

TOPBAND 拓邦

Shenzhen Topband Co., Ltd.

Semi-annual Report 2022



Topband Applet for Investor Relations

July 2022

Section I Important Notes, Contents and Definitions

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

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

All directors have attended the Board Meeting at which the Report was scrutinized.

There is no significant risk affecting the financial condition and sustainable profitability of the Company, but there may be risks of declining market demand, increased competition in the industry, raw material price fluctuations, changes in export rebate policy and foreign exchange rate fluctuations due to the macro environment home and abroad. For detailed risk warnings, please refer to the "Possible Risk Factors" in Section III of this report and investors are advised to pay attention to investment risks.

The Company plans not to distribute cash dividends and bonus shares, nor to convert the accumulation fund to increase the share capital.

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Directory of documents for future reference

I. Accounting statements containing the signatures and seals of the legal representative, the financial head and the accounting department head.

II. The originals of all the company documents publicly disclosed in newspapers designated by the CSRC during the reporting period and the original manuscripts of announcements.

III. The original of the Semi-annual Report 2022 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.

Definitions

Terms	Refer to	Contents
Company, the Company, Topband	Refer to	Shenzhen Topband Co., Ltd.
Yuan, 10,000 yuan	Refer to	Yuan, RMB 10,000 yuan
CSRC	Refer to	China Securities Regulatory Commission
Exchange	Refer to	Shenzhen Stock Exchange
Reporting period	Refer to	From January 1, 2022 to June 30, 2022
Articles of Association	Refer to	Articles of Association of Shenzhen Topband Co., Ltd.
Huizhou Topband	Refer to	Huizhou Topband Electrical Technology Co., Ltd.
YAKO Automation	Refer to	Shenzhen YAKO Automation Technology Co., Ltd.
HCD	Refer to	Shenzhen Allied Control System Co., Ltd.
Topband Software	Refer to	Shenzhen Topband Software Technology Co., Ltd.
ORVIBO	Refer to	Shenzhen ORVIBO Technology Co., Ltd.
Chongqing Yiyuan	Refer to	Chongqing Topband Industrial 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 Smart Europe	Refer to	Topband Smart Europe Company Limited
Topband Mexico	Refer to	Topband Mexico Company Limited
Topband Battery	Refer to	Shenzhen Topband Battery Co., Ltd.
AIoT	Refer to	Artificial intelligence of things
ICT	Refer to	Information Communications Technology
BLDC Motor	Refer to	Brushless DC Motor
IPD	Refer to	Integrated Product Development
ISC	Refer to	Integrated Supply Chain

Section II Profile and Main Financial Indicators

I. Company information

Stock abbreviation	Topband	Stock code	002139
Listed stock exchange	Shenzhen Stock Exchange		
Chinese name of the Company	深圳拓邦股份有限公司		
Chinese abbreviation of the Company name (if any)	拓邦股份		
English name (if any)	Shenzhen Topband Co.,Ltd		
English abbreviation (if any)	Topband		
Legal representative	Wu Yongqiang		

II. Contact person and contact information

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

III. Others

1. Company's contact information

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

Applicable Not applicable

The Company's registered address, company office address and its postal code, company website, and e-mail remain unchanged during the reporting period. For details, please refer to the Annual Report 2021.

2. Information Disclosure and Storage Location

Whether information disclosure and storage place has changed during the reporting period

Applicable Not applicable

The name of the information disclosure newspaper selected by the Company, the website address designated by the

China Securities Regulatory Commission to publish the semi-annual report, and the storage place for the Company's semi-annual report remain unchanged during the reporting period. For details, please refer to the Annual Report 2021.

3. Other relevant information

Whether other relevant information 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

	This reporting period	Same period last year	Y-o-y increase /decrease
Operating income (yuan)	4,228,003,137.57	3,644,045,612.40	16.02%
Net profit attributable to shareholders of listed companies (yuan)	246,508,271.38	428,185,704.03	-42.43%
Net profit attributable to the shareholders of the listed company for deduction of non-recurring profits and losses (yuan)	204,656,056.10	319,714,520.44	-35.99%
Net cash flow from operating activities (yuan)	74,886,255.39	-225,705,738.12	133.18%
Basic earnings per share (yuan/share)	0.20	0.38	-47.37%
Diluted earnings per share (yuan/share)	0.20	0.37	-45.95%
Weighted average ROE	4.77%	11.13%	-6.36%
	At the end of the reporting period	End of the previous year	Increase or decrease at the end of the current year compared with the end of the previous year
Total assets (yuan)	10,174,791,588.35	9,606,992,402.39	5.91%
Net assets attributable to shareholders of listed companies (yuan)	5,285,706,108.91	5,028,315,406.63	5.12%

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

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

Applicable Not applicable

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

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

Applicable Not applicable

There is no difference in net profit and net assets between financial reports disclosed in accordance with foreign accounting standards and those disclosed in accordance with PRC GAAP during the reporting period.

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

Applicable Not applicable

Unit: yuan

Items	Amount	Description
Profits and losses on disposal of non-current assets (including the write-off portion of the provision for asset impairment)	-378,109.64	
Government subsidies included in the current profits and losses (except those that are closely related to the normal business of the Company, conform to national policies and regulations and are continuously enjoyed in a fixed or quantitative manner according to certain standards)	14,625,339.37	
Profits and losses due to fair value changes arising from the holding of tradable financial assets and liabilities, as well as the investment income from the disposal of tradable financial assets and liabilities and available-for-sale financial assets, except for the effective hedging business related to the normal business of the Company	31,603,205.99	
Other non-operating income and expenses other than those mentioned above	-1,217,111.70	
Other items of profits and losses that meet the definition of non-recurring profits and losses	241,902.47	Financing income
Minus: amount affected by income tax	2,794,910.05	
Amount affected by minority shareholders' equity (after tax)	228,101.16	
Total	41,852,215.28	

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

Applicable Not applicable

None.

Explanation of defining the items of non-recurring profits and losses listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profits and Losses as recurring items of profits and losses

Applicable Not applicable

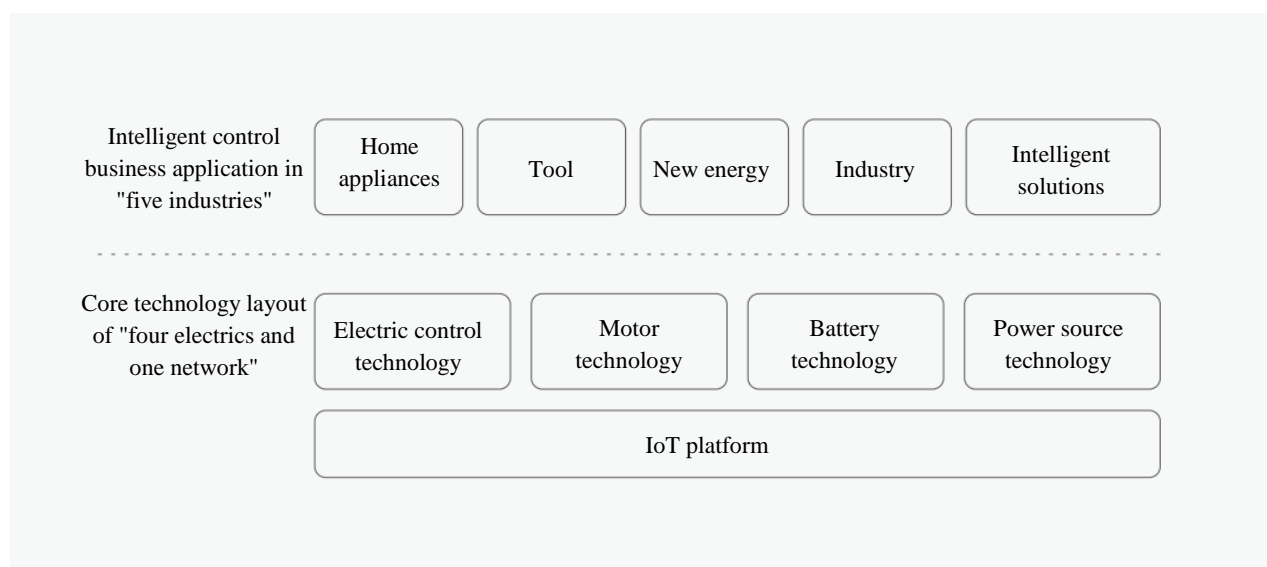
The items of non-recurring profits and losses listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public — Non-recurring Profits and Losses are not defined as the recurring profits and losses by the Company.

Section III Discussion and Analysis of the Management

I. Main businesses during the reporting period

(I) Main business and products

The Company mainly engages in R&D, production and sales of intelligent control system solutions, i.e., providing diversified customized solutions for industries of home appliances, tools, new energy, industrial and intelligent solutions, etc., with the "four electrics and one network" technology of electric control, motor, battery, power supply and IoT platform as its core. The Company is a global leading provider of intelligent control technology, a pioneer of intelligent control solutions for the home appliances and tool industries, and an innovative leader in new energy, industrial and intelligent solutions.



1. Core technology of the Company: "four electrics and one network": electric control, motor, battery, power supply technology and IoT platform.

1.1 Electric control technology. The electric control technology is a technology to achieve intelligent control with the microcomputer as the core, including: sensing technology, power electronics, signal processing technology, communication technology, interactive technology, power and energy conversion technology, electromagnetic compatibility, etc. The Company has established hundreds of electric control technology platforms, which completely cover the demand range of products in four major industries.

1.2 Motor technology. The motor technology is a technology that converts electrical energy into kinetic energy. The Company has built dozens of advanced motor technology platforms around various types of motors such as

brushless DC motors (BLDC), stepper motors, and servo motors. Among them, the Company takes the lead in the tool motor and motion control industries. Motion control refers to the real-time control of the position, speed and direction of mechanical moving parts, so that such mechanical moving parts move in accordance with the expected trajectory and the specified motion parameters. The motion control system is generally composed of man-machine interaction interface, controller, driver, motor and other components, which are the core components of intelligent manufacturing equipment, and is the premise and basis for the realization of intelligent manufacturing.

1.3 Battery technology. The battery technology is a technology for energy storage and management. Its core technologies include battery material application technology, cell design and manufacturing technology and battery system integration technology. Battery material application technology includes related application technologies of positive and negative electrode materials, electrolytes and diaphragm. Cell design and manufacturing technology includes electrochemical architecture design, coating, lamination/winding, formation and other manufacturing technologies. Battery system integration technology includes 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 balance. The technology spans many fields such as material science, electrochemistry, electronics and control engineering. After years of accumulation, the Company has developed complete technical capabilities of design, development, customization and production ranging from cell technology (CELL), battery management technology (BMS) to battery pack (PACK) system.

1.4 Power source technology. Power technology is a kind of electric energy conversion technology, which can transform the front-end input into the output required by the load safely, efficiently and intelligently. The Company has analog power, switching power and digital power technology platforms of different power levels and various types, which can provide charging and inversion solutions and various customized power solutions.

1.5 IoT platform. The IoT platform is a technology that integrates perception layer, connection layer and application layer, mainly including connection management, device management and application. The Company has formed a complete technical capability from IoT module, intelligent terminal to APP, and PaaS IoT platform, and has developed solutions for more than ten business scenarios.

2. Main products of the Company: Customized system solutions for five industries, namely home appliances, tools, new energy, industry and intelligent solutions.

2.1 Intelligent control of home appliances

The Company provides brand customers in the home appliance industry with customized product concepts, design, development, manufacturing and delivery services, including the master control, power control, motor drive and control, display control, temperature control, and voice control of home appliances.

2.2 Tool intelligent control

The tool industry mainly includes electric tools, garden tools and other professional tools. The Company provides customized services from the product concept, design, development to manufacturing and delivery for brand customers in the tool industry. The business covers the electric control, motor and battery, and the product forms include not only the controller, motor, battery pack BMS but also the module and the complete machine.

2.3 New energy business

New energy business is mainly oriented to energy storage and green commuting, in which products and system solutions including inverters, controllers, battery cells, battery management systems, battery packs, battery swap cabinets, PACK and motor control are provided for fields such as household energy storage, portable energy storage, energy storage of communication base stations, motorcycles and tricycles, other special vehicles, new energy vehicles and IoT.

2.4 Industry

In the industrial control industry, the Company's main business includes R&D, production, sales of drive and control products with focus on special industrial intelligent control solutions. The Company mainly provides controllers, drives and motors for downstream automation equipment customers, which are widely used in 3C electronics, photovoltaic, battery, robotics, medical equipment, semiconductor equipment, textile machinery, packaging machinery, etc. We are committed to helping automation equipment manufacturers improve equipment design performance, reduce equipment manufacturing costs, and speed up the development of new equipment.

2.5 Intelligent solutions

The intelligent solution is the integrated intelligent solution of "innovative products + AIoT platform + customized service" for the "clothing, food, housing and transportation", "industry, catering, hotel, and park" and other scenarios with the Company's AIoT (Artificial Intelligence of Things) technology platform and intelligent product innovation capabilities as the core.

(II) Industry situation

1. Basic situation

The intelligent control industry, in which the Company is involved, is a long-term thriving industry, with a

trillion-dollar market, and its applications cover all walks of life, such as the household appliances, smart home, intelligent building, power tools, robots, industry and automation, automotive electronics, new energy and medical equipment. The intelligent controller, the main product of the industry, is a high-tech product produced with the automatic control technology and computer technology as the core, incorporating the sensor technology, microelectronic technology and power electronics technology and many other technical categories, and acting as the "nerve center" and "brain" in the industry.

An intelligent and low-carbon society is the irresistible trend, with a long-term, continuous, wide-ranging and far-reaching change, which will deeply affect modern life and change the form of products. The industry is now at a crossroad of intelligence, scenario-based, green and low carbon. With the deepening of social intelligence, the continuous integration and development of intelligent control technology and 5G, IoT, artificial intelligence, cloud computing and other new technologies, the accelerated iteration of various products, the constant upgrading of the intelligence level, and the emerging of the new products, new formats and new models, more new opportunities will be created for the intelligent control products in various intelligent and low-carbon application scenarios such as clothing, food, housing and transportation, enterprises, cities, etc., making the intelligent controller industry highly prospective.

