zhongtai Securities, Bosera Fund Management, Union Asset, Panjing Investment, Bin Yuan Capital, Fortune Capital, Hong Ding Wealth Management, Beijing Ding Investment, Century Securities, Changjiang Securities, Harvest Fund, BOC International, Zhihe Assets, Kaiyuan Securities, Gowin AMC, BOC Investment Management, Tourmaline Asset Management, Boyan Ruixuan Venture Capital, Fengpei CAPITAL LLC, China Post Life Insurance, New Thinking Investment, Industrial Securities, Pictet Asset Management, Amundi BOC Wealth Management, Congrong Fund, Shinian Investment, Beijing Eastern Smart Rock Asset	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn

				Management, China International Capital, Jumi Capital, Haoyuan Investment, Western Leadbank FMC, Zhonghai Fund, Qingdao Xingyuan Investment, Pacific Securities, YuanCheng Private Fund, CIB Wealth Management, Long Hang Assets, Beijing Zhenke Fund, DIB Asset Management, Zhejiang Rice Bank Asset Management, Zhongrong International Trust, Honghua Capital, CITIC Prudential Fund, Purekind Fund		
2024/4/12	Conference room of the Company	On-line communication on network platforms	Others	On-line investor	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2024/4/23	Conference room of the Company	Telephone communication	Organizations	TF Securities, China Securities, Invesco Great Wall, Huajin Securities, Shenwan Hongyuan Securities, Rabbit Fund, Shifeng Asset, China Post Life Insurance, Taikang Funds, China Merchants Securities, Huachuang Securities, Macrotrends Fund, Regents Capital, China International Capital, CPIC Fund, Caitong Securities, Zhongtai Securities, Boyan Ruixuan Venture Capital, Perseverance Asset Management, Soochou Asset Management, Guotai Asset Management, Xunyuan Asset, HSBC Jintrust Fund Management, Wanjia Asset, Loyal Valley Capital, Yude Capital, New Thinking, New China Fund, Dongxing Asset Management, Xingyuan Investment, SINO LIFE ASSET, CIB Wealth Management, Tianlang Assets Management, Caixin Economics, CITIC Securities AM, China Universal Asset Management, Pacific Securities, Founder Securities Asset Management, Beijing Longrising Asset Management, Rongtong Fund, CPE Fund, Generali China, Union Asset, Heng An Life, Yinhua Fund, PICTET, Xingheng Fund, Yingda Insurance, Bosera Fund Management, Century Securities, Rongtong Fund, Shanxi Securities, Shanghai Life, BOC Investment Management, Heyong Investment, Gemboom Investment, Xuanyuan Investment, Knight Investment, Mingyu Assets, Truvalue Asset Management, HENGJIAN INTERNATIONAL INVESTMENT HOLDING (HONG KONG), Q.M. Fortune, Hanxiang Investment, Hezhong Yisheng, Shenzhen Hong Ding Wealth Management, Soochow Securities, Changsheng Fund, Ren Bridge Fund, Fortune Capital, BNB Wealth Management, Jt Asset Management, Milestone Assets, Qianhai Jumpstart, Southern Asset Management, G Fund, Orient Securities, BOC Wealth Management, Rongtong Fund, Harvest Fund, New China Asset, Chengluo Investment, Asia-Pacific P&C, HFT Investment Management, CITIC Prudential Fund, Intewise Capital, China Life AMP Asset Management, Orient Securities, Lead Wolf Assets, Current VC, Zhengyuan Investment, Lead Wolf Assets, Guanghuiyuan Assets, China Securities, Truvalue Asset Management, Huatai-Pinebridge Fund Management, PH Capital, Guotai Junan Securities, Zinggo Fund, Jinghe Assets, Ping An Asset Management, Chuanghua Investment, Penghua Fund, Horizon Fund, Shanghai Chongyun, Changjiang Pension, BNB Wealth Management, CCB Principal Asset Management, PICC Asset Management, Changan Fund Management, Jianshun Investment, Ren Bridge Fund, Jianghai Securities, dealers of Sealand Securities, Heyong Investment, Rosefinch Fund	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn

2024/4/30 2024/5/6	Conference room of the Company	Field survey	Organizations	Tianhong Asset Management, TF Securities, Changjiang Pension, Changjiang Securities, Zhonggeng Fund	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2024/5/27 2024/5/28 2024/5/29 2024/5/30	Conference room of the Company	Field survey	Organizations	Origin Asset Management, Jinding Capital, Regent Capital, Mondrian, Jefferies Securities, CICC Securities, Bosera Fund Management, Current VC, Hourunde Fund, GF Fund Management, China Securities,	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2024/6/19	Conference room of the Company	Field survey	Organizations	TF Securities, Harvest Fund, CITIC Securities, China Post AMC, Yingda Securities, Beijing Ding Investment, BNB Wealth Management, Guotai Junan Assets Management, Truvalue Asset Management, China Universal Asset Management, Baichuan Asset 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 related parties

Applicable Not applicable

Shenzhen Topband Co., Ltd.

July 31, 2024