2. Position in the industry

The Company is a global leading provider of intelligent control solutions, focusing on the field of intelligent control, adhering to the value concept of "agile innovation partner" and driving its development with technological innovation. It has formed a comprehensive technical system of "four electrics and one network" (electric control, motor, battery, power supply and IoT platform) to provide customized intelligent control solutions for downstream customers in industries such as home appliances, tools, new energy, industry and intelligent solutions. Centering on the three unique capabilities, i.e. "platform-based technological innovation capability, partnership customer service capability and systematic quick response capability", the Company keeps forging ahead and has established close cooperative relations with a large number of industry heading customers. It has now become a leader in intelligent control solutions in home appliance and tool industries and an innovation leader in new energy, industry and intelligent solutions.

II. Core competitiveness analysis

1. Systematic rapid response capability. With the development of ICT technology and the accelerated speed

of global innovation iteration, the services provided by the Company to customers increasingly need to be more agile in terms of operation. Based on a deep understanding of the intelligent control business, the Company has created a strong platform system from the implementation of IPD concept of R&D and design process, ISC reform of core customers of supply chain system, laboratory and quality assurance system, and intelligent manufacturing platform system, building a customer-centered process-oriented organization and internalizing the strengths and capabilities of the Company into agile capabilities of operation, thus further strengthening the differentiated capabilities of rapid innovation and response, and guarantee sustainable and high-speed growth of the Company.

2. Platform-based technological innovation capability. With the technology as DNA and the innovation as the gene of development, the Company has formed a unique innovation leading capability. The Company has accumulated and formed the most complete technology platform in the industry, with capabilities for in-depth understanding of various control mechanisms, independent implementation and industry leading, covering all aspects of core technologies of intelligent control integration solutions, such as: intelligent control algorithms, motor electric control, sensing, man-machine interaction, image recognition, power technology, Android technology, temperature control technology, heating, cooling, etc. The Company has the most abundant product lines in its industry, each of which has accumulated and formed a complete, mass-production-proven product platform covering white home appliances, small home appliances, power tools, gardening tools, intelligent hardware, smart campus, consumer electronics and other fields, and can quickly provide customers with the best and most guaranteed customized solutions. In addition, the Company has a unique overall solution capacity of "intelligent controller + high efficiency motor + lithium battery" in industry, further strengthening the capacity of the Company to lead the technology.

3. Partnership-based customer service capability. The Company takes "agile innovation partner" as its technology value proposition, and develops partnership with customers with the development concept of value co-creation and value co-win. Relying on the advantage of leading technology capacity and based on the deep insight of customer needs, the Company has formed the partnership-based customer service capacity with the fastest response and the most powerful value creation, established in-depth cooperation partnership with domestic and foreign excellent brand customers in various business fields, and formed a good reputation and brand reputation in the industry. The partnership-based customer service capacity is widely recognized and praised by customers.

III. Main business analysis

In the first half of 2022, the pandemic in many places in China repeated. In the first quarter, two waves of pandemics occurred in Shiyan Sub-district, Bao'an District, Shenzhen, where the Company's headquarters is located, affecting the production and operation to a certain extent. In the second quarter, the pandemic in Shanghai and its surrounding areas had a wider impact on customers in the Yangtze River Delta and on the semiconductor supply to varying degrees. Under the background of the state's policy of "Adopting vigorous measures to prevent import of cases and resurgence of infections" and implementing the scientific, accurate and dynamic zero-COVID policy, the Company's production and operation faced many external challenges, such as multiple difficulties in transportation, personnel, and materials. During the reporting period, all employees of the Company united sincerely, took the initiative and did their best to organize the resumption of work and production under the premise of ensuring safety. We took advantage of the production capacity layout in many places in China and overseas factories, to ensure the timely delivery of customer orders to the greatest extent by optimizing the allocation of production capacity and increasing the stocking of scarce materials.

With the joint efforts of all Topband staff, the Company achieved operating incomes of 4.228 billion yuan during the reporting period, a year-on-year increase of 16.02%, and net profits of 247 million yuan attributable to shareholders of the listed companies, a year-on-year decrease of 42.43%, and net profits of 205 million yuan attributable to shareholders of the listed companies after deduction of non-recurring profits and losses, a year-on-year decrease of 35.99%. Among them, various indicators such as revenue and profit in the second quarter have been significantly improved compared with the first quarter. In the second quarter, the operating incomes increased by 26.37% from the previous quarter, and the net profit attributable to shareholders of the listed companies after deduction of non-recurring gains and losses reached 147 million yuan, an increase of 155% from the first quarter.

(I) During the reporting period, the operating income was 4.228 billion yuan, a year-on-year increase of 16.02%. The main reasons are as follows:

The future belongs to an intelligent society, and all walks of life need controllers for people's necessities. Secondly, the intelligent control industry is showing a trend of focusing on the head companies and transferring to a professional third party. During the reporting period, due to the impact of the pandemic, the Russian-Ukrainian war and the year-on-year base, the growth rate of the basic business (home appliances and tool units) slowed down. As the Company's growth business, the new energy unit achieved rapid growth. Overseas business progressed smoothly, and the proportion of export revenue increased to over 60% during the reporting period. New

breakthroughs were made in each business segment in terms of product categories and customers.

The business development in the first half of 2022 is as follows:

(1) Tool unit: the Company's basic business unit. In the first half of 2022, the sales revenue reached 1.607 billion yuan, a year-on-year increase of 7.96%. The Company reserved a relatively rich product line in this unit, providing downstream customers with one-stop solutions covering controllers, motors, BMS, battery packs and complete machines. The focus of tool unit was mainly on power tools and garden tools, with a high downstream concentration. The world's top ten complete machine customers occupied the main market share, and companies from Europe and the United States accounted for a relatively high market share in the terminal market. During the reporting period, affected by the economic prosperity of Europe and the United States, the growth rate slowed down. In the medium and long term, the application scenarios of tools are increasing, and there is still plenty of room for improving the penetration rate in markets other than Europe and the United States. The industry will not change its continuous growth trend due to short-term factors such as the pandemic. With the increase in the rate of lithium battery and cordless application, and the increase in the volume of product platforms and leading customers, the Company's market share in this unit will further increase.

(2) Home appliance unit: the Company's basic business unit. In the first half of 2022, the sales revenue reached 1.515 billion yuan, a year-on-year increase of 12.1%. The main reasons included the smooth development of big customers, the increase of the number and volume of customers, and the constant emergence of innovative products, e.g. the rapid growth of innovative intelligent devices, commercial air conditioning, frequency conversion air conditioning, kitchen appliances, purification products and service robots which opened up the growth space of the home appliance unit. For the traditional business, the Company will strengthen the ability to gain insight into market opportunities, deeply understand customer needs, improve its resource integration ability and internal operational efficiency, and strive for more orders to ensure its scale advantages. For innovative business, we will make use of the core advantages of technological innovation to incubate and market innovative products continuously so as to achieve both commercial success and rapid growth.

(3) New energy unit: The Company's growth business. In the first half of 2022, the sales revenue reached 858 million yuan, a year-on-year increase of 61.23%. Focusing on energy storage, green commuting and other fields, the unit is higher than the overall growth rate of the Company. The Company's new energy business has rich product lines and diverse product forms. In the field of new energy, we can provide solutions for inverters, cells, battery management systems, battery packs, battery swap cabinets, PACK and other products and complete systems.

Relying on years of technology accumulation and stable quality assurance, we can open the market quickly with the advantages of customized solutions. Due to the historical industry opportunity of low carbon plus the overseas energy shortage caused by war and severe weather, the overseas market demand for energy and household energy storage is rather strong in the first half of 2022, and it is expected that the trend of high growth will continue.

(4) Industrial unit: In the first half of 2022, the sales revenue reached 135 million yuan, a year-on-year decrease of 18.82%. The Company mainly provides controllers, drives and motors for downstream automation equipment customers, which are widely used in 3C electronics, robots, medical device, photovoltaic equipment, semiconductor equipment, textile machinery, packaging machinery, etc. During the reporting period, the economic situation and pandemic had a certain impact on the demand of industrial automation industry. By adopting the strategy of focusing on key industries and key customers, the Company made breakthroughs in photovoltaic industries and other industries, with a small year-on-year growth of servo products. We are committed to helping automation equipment manufacturers improve equipment design performance, reduce equipment manufacturing costs, and speed up the development of new equipment. Benefiting from domestic substitutions and intelligent upgrading of factories, the unit will usher in a new boom cycle in the future.

(5) Intelligent solutions: The intelligent solution is the integrated solution of "innovative products + AIoT platform + customized service" for the "clothing, food, housing and transportation", "industry, catering, hotel, and park" and other scenarios with the Company's AIoT (Artificial Intelligence of Things) technology platform and intelligent product innovation capabilities as the core. In the first half of 2022, the sales revenue reached 83 million yuan, a year-on-year increase of 5.04%.

(II) During the reporting period, the net profits attributable to shareholders of the listed companies after deduction of non-recurring gains and losses reached 205 million yuan, a year-on-year decrease of 35.99%.

The main reasons are as follows:

1. Supply-side impact: Material cost was an important part of the Company's main business cost. In 2021, due to the pandemic and other external influences, the cost of raw materials such as chips had risen sharply, and gradually stabilized in the first half of 2022, but the prices of imported semiconductors and transistors were at high level, without significant drop. In the first half of 2022, the external environment was turbulent. In order to ensure the safety of delivery, the Company reserved a certain amount of inventories, consumed some high-priced inventories in the second quarter and counted them into cost accordingly. During the reporting period, the integrated gross margin of products was 19.08%, an increase of 0.07 percentage points from the previous quarter and a year-

on-year decrease of 5.04 percentage points.

2. Influence of equity incentive expenses: During the reporting period, the accrued equity incentive expenses increased by approximately 71 million yuan on a year-on-year basis.

3. Three period expenses (selling expenses, R&D expenses and management expenses): After the deduction of equity incentive expenses, the three expenses increased by about 150 million yuan year-on-year. The main reasons were that the Company's business was in a period of rapid development, requiring more R&D Investments on new projects. Meanwhile, under the development strategy of multi-regionalization and close customer relationship, overseas bases such as Romania and Mexico were still in the early stage of investment, as a result, selling expenses increased year-on-year. With the promotion of these strategies, the ability to serve customers nearby can be improved, and the impact of political risks such as trade wars and the pandemic on company operation can be also reduced.

(III) During the reporting period, the net profits attributable to shareholders of the listed companies reached 247 million yuan, a year-on-year decrease of 42.43%. The main reasons are as follows:

In addition to the above factors affecting the net profits attributable to shareholders of the listed companies after deduction of non-recurring gains and losses, the gain from fair value changes from external investment during the reporting period decreased by approximately 65 million yuan year-on-year.

Year-on-year changes in key financial data

Unit: yuan

	This reporting period	Same period last year	Year-on-year increase or decrease	Reasons for change
Operating income	4,228,003,137.57	3,644,045,612.40	16.02%	Compared with the same period of last year, it increased by 583.96 million yuan or 16.02% during the reporting period. The main reason is that the Company increased efforts in market development and expanded the sales scale during the period.
Operating cost	3,421,434,029.61	2,765,295,741.39	23.73%	Compared with the same period of last year, it increased by 656.14 million yuan or 23.73% during the reporting period. The main reason is that the increase in revenue during the period resulted in raised costs.
Selling expenses	125,180,825.48	76,889,884.59	62.81%	Selling expenses: Compared with the same period of last year, they increased by 48.29 million yuan or 62.81% during the reporting period. The main reason is that the increase in employees during the period resulted in an increase in salary expenses, and the accrued expenses of restricted stock also increased compared with the same period last year.
Management	160,894,026.46	94,842,819.69	69.64%	Management expenses: Compared with the same period of

expenses				last year, they increased by 66.05 million yuan or 69.64% during the reporting period. The main reason is that the increase in employees during the period resulted in an increase in salary expenses, and the accrued expenses of restricted stock also increased compared with the same period last year.
Finance expenses	-63,616,375.63	53,761,157.16	-218.33%	Financial expenses: Compared with the same period of last year, they decreased by 117.38 million yuan or 218.33% during the reporting period. The main reason is that the increase in the exchange rate of the US dollars against the RMB during the period resulted in a large exchange gain, while it is ascribed to the exchange loss in the same period of last year.
Income tax expenses	17,807,321.21	45,639,842.16	-60.98%	Income tax expenses: Compared with the same period of last year, they decreased by 27.83 million yuan or 60.98% during the reporting period. The main reason is that the deferred tax expense accrued due to the change in fair value of the investment held on ORVIBO increased compared with the same period of last year, but there is no such effect in this reporting period.
R&D investment	352,138,564.64	233,628,312.83	50.73%	R&D investment: Compared with the same period of last year, it increased by 118.51 million yuan or 50.73% during the reporting period. The main reason is that the Company's R&D personnel and the accrued expenses for the equity incentive plan greatly increased compared with the same period of last year.
Net cash flow from operating activities	74,886,255.39	-225,705,738.12	133.18%	Compared with the same period of last year, it increased by 300.59 million yuan or 133.18% during the reporting period. The main reason is the increase in cash received from sales of goods and labor services provided during the period.
Net cash flow from investment activities	-487,956,696.27	-409,322,535.05	-19.21%	Compared with the same period of last year, it decreased by 78.63 million yuan or 19.21% during the reporting period. The main reason is that the cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets increased compared with the same period of last year.
Net cash flow from financing activities	230,261,666.20	748,918,536.69	-69.25%	Compared with the same period of last year, it decreased by 518.66 million yuan or 69.25% during the reporting period. The main reason is that the capitals raised through non-public offering of shares were credited into account in the same period last year, and there is no such effect in this reporting period.
Net increase in cash and cash equivalents	-162,322,238.96	87,547,923.94	-285.41%	

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

Applicable Not applicable

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

Composition of operating income

Unit: yuan

	This reporting period		Same period last year		Year-on-year increase or decrease
	Amount	Proportion in operating income	Amount	Proportion in operating income	
Total operating income	4,228,003,137.57	100%	3,644,045,612.40	100%	16.02%
By industry					
Intelligent control electronics industry	4,228,003,137.57	100.00%	3,644,045,612.40	100.00%	16.02%
By product					
Tool	1,606,784,503.47	38.00%	1,488,294,121.01	40.84%	7.96%
Home appliances	1,515,196,016.05	35.84%	1,351,595,006.58	37.09%	12.10%
New energy	858,103,466.53	20.30%	532,217,782.45	14.61%	61.23%
Industry	135,322,059.03	3.20%	166,694,953.58	4.57%	-18.82%
Intelligent solutions	83,117,293.53	1.97%	79,127,608.68	2.17%	5.04%
Other	29,479,798.96	0.70%	26,116,140.10	0.72%	12.88%
By region					
Domestic	1,568,861,062.41	37.11%	1,550,764,762.74	42.56%	1.17%
Foreign	2,659,142,075.16	62.89%	2,093,280,849.66	57.44%	27.03%

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: yuan

	Operating income	Operating cost	Gross profit rate	Increase or decrease of operating income over the same period of last year	Increase or decrease of operating costs over the same period of last year	Increase or decrease of gross profit rate over the same period of last year
By industry						
Intelligent control electronics industry	4,228,003,137.57	3,421,434,029.61	19.08%	16.02%	23.73%	-5.04%
By product						
Tool	1,606,784,503.47	1,274,042,349.51	20.71%	7.96%	17.58%	-6.48%
Home appliances	1,515,196,016.05	1,257,127,675.01	17.03%	12.10%	15.83%	-2.67%
New energy	858,103,466.53	714,351,510.60	16.75%	61.23%	76.19%	-7.07%
By region						
Domestic	1,568,861,062.41	1,280,900,681.66	18.35%	1.17%	10.92%	-7.18%
Foreign	2,659,142,075.16	2,140,533,347.95	19.50%	27.03%	32.91%	-3.56%

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

Applicable Not applicable

Reasons for the change of more than 30% in relevant data

Applicable Not applicable

In the first half of 2022, the Company's new energy revenue increased by 61.23% year-on-year, which is mainly due to the historical opportunity of low carbon and the increased demand for energy and energy storage products caused by overseas energy crisis.

IV. Analysis of non-main business

Applicable Not applicable

V. Analysis of assets and liabilities

1. Significant changes in asset composition

Unit: yuan

	End of the current year		End of last year		Increase or decrease of proportion	Description of major changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary capital	1,592,155,704.45	15.65%	1,767,580,056.07	18.40%	-2.75%	
Accounts receivable	2,383,927,027.15	23.43%	2,188,161,465.48	22.78%	0.65%	
Inventory	2,200,490,689.46	21.63%	2,184,402,766.04	22.74%	-1.11%	
Investment property	107,656,655.34	1.06%	86,975,114.31	0.91%	0.15%	
Long-term equity investment	24,629,564.82	0.24%	26,119,127.82	0.27%	-0.03%	
Fixed assets	1,720,571,118.72	16.91%	1,299,517,887.54	13.53%	3.38%	Fixed assets: Compared with the same period of last year, they increased by 421.05 million or 32.40% during the reporting period. The main reason is that during the period, the Operation Center Project in Ningbo East China constructed was available and transferred from the status of construction in progress to fixed assets.
Construction in progress	143,094,482.19	1.41%	495,248,025.93	5.16%	-3.75%	Project under construction: Compared with the beginning of the period, it decreased by 352.15 million or 71.11% during the reporting period. The main reason is that during the period, the Operation Center Project in Ningbo East China constructed was available and transferred from the

						status of construction in progress to fixed assets.
Right-of-use assets	55,212,987.55	0.54%	58,168,151.88	0.61%	-0.07%	
Short-term loans	724,668,584.75	7.12%	409,531,107.26	4.26%	2.86%	Short-term loans: Compared with the beginning of the period, they increased by 315.14 million or 76.95% during the reporting period. The main reason is that the short-term loans undue during the reporting period increased compared with the beginning of the period.
Contractual liabilities	140,315,780.40	1.38%	93,328,006.70	0.97%	0.41%	Contractual liabilities: Compared with the beginning of the period, they increased by 46.99 million or 50.35% during the reporting period. The main reason is that the advance received on contract increased compared with the same period of last year.
Long-term loans	450,511,381.65	4.43%	475,020,000.00	4.94%	-0.51%	
Lease liabilities	38,645,239.64	0.38%	40,290,402.14	0.42%	-0.04%	

2. Major overseas assets

Applicable Not applicable

Unit: yuan

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	387,131,492.87	Pune, India	R&D, production and sales	Financial supervision and external audit	15,709,640.77	7.32%	No
Operation Center in Vietnam	Investment and establishment	346,748,112.69	Binh Duong, Vietnam	R&D, production and sales	Financial supervision and external audit	56,121,933.02	6.56%	No

3. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: yuan

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	Closing balance
Financial assets								
1. Tradable financial assets (excluding derivative financial assets)	214,999,336.74	31,603,205.99	170,117,413.30		73,000,000.00	47,000,000.00		272,602,542.73
Subtotal of financial assets	214,999,336.74	31,603,205.99	170,117,413.30		73,000,000.00	47,000,000.00		272,602,542.73
Total of the above	214,999,336.74	31,603,205.99	170,117,413.30		73,000,000.00	47,000,000.00		272,602,542.73
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

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

VI. Investment analysis

1. General situation

Applicable Not applicable

Investment in the reporting period (yuan)	Investment amount in the same period of last year (yuan)	Range of change
30,000,000.00	46,000,000.00	-34.78%

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

There was no derivative investment during the reporting period.

5. Usage of raised capitals

Applicable Not applicable

(1) General use of raised capitals

Applicable Not applicable

Unit: 10,000 yuan

Year of raising capitals	Ways of raising capitals	Total amount of raised capitals	Total amount of raised capitals used in the current period	Total amount of raised capitals used	Total amount of raised capitals for change of purpose during the reporting period	Cumulative total amount of raised capitals with changed purposes	Cumulative total amount proportion of raised capitals with changed purposes	Total amount of unused raised capitals	Purpose and destination of unused raised capitals	Amount of raised capitals which have been idle for more than two years
2019	Public offering of convertible bonds	56,543.65	2,753.63	41,554.13	0	0	0.00%	14,989.52	Temporary replenishment and deposit in the special account for raised capitals	0
2021	Non-public offering of shares	103,684.71	16,997.93	51,537.8	61,000	61,000	58.83%	52,146.91	Temporary replenishment and deposit in the special account for raised capitals	0
Total	--	160,228.36	19,751.56	93,091.93	61,000	61,000	38.07%	67,136.43	--	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 capitals in 2019

The Company publicly issued 5.73 million convertible corporate bonds on March 7, 2019, each with a par value of 100 yuan, with a total amount of 573 million yuan, 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 573 million yuan by lead underwriters 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. (ZJXK [2018] No. 1842). Capitals with a total amount of 573,000,000.00 yuan were raised, and the net capitals raised were 565,436,509.42 yuan after deduction of all the issuance costs amounting to 7,563,490.58 yuan.

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 A shares to specific targets in private at the price of 11.40 yuan per stock, with a par value of 1 yuan 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. (ZJXK [2020] No. 1865). The total amount of capitals raised was 1,049,999,998.20 yuan, and the net capitals actually available for use were 1,036,847,068.71 yuan after deduction of all the issuance costs amounting to 13,152,929.49 yuan (tax-exclusive).

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

2. Usage amount and balance of capitals raised in the first half of 2022**(1) Use of capitals raised by public issuing of convertible bonds in 2019**

As of June 30, 2022, the Company has invested 415.5413 million yuan in capital-raising projects. Among them, 389.3065 million yuan was directly invested in the capital-raising projects, and 26.2348 million yuan was returned before the raised capitals were put in place. On June 30, 2022, 150 million yuan idle raised capitals have been used to temporarily supplement the working capital; as of June 30, 2022, the balance of the raised capitals account is 6.4766 million yuan (including interest income).

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

As of June 30, 2022, the Company has invested a total of 515.3781 million yuan in capital-raising projects. Among them, 469.9793 million yuan was directly invested in the capital-raising projects, and 45.3987 million yuan was returned before the raised capitals were put in place. On June 30, 2022, 470 million yuan idle raised capitals have been used to temporarily supplement the working capital; as of June 30, 2022,

the balance of the raised capitals account is 51.4254 million yuan (including interest income).

(2) Situation of projects committed when raising capitals

Applicable Not applicable

Unit: 10,000 yuan

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										
Operation Center in Topband East China	No	56,543.65	56,543.65	2,753.63	41,554.13	73.49%			Not applicable	No
Topband Huizhou No. 2 Industrial Park Project	No	73,684.71	12,684.71		4,539.87	35.79%			Not applicable	No
Topband Nantong Industrial Park Phase-I Stage-1 Project	No		61,000	16,997.93	16,997.93	27.87%			Not applicable	No
Replenish the Company's working capital	No	30,000	30,000		30,000	100.00%			Not applicable	No
Subtotal of committed investment projects	--	160,228.36	160,228.36	19,751.56	93,091.93	--	--		--	--
Investment direction of over raised capitals										
None										
Total	--	160,228.36	160,228.36	19,751.56	93,091.93	--	--	0	--	--
Situation and reason of failing to reach the planned progress or expected income (by specific project)	None									
Description of major changes in project feasibility	None									
Amount, use and progress of over raised capitals	Not applicable									
Change of implementation location of investment projects with raised capitals	Applicable									
	Applicable									
	1. On January 8, 2022, the Company held the 18th Meeting of the 7th Board of Directors, deliberated and passed the Proposal on Implementation Mode, Subject and Location of Changes in Some Capital-raising Projects, and agreed that the Company									

	<p>should change the implementation subject, location and mode of the lithium battery business in the planned project.</p> <p>Specifically, the implementation place was changed from Huizhou, Guangdong Province to Nantong, Jiangsu Province.</p>
Adjustment of implementation mode of investment projects with raised capitals	Applicable
	Applicable
	<p>1. On January 8, 2022, the Company held the 18th Meeting of the 7th Board of Directors, deliberated and passed the Proposal on Implementation Mode, Subject and Location of Changes in Some Capital-raising Projects, and agreed that the Company should change the implementation subject, location and mode of the lithium battery business in the planned project.</p> <p>Specifically, the implementation mode was changed from the land acquisition for building construction to the direct purchasing of building with infrastructure constructed.</p>
Upfront investment and replacement of investment projects with raised capitals	Applicable
	<p>1. The Company invested 26.2348 million yuan in advance in the Operation Center Project in 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 June 30, 2021, the Company has completed the replacement of self-raised capitals invested in advance.</p> <p>2. The Company invested 45.3987 million yuan in Topband Huizhou No. 2 Industrial Park Project with self-raised capitals 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 Capitals Raised with Self-raised Capitals (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 Capitals with Capitals Raised on June 8, 2021. As of June 30, 2022, the Company has completed the replacement of self-raised capitals invested in advance.</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	Applicable
	<p>1. On February 15, 2022, the Company held the 20th Meeting of the 7th Board of Directors, deliberated and passed the Proposal on Temporarily Replenishing Working Capital with Some Idle Raised Capitals, and agreed that the Company should temporarily replenish working capital with no more than 840 million yuan of idle capitals raised, with a period of not more</p>

	<p>than 12 months. As of June 30, 2022, 470 million yuan of temporary supplementary current assets have been used.</p> <p>The Board of Supervisors, Independent Directors and Sponsor Institutions of the Company all expressed their clear consent on the matter.</p>
Amount and reasons of the balance of raised capitals in project implementation	Not applicable
Purpose and whereabouts of unused raised capitals	<p>1. On February 15, 2022, the Company held the 20th Meeting of the 7th Board of Directors, deliberated and passed the Proposal on Temporarily Replenishing Working Capital with Some Idle Raised Capitals, and agreed that the Company should temporarily replenish working capital with no more than 840 million yuan of idle capitals raised, with a period of not more than 12 months. As of June 30, 2022, 47,000 yuan of temporary supplementary current assets have been used.</p> <p>2. On March 22, 2022, the Company held the 21st Meeting of the 7th Board of Directors, deliberated and passed the Proposal on Purchasing Cash Financial Products with Some Idle Raised Capitals and Self-own Capitals, and agreed that the Company should purchase short-term principal-protected bank financial products with no more than 100 million yuan of idle raised capitals and no more than 600 million yuan of self-own capitals. The capitals can be used on a rolling basis within the amount above. As of June 30, 2022, the Company has purchased no financial products with the idle raised capitals.</p> <p>The Board of Supervisors, Independent Directors and Sponsor Institutions of the Company all expressed their clear consent on the matter.</p> <p>3. The remaining unused raised capitals are deposited in the Company's special account for raising capitals.</p>
Problems or other situations in the usage and disclosure of raised capitals	None

(3) Change of projects with raised capitals

Applicable Not applicable

Unit: 10,000 yuan

Changed projects	Original projects committed	Total amount of raised capitals to be invested in the changed project (1)	Actual investment during this reporting period	Actual 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	Whether there was a significant change in the feasibility of the changed project
Topband Nantong Industrial	Topband Huizhou No. 2 Industrial Park	61,000	16,997.93	16,997.93	27.87%			Not applicable	No

Park Phase-I Stage-1 Project	(Lithium Battery) Project								
Total	--	61,000	16,997.93	16,997.93	--	--	0	--	--
Reasons for change, decision-making procedures and information disclosure (by specific projects)		<p>Due to the rapid development of the Company's lithium battery business in recent years, the downstream market demand was rather strong. The Company originally planned to purchase land and build a factory to promote the lithium battery project, with a construction period of 2 years. However, in the Nantong Lithium Battery Project, the Company purchased an existing plant with infrastructure constructed, greatly shortening the construction period. In order to facilitate the expansion of the lithium battery business as soon as possible, the Company fully seized the market opportunities of the lithium battery industry and the new energy industry, enhanced its market competitiveness and operating performance, and through the comprehensive assessment, planned to change the implementation subject, location and mode of the lithium battery business in the original capital-raising project, so as to utilize the capitals raised efficiently.</p> <p>The Company, after holding the 18th (Interim) Meeting of the 7th Board of Directors, the 15th (Interim) Meeting of the 7th Board of Supervisors and the 1st Extraordinary General Meeting of Shareholders in 2022, deliberated and passed the Proposal on Implementation Mode, Subject and Location of Changes in Some Capital-raising Projects, to change the implementation mode, subject and location of the lithium battery business in the planned capital-raising project with the non-public offering of shares in 2021.</p> <p>The above content has been disclosed in strict accordance with the information disclosure requirements.</p>							
Situation and reason of failing to reach the planned progress or expected income (by specific project)		Not applicable							
Description of major changes in the feasibility of the changed project		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: yuan

Name of company	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 parts and components	300 million yuan	4,153,807,245.87	1,509,053,369.27	2,846,172,700.16	98,044,717.93	86,580,642.11
Topband (Vietnam) Co.,ltd	Subsidiary	R&D, production, sales, import and export of electronic parts and components	12.5 million US dollars	346,748,112.69	293,585,686.07	301,544,040.97	61,942,431.39	56,121,933.02
Shenzhen Topband Battery Co., Ltd.	Subsidiary	R&D, production, sales, import and export of electronic parts and components	50 million yuan	1,073,972,032.58	671,219,273.91	506,513,724.74	42,330,611.62	35,968,469.78

Situation of acquisition and disposal of subsidiaries during the reporting period

Applicable Not applicable

Name of company	Method of acquisition and disposal of subsidiaries during the reporting period	Impact on overall production and operations and results
Shenzhen Xiaoyou Aitu Innovation Technology Co., Ltd.	Newly established and acquired	No significant impact on the results of the Report
Shenzhen Yueshang Robot Co., Ltd.	Newly established and acquired	No significant impact on the results of the Report
Shenzhen Topband Motor Co., Ltd.	Newly established and acquired	No significant impact on the results of the Report

Description 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

The global epidemic will still make impact on economic activities before control, and 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. Considering that, the Company will continue to strengthen product and market research, and improve its insight and planning capabilities.

3. Exchange rate risk

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

4. Other risks

There are many uncertainties in the current macro environment at home and abroad, and there are some factors that are unfavorable to the operation of the Company. For example, the shortage of raw materials, wide fluctuations in prices and customer credit risk will increase the uncertainty of the Company's operation. Given that, the Company will continue to strengthen raw materials tracking and analysis, improving the dynamic management level of inventory, and strengthening customer credit risk management and control.

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
First Extraordinary General Meeting of Shareholders in 2022	Extraordinary General Meeting of Shareholders	31.74%	2022/1/24	2022/1/25	Reviewed and approved the Proposal on Implementation Mode, Subject and Location of Changes in Some Capital-raising Projects;
2021 Annual General Meeting	Annual General Meeting of Shareholders	31.27%	2022/4/12	2022/4/13	<ol style="list-style-type: none"> 1. Reviewed and approved the Proposal on 2021 Annual Report and Abstract; 2. Reviewed and approved the Proposal on 2021 Final Financial Report; 3. Reviewed and approved the Proposal on 2021 Profit Distribution Plan; 4. Reviewed and approved the Proposal on 2021 Work Report of the Board of Directors; 5. Reviewed and approved the Proposal on 2021 Work Report of the Board of Supervisors; 6. Reviewed and approved the Proposal on Remuneration of Company Directors in 2021; 7. Reviewed and approved the Proposal on Remuneration of Company Supervisors in 2021; 8. Reviewed and approved the Proposal on Application for Comprehensive Credit Line from Banks by the Company and Its Subsidiaries in 2022; 9. Reviewed and approved the Proposal on Renewing the Employment of Audit Institution in 2022; 10. Reviewed and approved the Proposal on Spinning off Shenzhen YAKO Automation Technology Co., Ltd. (Subsidiary) to List on the Growth Enterprise Market of Shenzhen Stock Exchange in Compliance with Relevant Laws and Regulations; 11. Reviewed and approved the Proposal on Spinning off Shenzhen YAKO Automation Technology Co., Ltd. (Subsidiary) for the Initial Public Offering of A Shares; 12. Reviewed and approved the Proposal on the Plan of Shenzhen Topband Co., Ltd. for Spinning Off of Its Subsidiary (Shenzhen YAKO Automation Technology Co., Ltd.) to List on the Growth Enterprise Market; 13. Reviewed and approved the Proposal on Spinning off Shenzhen YAKO Automation Technology Co., Ltd. (Subsidiary) to List on the Growth Enterprise Market of Shenzhen Stock Exchange in Compliance with Rules for the Spin-off of Listed Companies (For Trial Implementation); 14. Reviewed and approved the Proposal on Spinning off Shenzhen YAKO Automation Technology Co., Ltd. (Subsidiary) to List on the

					<p>Growth Enterprise Market of Shenzhen Stock Exchange and to Safeguard the Legal Rights and Interests of Shareholders and Creditors;</p> <p>15. Reviewed and approved the Proposal on Maintaining Independence and Sustainable Operation Abilities;</p> <p>16. Reviewed and approved the Proposal on Shenzhen YAKO Automation Technology Co., Ltd. With Relevant Standard Operation Capacities;</p> <p>17. Reviewed and approved the Proposal on the Description of Shenzhen YAKO Automation Technology Co., Ltd. (Subsidiary) Fulfilling the Completeness and Compliance of Legal Procedures During the Spin-off Listing and Validity of Legal Documents Submitted;</p> <p>18. Reviewed and approved the Proposal on Authorizing the Board of Directors and Authorized Persons to Fully Handle Matters Regarding Spin-off Listing of Shenzhen YAKO Automation Technology Co., Ltd. (Subsidiary) on the Growth Enterprise Market of Shenzhen Stock Exchange;</p> <p>19. Reviewed and approved the Proposal on the Purpose, Commercial Reasonableness, Necessity and Feasibility Analysis of the Spin-off;</p> <p>20. Reviewed and approved the Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021.</p>
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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 of the Company

Applicable Not applicable

There were no changes in the Company's directors, supervisors and senior management during the reporting period. For details, please refer to the Annual Report 2021.

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

Applicable Not applicable

The Company plans not to distribute cash dividends and bonus shares, nor to convert the accumulation fund to increase the share capital within half a year.

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

Applicable Not applicable

1. Stock incentive

(1) Implementation of the stock option incentive plan in 2018 during the reporting period

On March 18, 2022, the 21st Meeting of the 7th Board of Directors and the 17th Meeting of the 7th Board of Supervisors deliberated and approved the Proposal on the Third Exercise Period of 2018 Stock Option Incentive Plan Meeting the Exercise Conditions and Exercisable Rights and the Proposal on Adjustment of the Incentive Objects and the Number of Stock Options of 2018 Stock Option Incentive Plan. There were 543 incentive objects in the third exercise period to exercise their rights independently and a total of 14,049,300 stock options meeting the exercise conditions. Zhang Ran, Wu Mingli and other 20 incentive objects resigned from the Company due to personal reasons. Due to the failure to meet conditions of stock incentive objects, their 324,000 stock options that have been granted but not yet exercised had been canceled by the Company on June 2, 2022. In the stock option incentive plan in 2018, the objects to be granted were reduced from 567 to 545.

On April 26, 2022, the 25th Meeting of the 7th Board of Directors and the 21st Meeting of the 7th Board of Supervisors reviewed and approved the Proposal on Adjusting the Exercise Price of the Stock Option Incentive Plan in 2018. The 2021 annual equity distribution plan was implemented, and the exercise price was adjusted from 3.60 yuan per share to 3.55 yuan per share accordingly.

As of May 16, 2022, 14,049,300 stock options involving 543 incentive objects that meet the exercising conditions has been exercised, increasing the Company's capital stock by 14.0493 million yuan.

On June 2, 2022, upon review and confirmation by Shenzhen Branch of China Securities Depository and Clearing Co., Ltd., 551,500 stock options that failed to meet the exercise conditions has been the canceled, and the 2018 stock option incentive plan has been successfully implemented.

For details of the implementation of the 2018 stock option incentive plan, please refer to the Company's announcements on Securities Times and <http://www.cninfo.com.cn> on March 22, 2022, April 27, 2022, and June 3, 2022.

2) Implementation of the restricted stock incentive plan in 2021 during the reporting period

On March 30, 2022, the 23rd (Interim) Meeting of the 7th Board of Directors and the 19th (Interim) Meeting of the 7th Board of Supervisors reviewed and approved the Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021. 10 employees including Wu Song and Luo Qingshan, the incentive objects of the 2021 restricted stock incentive plan, resigned due to personal reasons, and they no longer meet the conditions for stock incentive objects. Therefore, 221,000 restricted stocks that have been

granted to them but not been unlocked would be canceled by the Company. In the restricted stock incentive plan in 2021, the objects to be granted were reduced from 1,224 to 1,214.

For details of the implementation of the 2021 restricted stock incentive plan, please refer to the Company's announcements on Securities Times and <http://www.cninfo.com.cn> on March 31, 2022.

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 company or subsidiary	Reason for punishment	Violation	Punishment result	Influence on production and operation of listed companies	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

There is no serious pollution in the production process of the Company. The Company has always paid special attention to the social public image, and implemented environmental protection as an important part of its social responsibility, to ensure that industrial solid waste is effectively disposed of according to regulations, and the various pollutants discharged meets the national environmental protection standards.

The Company has passed the ISO14001:2015 Environmental Management System Certification, implemented the supporting HSPMQC080000 Hazardous Substance Process Management System, and in terms of the identification and evaluation of environmental factors, environmental monitoring and measurement management, environmental communication management, waste water, exhaust gas and solid waste treatment control, hazardous substances identification and control, prepared a series of procedural documents, so as to specify the Company's environmental protection system and responsibilities under the environmental management system. The passing of the system certification and the establishment of relevant supporting systems of the Company show that the Company has realized institutionalized and operable arrangements in terms of environmental protection.

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

Applicable Not applicable

Reasons for not disclosing other environmental information

Not applicable

II. Social responsibility

Not applicable

Section VI Important Matters

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

Applicable Not applicable

Reasons for commitments	Commitment Party	Commitment type	Commitment content	Commitment time	Commitment period	Performance
Commitments made during the initial public offering or refinancing	Wu Yongqiang	Commitments to horizontal competition	Mr. Wu Yongqiang, the actual controller of the Company, has promised that during the period of being the controlling shareholder and/or actual controller of the Company, he would not directly or indirectly engage in any business which was the same, similar or substantially competitive with the main business of the Company at present and in the future.	2007/6/12	Long-term effective	Fulfill the commitment strictly
	Ji Shuhai	Commitments to horizontal competition	Ji Shuhai, a director of the Company as a shareholder, has promised not to directly or indirectly engage in any business which was the same, similar or substantially competitive with the main business of the Company at present and in the future in any way during his term of office.	2007/6/12	Long-term effective	Fulfill the commitment strictly
	All directors and senior executives of the Company	Other commitments	1. I would not deliver benefits to other organizations or individuals free of charge or under unfair conditions and not damage the interests of the Company in other means. 2. I fully supported and cooperated with the Company in regulating the duty consumption behavior of directors and senior executives. Any duty consumption behaviors would occur within the scope necessary for fulfilling my duty to the Company. I strictly accepted the supervision and management of the Company to avoid extravagance or excessive consumption. 3. I would strictly abide by the relevant laws and regulations, the regulations and rules of the CSRC, the stock exchange and other regulatory institutions as well as the requirements of the Company's rules and regulations on the code of conduct of directors and senior executives. Besides, I would not use the Company's assets to engage in investment and consumption activities unrelated to the performance of my duties. 4. I would try my best to make the Company implement the compensation demand return measures. 5. I would work hard to link the	2020/4/29	On-going	Fulfill the commitment strictly

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

			<p>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 CSRC. I voluntarily accept the self-discipline supervision measures taken by the stock exchange and China Association for Public Companies. If my breach of the commitment causes losses to the Company or the shareholders, I shall be liable for compensation in accordance with the law.</p>			
	Wu Yongqiang	Other commitments	<p>If Huizhou Topband, a wholly-owned subsidiary of Shenzhen Topband Co., Ltd., failed to bid for the land usage right of the plot DN-02-16 at the southeast of the intersection of Dongxin Avenue and Xing'an Road of Dongjiang High-tech Industrial Park in HZZK Hi-tech Industrial Development Zone to be used by "Huizhou Topband No. 2 Industrial Park Project" and Huizhou Topband was required to purchase or lease other lands while the Company would suffer from heavy losses, I would compensate for such losses (such as overpayment of land-transferring fees, rents).</p>	2020/7/30	On-going	Fulfill the commitment strictly
Equity incentive commitment	Peng Ganquan, Zheng Sibin, Ma Wei, Wen Zhaohui and Xiang Wei	Other commitments	<p>I promise that I would not transfer all the Company's shares (including the shares obtained from exercise and other shares) within six months after the exercise of the stock option incentive plan in 2018.</p>	2022/5/16	Six months after exercise	Fulfill the commitment strictly
Whether the commitment was fulfilled on schedule	Yes					
If the commitment was not fulfilled within the time limit, the specific reasons for the failure and the next work plan shall be explained in detail.	Not applicable					

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

Applicable Not applicable

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

III. External guarantee in violation of regulations

Applicable Not applicable

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

IV. Appointment and dismissal of the accounting firm

Whether the semi-annual financial report has been audited

Yes No

The semi-annual report has not been audited.

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

Applicable Not applicable

VI. Descriptions of the "non-standard audit report" in the previous year by the Board of Directors

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. Litigation matters

Major litigation and arbitration matters

Applicable Not applicable

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

Other litigation matters

Applicable Not applicable

IX. Punishment and rectification

Applicable Not applicable

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

Applicable Not applicable

XI. Major related transactions

1. Related transactions connected with the daily operation

Applicable Not applicable

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

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

Applicable Not applicable

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

3. Related transactions of joint foreign investment

Applicable Not applicable

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

4. Related creditor's right and debt transaction

Applicable Not applicable

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

5. Transactions with associated financial companies

Applicable Not applicable

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

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

Applicable Not applicable

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

7. Other major related transactions

Applicable Not applicable

On January 13, 2022, the Company held the 19th Meeting of the 7th Board of Directors, reviewed and approved the Proposal on the Estimated Daily Related Transactions in 2022. As of the end of the reporting period, the contract amount or estimated amount of the Company's daily related transaction has been within the approved limit.

Inquiries about the website for disclosing the interim report on significant related transactions

Name of temporary announcement	Disclosure date of temporary announcement	Name of website for disclosing temporary announcement
Announcement on the Estimated Daily Related Transactions in 2022	January 15, 2022	http://www.cninfo.com.cn

XII. Major contracts and their performance

1. Trusteeship, contracting and lease

(1) Trusteeship

Applicable Not applicable

The Company had no trusteeship during the reporting period.

(2) Contracting

Applicable Not applicable

The Company had no contracting during the reporting period.

(3) Lease

Applicable Not applicable

The Company had no lease during the reporting period.

2. Material guarantee

Applicable Not applicable

Unit: 10,000 yuan

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										
Guarantees of the Company 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
Ningbo Topband	2019/1/12	19,000		0	Joint liability guarantee			The tentative guarantee period shall not exceed 5 years from the date of signing the formal guarantee agreement	No	No
Ningbo Topband	2020/10/20	22,000	2020/11/5	22,000	Joint liability guarantee			The tentative guarantee period shall not exceed 5 years from the date of signing the formal guarantee agreement	No	No
Total amount of approved guarantee for subsidiaries at the end of the reporting period (B3)		41,000		Total actual balance of guarantee for subsidiaries at the end of the reporting period (B4)		22,000				
Guarantee of the subsidiary to its subsidiary										
Name of	Date of	Guarantee	Actual	Actual	Guarantee	Collateral	Counter	Guarantee	Whether	Whether

guarantee object	disclosure of the relevant announcement of guarantee amount limit	amount limit	date of occurrence	guarantee amount	type	(if any)	guarantee (if any)	period	it was completed	the guarantee objects were related parties
Not applicable										
Total amount of the corporate guarantee (i.e. the sum of the first three items)										
Total amount of guarantee approved at the end of the reporting period (A3+B3+C3)		41,000		Total actual balance of guarantee at the end of the reporting period (A4+B4+C4)		22,000				
The proportion of the total actual amount of guarantee (A4+B4+C4) in the Company's net assets				4.16%						
Including:										

Description of details of complex guarantee

None

3. Entrusted financial management

Applicable Not applicable

Unit: yuan

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	43,000,000	0	0	0
Total		43,000,000	0	0	0

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

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

The Company had no other major contract during the reporting period.

XIII. Description of other major matters

Applicable Not applicable

1. Changes in some planned capital-raising projects with the non-public offering of shares in 2021

1. On January 7, 2022, the Company, after holding the 18th (Interim) Meeting of the 7th Board of Directors and the 15th (Interim) Meeting of the 7th Board of Supervisors, deliberated and passed the Proposal on Implementation Mode, Subject and Location of Changes in Some Capital-raising Projects, to change the implementation mode, subject and location of the lithium battery business in the planned capital-raising project with the non-public offering of shares in 2021, and to change the implementation place of the lithium battery work in the Topband Huizhou No. 2 Industrial Park Project from Huizhou, Guangdong Province to Nantong, Jiangsu Province. The matters had been reviewed and approved on the First Extraordinary General Meeting of Shareholders in 2022.

For details, please refer to the Company's announcements on Securities Times and <http://www.cninfo.com.cn> on January 8, 2022 and January 25, 2022.

2. Spin-off listing of Shenzhen YAKO Automation Technology Co., Ltd.

(1) On March 18, 2022, the Company, after holding the 21st Meeting of the 7th Board of Directors and the 17th Meeting of the 7th Board of Supervisors, deliberated and passed the Proposal on Planning the Spin-off Listing of Controlled Subsidiaries. Based on the actual situation and through careful consideration, the Company agreed to the planned spin-off listing of its holding subsidiary (Shenzhen YAKO Automation Technology Co., Ltd.; hereinafter referred to as "YAKO Automation"), and authorized the Company and the management to launch the preparatory work for the spin-off listing.

(2) On March 25, 2022, the Company, after holding the 22nd (Interim) Meeting of the 7th Board of Directors and the 18th (Interim) Meeting of the 7th Board of Supervisors, reviewed and approved the Proposal on the Plan of Shenzhen Topband Co., Ltd. for Spinning Off of Its Subsidiary (Shenzhen YAKO Automation Technology Co., Ltd.) to List on the Growth Enterprise Market, the Proposal on Spinning off Shenzhen YAKO Automation Technology Co., Ltd. (Subsidiary) to List on the Growth Enterprise Market of Shenzhen Stock Exchange in Compliance with Rules for the Spin-off of Listed Companies (For Trial Implementation) and other proposals related to the spin-off, authorizing the Company to spin off its subsidiary, YAKO Automation, and to list on the Growth Enterprise Market of Shenzhen Stock Exchange. In addition, the Company disclosed the Proposal on the Plan of Shenzhen Topband Co., Ltd. for Spinning Off of Its Subsidiary (Shenzhen YAKO Automation Technology Co., Ltd.) to List on the Growth Enterprise Market; the General Risk Advisory Announcement on Spin-off Listing of

Subsidiaries and related announcements on March 26, 2022. CITIC Securities Co., Ltd. issued the Verification Opinion on the Spin-off of Shenzhen YAKO Automation Technology Co., Ltd. (Subsidiary) by Shenzhen Topband Co., Ltd. and Listing on the Growth Enterprise Market, Baker Tilly China Certified Public Accountants (Special General Partnership) issued the Financial Verification Opinions on the Spin-off Listing of Subsidiary of Shenzhen Topband Co., Ltd., and Beijing Zhong Lun Law Firm issued the Legal Opinions On Spin-off of Shenzhen YAKO Automation Technology Co., Ltd. (Subsidiary) to List on the Growth Enterprise Market of Shenzhen Stock Exchange. The independent directors expressed prior approval and independent opinions on this matter. The above proposals were reviewed and approved by the 2021 Annual General Meeting of Shareholders on April 12, 2022.

For details, please refer to the Company's announcements on Securities Times and <http://www.cninfo.com.cn> on March 22, 2022, March 26, 2022 and April 13, 2022.

XIV. Major matters of subsidiaries of the Company

Applicable Not applicable

1. In March 2022, the Company invested to establish a wholly-owned subsidiary, Shenzhen Topband Motor Co., Ltd., with a registered capital of 10 million yuan, and included it in the scope of consolidated statements since its establishment;

2. In March 2022, Shenzhen Topband Investment Co., Ltd., a wholly-owned subsidiary of the Company, invested to establish a wholly-owned sub-subsidiary, Shenzhen Yueshang Robot Co., Ltd., with a registered capital of 10 million yuan; Shenzhen Topband Investment Co., Ltd., a wholly-owned subsidiary of the Company, invested to establish a wholly-owned subsidiary, Shenzhen Xiaoyou Aitu Innovation Technology Co., Ltd., with a registered capital of 10 million yuan. All of them had been included in the scope of consolidated statements since the date of establishment;

Section VII Share Change and Shareholders

I. Share change

1. Share change

(Unit: Share)

	Before this change		Increase or decrease of change this time (+, -)					After this change	
	Quantity	Proportion	Issuance of new shares	Stock dividend	Conversion of accumulation fund into shares	Other	Subtotal	Quantity	Proportion
I. Shares with non-tradable conditions	228,613,617	18.19%				721,250	721,250	229,334,867	18.04%
1. Shares held by the state									0.00%
2. Shares held by state-owned legal persons									0.00%
3. Shares held by other domestic capital	228,502,617	18.18%				721,250	721,250	229,223,867	18.03%
Including: shares held by domestic legal persons									0.00%
Shares held by domestic natural persons	228,502,617	18.18%				721,250	721,250	229,223,867	18.03%
4. Shares held by foreign investment	111,000	0.01%						111,000	0.01%
Including: shares held by overseas legal persons									0.00%
Shares held by overseas natural persons	111,000	0.01%						111,000	0.01%
II. Shares with unlimited tradable conditions	1,028,364,455	81.81%				13,328,050	13,328,050	1,041,692,505	81.96%
1. A shares	1,028,364,455	81.81%				13,328,050	13,328,050	1,041,692,505	81.96%
2. Domestic listed foreign shares		0.00%							0.00%
3. Overseas listed foreign shares		0.00%							0.00%
4. Others		0.00%							0.00%
III. Total number of shares	1,256,978,072	100.00%				14,049,300	14,049,300	1,271,027,372	100.00%

Reasons for share change

 Applicable Not applicable

The change in the Company's share capital during the reporting period was due to the joint effect of the following: the third exercising period of the stock option incentive plan in 2018 met the relevant conditions, and the incentive objects increased 14,049,300 shares for the Company's share capital through independent exercise.

Approval of share change

Applicable Not applicable

During the third exercising period of the Company's stock option incentive plan in 2018, the following decision-making procedures have been executed:

1. On March 22, 2022, the 21st Meeting of the 7th Board of Directors and the 17th Meeting of the 7th Board of Supervisors deliberated and approved the Proposal on the Third Exercise Period of 2018 Stock Option Incentive Plan Meeting the Exercise Conditions and Exercisable Rights and the Proposal on Adjustment of the Incentive Objects and the Number of Stock Options of 2018 Stock Option Incentive Plan. Zhang Ran, Wu Mingli and other 20 incentive objects resigned from the Company due to personal reasons, therefore, they no longer meet conditions of stock incentive objects; 2 incentive objects were rated as "unqualified" in terms of the performance appraisal and 22 incentive objects rated as "good" or "qualified". In other words, 75% of exercisable quota of the stock option in the current year can be exercised. The above stock options that failed to meet the exercise conditions had been canceled by the Company. The Board of Supervisors of the Company expressed verification opinions on the adjustment of the exercise price of the 2018 stock option incentive plan and the list and number of incentive objects involved in the second exercise period of granting stock options, and the independent directors expressed their independent opinions, agreeing that 543 incentive objects would exercise their rights independently in the third exercise period, with the total exercisable stock options of 14,049,300.

2. On April 26, 2022, the 25th Meeting of the 7th Board of Directors and the 21st Meeting of the 7th Board of Supervisors reviewed and approved the Proposal on Adjusting the Exercise Price of the Stock Option Incentive Plan in 2018. The 2021 annual equity distribution plan was implemented, and the exercise price was adjusted from 3.60 yuan per share to 3.55 yuan per share accordingly.

3. As of May 16, 2022, 14,049,300 stock options involving 543 incentive objects that meet the exercising conditions has been exercised, increasing the number of share capitals.

Transfer of share change

Applicable Not applicable

In the third exercise period of the 2018 stock option incentive plan, 14,049,300 stock options were approved to be exercised. As of the end of the reporting period, due to the exercise of stock options, 14,049,300 shares were increased, all of which had been registered under the names of each incentive object.

Implementation progress of share repurchase

Applicable Not applicable

The Company held the 21st Meeting of the 7th Board of Directors on March 22, 2022, reviewing and approving the Proposal on the Repurchase of the Company's Shares, and disclosed the Report on Share Repurchase on March 22, 2022. As of June 30, 2022, the Company had repurchased a total of 3,980,800 shares through centralized bidding transactions, accounting for 0.32% of the total share capital, with the lowest price of 7.93 yuan per share, the highest price of 10.90 yuan per share and the total transaction amount of 39,336,755.65 yuan (excluding transaction costs). The Company's repurchase plan is still under implementation.

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

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

For the impact of changes in shareholding on financial indicators such as the basic earnings per share, diluted earnings per share, and net assets per share attributable to ordinary shareholders of the Company in the last year and the most recent period, please refer to Section X Financial Report XVIII: Supplementary Information 2. Return on net assets and earnings per share in this Announcement.

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	Desterilization number of non-tradable shares in the	Increase number of non-tradable shares in the	Number of non-tradable shares at the end of the	Reasons for non-trading	Date of lifting sales restriction

	the period	current period	current period	period		
Wu Yongqiang	159,006,536	0	0	159,006,536	Executives lock-in shares	Not applicable
Ji Shuhai	20,488,981	0	0	20,488,981	Executives lock-in shares	Not applicable
Ma Wei	6,567,200	154,000	300,000	6,713,200	Executive lock-up shares and Stock-option-incentive restricted stocks	Not applicable
Peng Ganquan	3,592,674	100,000	360,000	3,852,674	Executive lock-up shares and Stock-option-incentive restricted stocks	Not applicable
Zheng Sibin	4,645,977	133,250	240,000	4,752,727	Executive lock-up shares and Stock-option-incentive restricted stocks	Not applicable
Wen Zhaohui	1,944,095	45,750	180,000	2,078,345	Executive lock-up shares and Stock-option-incentive restricted stocks	Not applicable
Xiang Wei	499,125	45,750	120,000	573,375	Executive lock-up shares and Stock-option-incentive restricted stocks	Not applicable
Dai Huijuan	239,709	0	0	239,709	Executives lock-in shares	Not applicable
Incentive objects of restricted stock incentive plan	31,629,320	0	0	31,629,320	Stock-option-incentive restricted stocks	From 2023 to 2025, the sales restrictions will be lifted in batches according to the performance evaluation
Total	228,613,617	478,750	1,200,000	229,334,867	--	--

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	90,934			Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any) (see Note 8)	0			
Shareholding situation of ordinary shareholders holding more than 5% or top 10 ordinary shareholders								
Name of shareholder	Nature of shareholders	Shareholding proportion	Number of ordinary shares held at the end of the reporting period	Changes in increase or decrease in the reporting period	Number of ordinary shares held subject to sales restrictions	Number of ordinary shares held free from sales restrictions	Pledge, marking or freezing	
							Share status	Quantity
Wu Yongqiang	Domestic	16.68%	212,008,715	-	159,006,536	53,002,179	Pledge	52,210,000

	natural person							
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	6.61%	84,012,640	-13,701,510	0	84,012,640		
Ji Shuhai	Domestic natural person	2.15%	27,318,642	-	20,488,981	6,829,661		
Orient Securities Co., Ltd. - Zhonggeng Value Pioneer Equity Securities Investment Fund	Other	1.86%	23,639,226	15,403,200	0	23,639,226		
Xie Renguo	Domestic natural person	1.78%	22,641,988	1,492,400	0	22,641,988		
Industrial and Commercial Bank of China - China Europe Value Selection Return Hybrid Securities Investment Fund	Other	1.47%	18,672,787	18,672,787	0	18,672,787		
Agricultural Bank of China Limited - Cathay Pacific Smart Car Equity Securities Investment Fund	Other	1.41%	17,885,785	-772,127	0	17,885,785		
Huatai Securities Co., Ltd. - Zhonggeng Value Pilot Hybrid Securities Investment Fund	Other	1.31%	16,596,100	16,596,100	0	16,596,100		
First State Investment Management (UK) Limited - First State Global Umbrella Fund: First State Greater China Growth Fund	Overseas legal person	1.29%	16,424,155	-1,524,000	0	16,424,155		
Li Hong	Domestic natural person	0.99%	12,619,876	12,619,876	0	12,619,876		
The top 10 shareholders of strategic investors or general legal persons due to placement of new shares (if any) (see Note 3)	None							
Description of the above shareholders' relationship or concerted action	Among the top ten shareholders, Orient Securities Co., Ltd. - Zhonggeng Value Pioneer Equity Securities Investment Fund and Huatai Securities Co., Ltd. - Zhonggeng Value Pilot Hybrid Securities Investment Fund are managed by the same fund manager, Zhonggeng Fund Management Co., Ltd. In addition to the afore-mentioned circumstances, the Company does not know whether there is an associated relationship among the top ten shareholders, nor whether they are persons acting in concert.							
Description of the above shareholders' entrusting/entrusted voting rights and waiver of voting rights	None							
Special explanations for the existence of special repurchase accounts among the top 10 shareholders (if any) (see Note 11)	None							
Shareholding of the top 10 ordinary shareholders with unlimited tradable conditions								
Name of shareholder	Number of ordinary shares held with unlimited tradable conditions at the end of the reporting period	Type of shares						
		Type of shares	Quantity					
Hong Kong Securities Clearing Company Ltd.	84,012,640	A shares						
Wu Yongqiang	53,002,179	A shares						
Orient Securities Co., Ltd. - Zhonggeng	23,639,226	A shares						

Value Pioneer Equity Securities Investment Fund			
Xie Renguo	22,641,988	A shares	22,641,988
Industrial and Commercial Bank of China - China Europe Value Selection Return Hybrid Securities Investment Fund	18,672,787	A shares	18,672,787
Agricultural Bank of China Limited - Cathay Pacific Smart Car Equity Securities Investment Fund	17,885,785	A shares	17,885,785
Huatai Securities Co., Ltd. - Zhonggeng Value Pilot Hybrid Securities Investment Fund	16,596,100	A shares	16,596,100
First State Investment Management (UK) Limited - First State Global Umbrella Fund: First State Greater China Growth Fund	16,424,155	A shares	16,424,155
Li Hong	12,619,876	A shares	12,619,876
Basic Endowment Insurance Fund 1206 Portfolio	12,602,356	A shares	12,602,356
Description of the relationship or concerted action between the top 10 shareholders with unlimited tradable shares and between the top 10 shareholders with unlimited tradable shares and the top 10 shareholders	Not applicable		
Description of the participation of the top 10 ordinary shareholders in securities margin trading (if any) (see Note 4)	None		

Whether the top 10 ordinary shareholders and the top 10 ordinary shareholders with unlimited sales conditions carry out the agreed repurchase transaction during the reporting period

Yes No

The top 10 ordinary shareholders and the top 10 ordinary shareholders with unlimited sales conditions did not carry out the agreed repurchase transaction during the reporting period.

IV. Change in ownership percentage held by directors, supervisors and senior management

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	Incumbent	212,008,715	0	0	212,008,715	0	0	0
Ji Shuhai	Director	Incumbent	27,318,642	0	0	27,318,642	0	0	0
Zheng Sibin	Director and Deputy	Incumbent	6,016,970	320,000	0	6,336,970	533,000	0	533,000

	General Manager								
Ma Wei	Director and Deputy General Manager	Incumbent	8,550,934	400,000	0	8,950,934	616,000	0	616,000
Peng Ganquan	Director and Deputy General Manager	Incumbent	4,656,900	480,000	0	5,136,900	400,000	0	400,000
Wu Hang	Director	Incumbent	0	0	0	0	0	0	0
Huang Yuegang	Independent director	Incumbent	0	0	0	0	0	0	0
Hua Xiuping	Independent director	Incumbent	0	0	0	0	0	0	0
Li Xumeng	Independent director	Incumbent	0	0	0	0	0	0	0
Shi Yun	Independent director	Incumbent	0	0	0	0	0	0	0
Wen Zhaohui	Vice General Manager and Secretary of the Board of Directors	Incumbent	2,531,127	240,000	0	2,771,127	183,000	0	183,000
Xiang Wei	Chief financial officer	Incumbent	604,500	160,000	0	764,500	183,000	0	183,000
Dai Huijuan	Supervisor	Incumbent	319,612	0	0	319,612	0	0	0
Kang Weiquan	Supervisor	Incumbent	0	0	0	0	0	0	0
Chen Jinzhou	Supervisor	Incumbent	0	0	0	0	0	0	0
Total	--	--	262,007,400	1,600,000	0	263,607,400	1,915,000	0	1,915,000

V. Changes in controlling shareholders or actual controllers

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 report had been audited

Yes No

The semi-annual financial report had not been audited.

II. Financial Statements

The unit of statements in the financial notes is: Yuan

1. Consolidated Balance Sheet

Prepared by: Shenzhen Topband Co., Ltd.

June 30, 2022

Unit: yuan

Items	June 30, 2022	January 1, 2022
Current assets:		
Monetary capital	1,592,155,704.45	1,767,580,056.07
Settlement of provisions		
Lending funds		
Tradable financial assets	272,602,542.73	214,999,336.74
Derivative financial assets		
Notes receivable	95,010,569.89	161,659,470.21
Accounts receivable	2,383,927,027.15	2,188,161,465.48
Receivables financing	186,797,543.01	36,902,507.85
Prepayments	79,609,133.72	41,320,285.02
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	56,585,892.25	50,156,221.82
Including: interest receivable		
Dividends receivable		
Repurchase of financial assets for resale		
Inventory	2,200,490,689.46	2,184,402,766.04
Contractual assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	121,602,690.62	113,071,619.93

Total current assets	6,988,781,793.28	6,758,253,729.16
Non-current assets:		
Loans and advances granted		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investment	24,629,564.82	26,119,127.82
Other equity instrument investment		
Other non-current financial assets		
Investment property	107,656,655.34	86,975,114.31
Fixed assets	1,720,571,118.72	1,299,517,887.54
Construction in progress	143,094,482.19	495,248,025.93
Productive biological assets		
Oil and gas assets		
Right-of-use assets	55,212,987.55	58,168,151.88
Intangible assets	443,953,334.22	435,639,773.29
Development expenditure	86,872,635.77	66,358,407.48
Goodwill	110,732,042.84	110,732,042.84
Long-term deferred expenses	92,574,156.03	95,151,616.38
Deferred tax assets	93,397,197.17	102,787,097.36
Other non-current assets	307,315,620.42	72,041,428.40
Total non-current assets	3,186,009,795.07	2,848,738,673.23
Total assets	10,174,791,588.35	9,606,992,402.39
Current liabilities:		
Short-term loans	724,668,584.75	409,531,107.26
Loan from the Central Bank		
Borrowed funds		
Tradable financial liabilities		
Derivative financial liabilities		
Notes payable	1,253,202,540.98	1,231,106,148.24
Accounts payable	1,524,099,572.76	1,511,284,996.56
Accounts collected in advance	974,629.25	353,895.16
Contractual liabilities	140,315,780.40	93,328,006.70
Financial assets sold for repurchase		
Deposit absorption and interbank deposit		
Acting trading securities		
Acting underwriting securities		
Employee compensation payable	139,053,053.22	198,863,796.02
Taxes payable	68,877,876.53	16,254,542.45
Other account payable	303,153,820.38	318,632,275.66
Including: interest payable		
Dividends payable		

Service charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	57,373,923.45	47,721,695.74
Other current liabilities	51,893,429.06	107,064,543.82
Total current liabilities	4,263,613,210.78	3,934,141,007.61
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	450,511,381.65	475,020,000.00
Bonds payable		
Including: preferred shares		
Perpetual bonds		
Lease liabilities	38,645,239.64	40,290,402.14
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	15,381,300.00	14,385,200.00
Deferred tax liabilities	29,064,435.66	26,280,456.34
Other non-current liabilities		
Total non-current liabilities	533,602,356.95	555,976,058.48
Total liabilities	4,797,215,567.73	4,490,117,066.09
Owner's equity:		
Share capital	1,271,027,372.00	1,256,978,072.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		
Capital public reserve	2,220,790,003.13	2,140,053,149.74
Minus: treasury shares	281,870,057.36	242,525,433.60
Other comprehensive income	-73,677,587.01	-91,831,496.88
Special reserve		
Surplus reserves	186,397,631.76	186,397,631.76
General risk provision		
Retained earnings	1,963,038,746.39	1,779,243,483.61
Total owners' equity attributable to the parent company	5,285,706,108.91	5,028,315,406.63
Minority shareholders' equity	91,869,911.71	88,559,929.67
Total owners' equity	5,377,576,020.62	5,116,875,336.30
Total liabilities and owners' equity	10,174,791,588.35	9,606,992,402.39

Legal Representative: Wu Yongqiang

Accounting Head: Xiang Wei

Accounting Department Head: Luo Muchen

2. Balance Sheet of Parent Company

Unit: yuan

Items	June 30, 2022	January 1, 2022
Current assets:		
Monetary capital	765,394,438.05	1,110,855,192.86

Tradable financial assets	187,011,836.74	187,011,836.74
Derivative financial assets		
Notes receivable	23,859,650.75	50,356,382.14
Accounts receivable	1,521,964,444.84	1,496,921,254.34
Receivables financing	141,443,890.67	13,909,195.16
Prepayments	12,559,322.70	11,308,739.07
Other receivables	254,051,041.69	141,619,648.22
Including: interest receivable		
Dividends receivable		
Inventory	289,102,986.05	343,548,795.39
Contractual assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	11,244,101.19	14,074,292.52
Total current assets	3,206,631,712.68	3,369,605,336.44
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investment	3,842,139,482.67	2,947,556,465.89
Other equity instrument investment		
Other non-current financial assets		
Investment property		
Fixed assets	142,527,439.98	145,229,190.35
Construction in progress	16,149,521.86	6,486,761.99
Productive biological assets		
Oil and gas assets		
Right-of-use assets	2,643,193.91	554,157.99
Intangible assets	164,571,403.71	161,311,708.12
Development expenditure	55,478,555.44	43,638,980.21
Goodwill		
Long-term deferred expenses	17,984,940.60	20,573,462.40
Deferred tax assets	29,897,120.33	55,938,073.37
Other non-current assets	8,175,127.08	8,160,527.96
Total non-current assets	4,279,566,785.58	3,389,449,328.28
Total assets	7,486,198,498.26	6,759,054,664.72
Current liabilities:		
Short-term loans	151,800,000.00	153,591,779.50
Tradable financial liabilities		
Derivative financial liabilities		
Notes payable	1,102,041,415.45	990,389,640.00
Accounts payable	483,782,841.62	368,537,246.64

Accounts collected in advance		
Contractual liabilities	61,133,248.93	37,061,438.92
Employee compensation payable	81,235,875.16	105,820,526.01
Taxes payable	18,097,127.89	10,652,318.75
Other account payable	1,035,368,949.02	568,675,865.75
Including: interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	1,191,297.13	326,602.76
Other current liabilities	7,470,248.34	38,799,661.21
Total current liabilities	2,942,121,003.54	2,273,855,079.54
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred shares		
Perpetual bonds		
Lease liabilities	1,549,660.92	221,776.58
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	6,237,500.00	9,053,500.00
Deferred tax liabilities	20,777,131.09	20,935,893.00
Other non-current liabilities		
Total non-current liabilities	28,564,292.01	30,211,169.58
Total liabilities	2,970,685,295.55	2,304,066,249.12
Owner's equity:		
Share capital	1,271,027,372.00	1,256,978,072.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		
Capital public reserve	2,268,311,853.78	2,189,685,216.22
Minus: treasury shares	281,870,057.36	242,525,433.60
Other comprehensive income	662,376.02	370,109.41
Special reserve		
Surplus reserves	186,369,113.30	186,369,113.30
Retained earnings	1,071,012,544.97	1,064,111,338.27
Total owners' equity	4,515,513,202.71	4,454,988,415.60
Total liabilities and owners' equity	7,486,198,498.26	6,759,054,664.72

3. Consolidated income statement

Unit: yuan

Items	Semi-annual data in 2022	Semi-annual data in 2021
I. Total operating income	4,228,003,137.57	3,644,045,612.40
Including: operating income	4,228,003,137.57	3,644,045,612.40

Interest income		
Premium earned		
Service charge and commission income		
II. Total operating cost	3,949,799,858.52	3,178,835,573.38
Including: operating cost	3,421,434,029.61	2,765,295,741.39
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	21,060,144.67	13,278,244.24
Selling expenses	125,180,825.48	76,889,884.59
Management expenses	160,894,026.46	94,842,819.69
R&D expenses	284,847,207.92	174,767,726.31
Finance expenses	-63,616,375.63	53,761,157.16
Including: interest expenses	14,644,344.03	6,676,232.42
Interest income	6,486,250.66	4,397,537.66
Plus: other income	17,072,867.62	12,006,181.38
Return on investment (loss marked with "-")	-1,247,660.53	23,876,616.37
Including: investment income from associated enterprises and joint ventures	-2,142,224.73	-1,390,590.78
Derecognition of income for financial assets measured at amortized cost		
Exchange gains (loss marked with "-")		
Net exposure hedge gain (loss marked with "-")		
Loss from fair value change (income marked with "-")	31,603,205.99	98,312,768.52
Credit impairment loss (loss marked with "-")	-10,907,334.70	-15,163,819.96
Asset impairment loss (loss marked with "-")	-46,406,707.31	-99,292,387.41
Income from disposal of assets (loss marked with "-")	-284,674.88	-317,178.75
III. Operating profits (losses marked with "-")	268,032,975.24	484,632,219.17
Plus: non-operating income	1,154,014.66	1,581,081.80
Minus: non-operating expenses	3,118,394.89	4,486,165.70
IV. Total profit (total loss marked with "-")	266,068,595.01	481,727,135.27
Minus: income tax expenses	17,807,321.21	45,639,842.16
V. Net profit (net loss marked with "-")	248,261,273.80	436,087,293.11
(I) Classification according to business continuity		
1. Net profit from continuing operations (net loss marked with "-")	248,261,273.80	436,087,293.11
2. Net profit of discontinued operation (net loss marked with "-")		
(II) Classification according to ownership		
1. Net profits attributable to the owners of the parent company	246,508,271.38	428,185,704.03
2. Profits and losses of minority shareholders	1,753,002.42	7,901,589.08
VI. Net after-tax amount of other comprehensive income	18,153,909.87	-18,008,020.97
Net after-tax amount of other comprehensive income attributable to the owner	18,153,909.87	-18,008,020.97

of the parent company		
(I) Other comprehensive income that cannot be reclassified into profits or losses		
1. Re-measurement of changes in the defined benefit plans		
2. Other comprehensive income not available for transferring to profits or losses under equity method		
3. Changes in fair value of other equity instrument investment		
4. Changes in fair value of enterprise's own credit risk		
5. Others		
(II) Other comprehensive income that is reclassified into profits and losses	18,153,909.87	-18,008,020.97
1. Other comprehensive income that can be transferred into profits or losses under the equity method		
2. Changes in Fair Value of Other Debt Investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provisions for credit impairment of other debt investment		
5. Cash flow hedging reserve		
6. Difference from conversion of foreign currency financial statements	18,153,909.87	-17,755,436.98
7. Others		-252,583.99
Net after-tax amount of other comprehensive income attributed to the minority of shareholders		
VII. Total comprehensive income	266,415,183.67	418,079,272.14
Total comprehensive income attributable to the owners of the parent company	264,662,181.25	410,177,683.06
Total consolidated income attributable to minority shareholders	1,753,002.42	7,901,589.08
VIII. Earnings per share:		
(I) Basic earnings per share	0.20	0.38
(II) Diluted earnings per share	0.20	0.37

In case of merger of enterprises under the same control in the current period, the net profit realized by the combined party before the merger is 0.00 yuan, and the net profit realized by the combined party in the previous period is 0.00 yuan.

Legal Representative: Wu Yongqiang

Accounting Head: Xiang Wei

Accounting Department Head: Luo Muchen

4. Income Statement of Parent Company

Unit: yuan

Items	Semi-annual data in 2022	Semi-annual data in 2021
I. Operating income	2,459,847,476.95	2,161,935,231.31
Minus: operating cost	2,093,560,411.93	1,795,042,018.32
Taxes and surcharges	6,995,342.78	4,438,662.57
Selling expenses	83,222,342.05	46,844,689.71
Management expenses	90,353,899.12	58,380,674.25
R&D expenses	160,850,627.57	93,574,802.25
Finance expenses	-47,026,844.29	32,579,149.03
Including: interest expenses	7,006,014.82	1,261,238.91
Interest income	3,453,311.38	2,906,961.53
Plus: other income	10,029,658.78	4,582,626.08
Return on investment (loss marked with "-")	-31,393.79	37,623,948.49
Including: investment income from associated enterprises and joint ventures	-31,393.79	-495,808.80

Income from derecognition of financial assets measured at amortized cost (loss marked with "-")	0.00	0.00
Net exposure hedge gain (loss marked with "-")	0.00	0.00
Loss from fair value change (income marked with "-")	0.00	98,312,768.52
Credit impairment loss (loss marked with "-")	-6,841,292.71	-9,738,998.19
Asset impairment loss (loss marked with "-")	-4,678,021.21	-5,238,034.46
Income from disposal of assets (loss marked with "-")	73,024.55	699,460.42
II. Operating profit (loss marked with "-")	70,443,673.41	257,317,006.04
Plus: non-operating income	493,670.30	154,957.57
Minus: non-operating expenses	1,372,699.03	2,818,249.19
III. Total profit (total loss marked with "-")	69,564,644.68	254,653,714.42
Minus: income tax expenses	-49,570.62	30,387,565.98
IV. Net profit (net loss marked with "-")	69,614,215.30	224,266,148.44
(I) Net profit from continuing operation (net loss marked with "-")	69,614,215.30	224,266,148.44
(II) Net profit from termination of operation (net loss marked with "-")		
V. Net after-tax amount of other comprehensive income	0.00	-252,583.99
(I) Other comprehensive income that cannot be reclassified into profits or losses	0.00	0.00
1. Re-measurement of changes in the defined benefit plans	0.00	0.00
2. Other comprehensive income not available for transferring to profits or losses under equity method	0.00	0.00
3. Changes in fair value of other equity instrument investment	0.00	0.00
4. Changes in fair value of enterprise's own credit risk	0.00	0.00
5. Others	0.00	0.00
(II) Other comprehensive income that is reclassified into profits and losses	0.00	-252,583.99
1. Other comprehensive income that can be transferred into profits or losses under the equity method	0.00	0.00
2. Changes in Fair Value of Other Debt Investments	0.00	0.00
3. Amount of financial assets reclassified into other comprehensive income	0.00	0.00
4. Provisions for credit impairment of other debt investment	0.00	0.00
5. Cash flow hedging reserve	0.00	0.00
6. Difference from conversion of foreign currency financial statements	0.00	0.00
7. Others	0.00	-252,583.99
VI. Total comprehensive income	69,614,215.30	224,013,564.45
VII. Earnings per share:		
(I) Basic earnings per share	0.06	0.20
(II) Diluted earnings per share	0.06	0.20

5. Consolidated Cash Flow Statement

Unit: yuan

Items	Semi-annual data in 2022	Semi-annual data in 2021
I. Cash flow from operating activities:		
Cash received from sales of goods or rendering of services	4,173,711,961.16	3,223,676,867.56
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from the central bank		
Net increase amount of borrowings from other financial institutions		
Cash from receipt of original insurance contract premiums		
Receipt of net cash for reinsurance operations		
Net increment from the insured' deposit and investment		

Cash from receipt of interest, service charges and commissions		
Net increase in borrowed funds		
Net increase in funds from repurchase operations		
Net cash received by agents trading securities		
Tax rebates received	220,636,224.87	211,748,519.91
Other cash received related to operating activities	45,888,629.79	31,046,302.40
Subtotal of cash inflow from operating activities	4,440,236,815.82	3,466,471,689.87
Cash paid for purchasing goods and accepting labor services	3,383,604,409.36	2,793,464,547.98
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 payments to and for employees	776,482,113.10	671,904,067.00
Various taxes paid	76,036,220.46	113,796,964.36
Other cash paid in connection with operating activities	129,227,817.51	113,011,848.65
Subtotal of cash outflow from operating activities	4,365,350,560.43	3,692,177,427.99
Net cash flow from operating activities	74,886,255.39	-225,705,738.12
II. Cash flow from investing activities:		
Cash received from investment recovery	47,000,000.00	349,382,339.75
Cash received as return on an investment	129,168.71	25,253,304.38
Net cash recouped from disposal of fixed assets, intangible assets, and other long-term assets	273,431.00	815,062.65
Net cash from disposal of subsidiaries and other business units		
Other cash received relating to investment activities	0.00	0.00
Subtotal of cash inflow from investment activities	47,402,599.71	375,450,706.78
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	453,359,295.98	402,240,855.04
Cash paid for investment	82,000,000.00	371,250,000.00
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other business units	0.00	11,282,386.79
Other cash paid related to investment activities	0.00	0.00
Subtotal of cash outflow from investment activities	535,359,295.98	784,773,241.83
Net cash flow from investment activities	-487,956,696.27	-409,322,535.05
III. Cash flow from financing activities:		
Cash received from absorbing investment	49,875,015.00	1,078,017,195.75
Including: cash received by subsidiaries' absorption of minority shareholders' investment		
Cash received from loan	435,000,000.00	255,055,700.02
Other cash received relating to financing activities	25,597,956.24	18,039,024.44
Subtotal of cash inflow from financing activities	510,472,971.24	1,351,111,920.21
Cash paid for repayments of debts	135,712,618.35	527,265,500.00
Cash paid to distribute dividends, profits or pay interest	79,068,993.14	65,867,823.74
Including: dividends and profits paid by subsidiaries to minority shareholders		
Other cash paid related to financing activities	65,429,693.55	9,060,059.78
Subtotal of cash outflow from financing activities	280,211,305.04	602,193,383.52
Net cash flow from financing activities	230,261,666.20	748,918,536.69
IV. Impact of exchange rate fluctuations on cash and cash equivalents	20,486,535.72	-26,342,339.58
V. Net increase in cash and cash equivalents	-162,322,238.96	87,547,923.94
Plus: balance of cash and cash equivalents at the beginning of the period	1,736,104,958.20	1,196,835,834.93
VI. Balance of cash and cash equivalents at the end of the period	1,573,782,719.24	1,284,383,758.87

6. Cash flow statement of the parent company

Unit: yuan

Items	Semi-annual data in 2022	Semi-annual data in 2021
I. Cash flow from operating activities:		
Cash received from sales of goods or rendering of services	2,188,764,560.89	2,021,396,547.85
Tax rebates received	133,415,379.85	142,309,354.93
Other cash received related to operating activities	1,933,981,335.43	424,206,181.63
Subtotal of cash inflow from operating activities	4,256,161,276.17	2,587,912,084.41
Cash paid for purchasing goods and accepting labor services	1,757,859,328.07	2,356,322,702.66
Cash payments to and for employees	331,679,465.82	269,073,726.98
Various taxes paid	11,543,063.13	44,861,325.36
Other cash paid in connection with operating activities	1,510,278,958.46	392,382,205.31
Subtotal of cash outflow from operating activities	3,611,360,815.48	3,062,639,960.31
Net cash flow from operating activities	644,800,460.69	-474,727,875.90
II. Cash flow from investing activities:		
Cash received from investment recovery	0.00	512,339.75
Cash received as return on an investment	0.00	38,119,757.29
Net cash recouped from disposal of fixed assets, intangible assets, and other long-term assets	0.00	564,922.65
Net cash from disposal of subsidiaries and other business units	0.00	0.00
Other cash received relating to investment activities	0.00	0.00
Subtotal of cash inflow from investment activities	0.00	39,197,019.69
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	63,613,623.87	71,540,415.92
Cash paid for investment	874,604,000.00	279,794,442.93
Net cash paid for acquiring subsidiaries and other business units	0.00	0.00
Other cash paid related to investment activities	0.00	0.00
Subtotal of cash outflow from investment activities	938,217,623.87	351,334,858.85
Net cash flow from investment activities	-938,217,623.87	-312,137,839.16
III. Cash flow from financing activities:		
Cash received from absorbing investment	49,875,015.00	1,078,017,195.75
Cash received from loan	120,000,000.00	170,000,000.00
Other cash received relating to financing activities	25,597,956.24	8,672,342.48
Subtotal of cash inflow from financing activities	195,472,971.24	1,256,689,538.23
Cash paid for repayments of debts	120,000,000.00	218,569,500.00
Cash paid to distribute dividends, profits or pay interest	70,323,199.71	57,431,645.93
Other cash paid related to financing activities	55,485,215.43	2,494,819.08
Subtotal of cash outflow from financing activities	245,808,415.14	278,495,965.01
Net cash flow from financing activities	-50,335,443.90	978,193,573.22
IV. Impact of exchange rate fluctuations on cash and cash equivalents	9,192,396.84	-9,917,875.85
V. Net increase in cash and cash equivalents	-334,560,210.24	181,409,982.31
Plus: balance of cash and cash equivalents at the beginning of the period	1,085,257,236.62	696,490,741.04
VI. Balance of cash and cash equivalents at the end of the period	750,697,026.38	877,900,723.35

7. Consolidated statement of changes in owner's equity

Amount in the current period

Unit: yuan

Items	Semi-annual data in 2022														Minority shareholders' equity	Total owners' equity
	Owner's equity attributable to the parent company												Subtotal			
	Share capital	Other equity instruments			Capital public reserve	Minus: treasury shares	Other comprehensive income	Special reserve	Surplus reserves	General risk provision	Retained earnings	Other				
	Preferred shares	Perpetual bonds	Other													
I. Ending balance of last year	1,256,978,072.00	0.00	0.00	0.00	2,140,053,149.74	242,525,433.60	-91,831,496.88	0	186,397,631.76	0.00	1,779,243,483.61	0.00	5,028,315,406.63	88,559,929.67	5,116,875,336.30	
Plus: changes in accounting policies															0.00	
Early error correction															0.00	
Merger of enterprises under the same control															0.00	
Other															0.00	
II. Beginning balance of the current year	1,256,978,072.00	0.00	0.00	0.00	2,140,053,149.74	242,525,433.60	-91,831,496.88	0	186,397,631.76	0.00	1,779,243,483.61		5,028,315,406.63	88,559,929.67	5,116,875,336.30	
III. Amount of changes in increase or decrease in the current period (decrease marked with "-")	14,049,300.00	0.00	0.00	0.00	80,736,853.39	39,344,623.76	18,153,909.87	0	0.00	0.00	183,795,262.78		257,390,702.28	3,309,982.04	260,700,684.32	
(I) Total comprehensive income							18,153,909.87				246,508,271.38		264,662,181.25	1,753,002.42	266,415,183.67	

(II) Capital invested and reduced by owners	14,049,300.00				82,293,833.01	39,344,623.76							56,998,509.25		56,998,509.25
1. Ordinary shares invested by owners	14,049,300.00				54,522,812.37								68,572,112.37		68,572,112.37
2. Capital contributed by holders of other equity instruments															0.00
3. Amount of share-based payment included in owner's equity					27,771,020.64								27,771,020.64		27,771,020.64
4. Other						39,344,623.76							-39,344,623.76		-39,344,623.76
(III) Profit distribution													-62,713,008.60		-62,713,008.60
1. Withdraw surplus reserve															
2. Withdrawal of general risk provision															
3. Distribution to owners (or shareholders)													-62,713,008.60		-62,713,008.60
4. Other															
(IV) Internal carryover of owner's equity															
1. Provident funds converted into capital (or capital stock)															
2. Conversion															

of surplus reserves to additional capital (or capital stock)															
3.Surplus public reserve to compensate losses															
4.Change of defined benefit plans carried forward to retained earnings															
5.Other comprehensive income carried forward into retained earnings															
6.Other															
(V) Special reserve															
1.Amount withdrawn in the current period															
2.Amount used in the current period															
(VI) Others					-1,556,979.62							-1,556,979.62	1,556,979.62		
IV. Ending balance of the current year	1,271,027,372.00				2,220,790,003.13	281,870,057.36	-73,677,587.01		186,397,631.76		1,963,038,746.39	5,285,706,108.91	91,869,911.71	5,377,576,020.62	

Amount of the last year

Unit: yuan

Items	Semi-annual data in 2021														
	Owner's equity attributable to the parent company												Minority shareholders' equity	Total owners' equity	
	Share capital	Other equity instruments			Capital public reserve	Minus: treasury shares	Other comprehensive income	Special reserve	Surplus reserves	General risk provision	Retained earnings	Other			Subtotal
	Preferred shares	Perpetual bonds	Other												
I. Ending balance of last year	1,135,216,809.00				956,734,039.75	80,017,965.68	-24,555,229.97		151,359,957.53		1,324,944,369.91		3,463,681,980.54	84,992,151.43	3,548,674,131.97
Plus: changes in accounting policies															
Early error correction															
Merger of enterprises under the same control															
Other															
II. Beginning balance of the current year	1,135,216,809.00				956,734,039.75	80,017,965.68	-24,555,229.97		151,359,957.53		1,324,944,369.91		3,463,681,980.54	84,992,151.43	3,548,674,131.97
III. Amount of changes in increase or decrease in the current period (decrease marked with "-")	103,037,863.00			0.00	1,003,352,341.65	0.00	-18,008,020.97		0.00		371,620,179.58		1,460,002,363.26	9,124,003.49	1,469,126,366.75
(I) Total comprehensive income							-18,008,020.97				428,185,704.03		410,177,683.06	7,901,589.08	418,079,272.14
(II) Capital invested and reduced by	103,037,863.00				976,663,746.46								1,079,701,609.46		1,079,701,609.46

owners																
1. Ordinary shares invested by owners	103,037,863.00				982,896,579.72								1,085,934,442.72		1,085,934,442.72	
2. Capital contributed by holders of other equity instruments																
3. Amount of share-based payment included in owner's equity					-6,232,833.26								-6,232,833.26		-6,232,833.26	
4. Other																
(III) Profit distribution													-56,565,524.45	-56,565,524.45	-5,197,835.08	-61,763,359.53
1. Withdraw surplus reserve																
2. Withdrawal of general risk provision																
3. Distribution to owners (or shareholders)													-56,565,524.45	-56,565,524.45	-5,197,835.08	-61,763,359.53
4. Other																
(IV) Internal carryover of owner's equity																
1. Provident funds converted into capital (or capital stock)																
2. Conversion of surplus reserves to additional capital (or																

capital stock)															
3.Surplus public reserve to compensate losses															
4.Change of defined benefit plans carried forward to retained earnings															
5.Other comprehensive income carried forward into retained earnings															
6.Other															
(V) Special reserve															
1.Amount withdrawn in the current period															
2.Amount used in the current period															
(VI) Others					26,688,595.19							26,688,595.19	6,420,249.49	33,108,844.68	
IV. Ending balance of the current year	1,238,254,672.00				1,960,086,381.40	80,017,965.68	-42,563,250.94		151,359,957.53		1,696,564,549.49	4,923,684,343.80	94,116,154.92	5,017,800,498.72	

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

Amount in the current period

Unit: yuan

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

(III) Profit distribution											-62,713,008.60		-62,713,008.60
1.Withdraw surplus reserve													
2.Distribution to owners (or shareholders)											-62,713,008.60		-62,713,008.60
3.Other													
(IV) Internal carryover of owner's equity													
1.Provident funds converted into capital (or capital stock)													
2.Conversion of surplus reserves to additional capital (or capital stock)													
3.Surplus public reserve to compensate losses													
4.Change of defined benefit plans carried forward to retained earnings													
5.Other comprehensive income carried forward into retained earnings													
6.Other													
(V) Special reserve													
1.Amount withdrawn in the current period													
2.Amount used in the current period													

(VI) Others												
IV. Ending balance of the current year	1,271,027,372.00				2,268,311,853.78	281,870,057.36	662,376.02		186,369,113.30	1,071,012,544.97		4,515,513,202.71

Amount of the last year

Unit: yuan

Items	Semi-annual data in 2021											
	Share capital	Other equity instruments			Capital public reserve	Minus: treasury shares	Other comprehensive income	Special reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
I. Ending balance of last year	1,135,216,809.00				1,007,315,299.41	80,017,965.68	5,569,575.04		151,331,439.07	805,337,794.69		3,024,752,951.53
Plus: changes in accounting policies												
Early error correction												
Other												
II. Beginning balance of the current year	1,135,216,809.00				1,007,315,299.41	80,017,965.68	5,569,575.04		151,331,439.07	805,337,794.69		3,024,752,951.53
III. Amount of changes in increase or decrease in the current period (decrease marked with "-")	103,037,863.00				1,003,519,387.80		-252,583.99			167,700,623.99		1,274,005,290.80
(I) Total comprehensive income							-252,583.99			224,266,148.44		224,013,564.45
(II) Capital invested and reduced by owners	103,037,863.00				976,663,746.46							1,079,701,609.46
1. Ordinary shares invested by owners	103,037,863.00				982,896,579.72							1,085,934,442.72
2. Capital contributed by holders of other equity instruments												

3.Amount of share-based payment included in owner's equity					-6,232,833.26								-6,232,833.26
4.Other													
(III) Profit distribution												-56,565,524.45	-56,565,524.45
1.Withdraw surplus reserve													
2.Distribution to owners (or shareholders)												-56,565,524.45	-56,565,524.45
3.Other													
(IV) Internal carryover of owner's equity													
1.Provident funds converted into capital (or capital stock)													
2.Conversion of surplus reserves to additional capital (or capital stock)													
3.Surplus public reserve to compensate losses													
4.Change of defined benefit plans carried forward to retained earnings													
5.Other comprehensive income carried forward into retained earnings													
6.Other													
(V) Special reserve													
1.Amount withdrawn in the current period													
2.Amount used in the current period													

(VI) Others					26,855,641.34							26,855,641.34
IV. Ending balance of the current year	1,238,254,672.00				2,010,834,687.21	80,017,965.68	5,316,991.05		151,331,439.07	973,038,418.68		4,298,758,242.33

III. Basic information of the Company

Registered Chinese name of the Company: 深圳拓邦股份有限公司

Address: Room 413, Area B, Tsinghua University Research Institute, High-tech Industrial Park, Yuehai Street, Nanshan District, Shenzhen

Legal representative: Wu Yongqiang

Registered capital: 1,271,027,372 yuan

Capital stock: 1,271,027,372 yuan

Company type: company limited by shares (listing)

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

Business term: sustainable operation

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

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

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

On July 15, 2002, with the approval of SFG (2002) No. 24 issued by Shenzhen Municipal People's Government, it was agreed that Shenzhen Topband Electronics & Technology Co., Ltd. would be reorganized into a joint stock limited company jointly by five shareholders, namely Wu Yongqiang, Ji Shuhai, Zhuhai Tsinghua Science Park Venture Capital Co., Ltd., Qi Hongwei and Li Xianqian. After the reorganization, the total share capital of the Company is 21 million yuan. Shenzhen Pengcheng Certified Public Accountants issued the Capital Verification Report (SPSYZ (2002) No. 67) to verify the share capital of the Company. On August 16, 2002, the Company was

approved by Shenzhen Administration for Industry and Commerce to register the change of industry and commerce, in exchange for the business license of enterprise legal person with Registration No. 4403012049338. The business period is from February 9, 1996 to February 9, 2046.

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

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

On June 26, 2007, the Company issued 18,080,000 A shares (face value of each share is 1 yuan) to the public with an increase of registered capital of 18.08 million yuan, and the registered capital after the change is 50 million yuan by the approval of "ZJH No. 2007135" Notice on Approving the Initial Public Offering of Shenzhen Topband Electronic Technology Co., Ltd. by China Securities Regulatory Commission. The investment business has been verified by Shenzhen Pengcheng Certified Public Accountants Co., Ltd. and the capital verification report SPSYZ [2007] No. 059 has been issued.

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

The 6th Meeting of the 3rd Board of Directors of the Company in 2009 deliberated and approved the Plan on the Distribution of Mid-term Profits in 2009: Based on the total share capital of the Company at the end of the reporting period of 100,000,000 shares, 4 shares were added in share capitals per 10 shares for all shareholders regarding the capital reserves, and the total share capital increased by 40,000,000 shares. After the increase by conversion, the total share capital of the Company increased from 100,000,000 shares to 140,000,000 shares.

On April 7, 2010, the Company held a meeting of the Board of Directors to deliberate and approve the profit distribution plan for 2009: Based on the total share capital of 140,000,000 shares as of December 31, 2009, the Company will pay cash dividends of 1.50 yuan (tax included) per 10 shares, and based on the total share capital of 140,000,000 shares as of December 31, 2009, 2 shares will be added per 10 shares. After the increase by conversion, the total share capital of the Company increased from 140,000,000 shares to 168,000,000 shares.

The Company held the 2nd Meeting of the 4th Board of Directors in 2012 on March 26, 2012, deliberated and approved the profit distribution plan for 2011: Based on the total share capital 168,000,000 shares of the Company on December 31, 2011, 2 shares were additionally given to all shareholders for every 10 shares, and cash dividend of 2 yuan (tax included) was distributed. 1 share was added per 10 shares for all shareholders regarding the capital reserves. The equity distribution was completed on May 4, 2012. After the increase by conversion, the total share capital of the Company increased from 168,000,000 shares to 218,400,000 million shares.

According to the resolutions of the 1st Extraordinary General Meeting of Shareholders of the Company in 2014, after the approval of ZJXK [2014] No. 1425 of China Securities Regulatory Commission, the Company's non-public offering did not exceed 36,935,679 new shares. On February 5, 2015, the Company privately issued 23,521,768 A shares to specific investors at the price of 13.63 yuan per share. After the issuance, the registered capital of the Company was increased to 241,921,768.00 yuan.

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

According to the Restricted Stock Incentive Plan (Draft) of Shenzhen Topband Co., Ltd. in 2015 approved by the 2nd Extraordinary General Meeting of Shareholders in 2015 and the Proposal on Adjusting the Number of Restricted Stock Incentive Plans Granted and List of Incentive Objects in 2015 approved at the 18th Meeting of the 5th Board of Directors, the Company granted 359 incentive objects restricted stocks 17,633,000 shares. The registered capital of the Company was increased to 262,656,468.00 yuan after the issuance.

According to the resolution of the 3rd Extraordinary General Meeting of Shareholders of the Company in 2015, and approved by the Reply to the Approval of Non-public Development of Shares of Shenzhen Topband Co., Ltd. issued by China Securities Regulatory Commission (ZJXK [2016] No. 205), the Company non-publicly issued 35,864,345 A shares to specific investors on March 28, 2016, with the issuance price of 16.66 yuan per share. The registered capital of the Company was increased to 298,520,813.00 yuan after the issuance.

According to the Revised Draft of the Second Phase Stock Option Incentive Plan (Draft) of Shenzhen Topband Co., Ltd. deliberated and approved by the 2012 Annual General Meeting of Shareholders of the Company and the

Proposal on the Third Exercise Period of the Second Phase Stock Option Incentive Plan Meeting Exercise Conditions and Exercisable Rights deliberated and approved by the 23rd Meeting of the 5th Board of Directors of the Company, a total of 4,594,000 shares were exercised in 2016. After exercise, the registered capital of the Company was increased to 303,114,813.00 yuan.

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

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

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

The 2016 Annual General Meeting of Shareholders of the Company was held on April 11, 2017, and the 2016 annual equity distribution plan was approved. Based on the Company's existing total share capital of 453,471,319 shares, the Company distributed 1.50 yuan in cash to all shareholders for every 10 shares. At the same time, the Company increased 5 shares to all shareholders for every 10 shares with the capital accumulation fund, and the capital increased by 226,735,659 yuan. After the capital increased, the registered capital of the Company was increased to 680,206,978.00 yuan.

According to the Proposal on Repurchase and Cancellation of Some Restricted Stocks deliberated and approved by the 32nd Meeting of the 5th Board of Directors of the Company held on June 13, 2017, as for the

incentive object who resigned due to personal reasons and no longer met the conditions of becoming the incentive object, the 346,500 restricted stocks that have not been unlocked held by the incentive object were repurchased and cancelled. After cancellation, the registered capital of the Company was reduced to 679,860,478.00 yuan.

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

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

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

According to the Proposal on Repurchase and Cancellation of Some Restricted Stocks deliberated and approved by the 15th Meeting of the 6th Board of Directors session Company held on July 26, 2019, as for the incentive object who resigned due to personal reasons and no longer met the conditions of becoming the incentive object, the 310,800 restricted stocks that have not been unlocked held by the incentive object were repurchased and cancelled. After cancellation, the registered capital of the Company was reduced to 1,018,735,692 yuan. With the approval of "SZS [2019] No. 164 Document" issued by Shenzhen Stock Exchange, the Company's 573 million yuan convertible corporate bonds will be listed and traded in Shenzhen Stock Exchange from April 8, 2019. Since September 16, 2019, bondholders can exercise the right to transfer shares. As of December 31, 2019, the Company has transferred 2,223.00 shares of bonds and increased the share capital by 40,077.00 yuan. After the share transfer, the registered capital of the Company will increase to 1,018,775,769.00 yuan.

The 22nd Meeting of the 6th Board of Directors deliberated and approved the Proposal on the First Exercise Period of 2018 Stock Option Incentive Plan Meeting the Exercise Conditions and Exercisable Rights and Proposal on Adjustment of the Incentive Objects and the Number of Stock Options of 2018 Stock Option Incentive Plan: there are 606 incentive objects in the first exercise period of the 2018 stock option incentive plan in the Company, in total of 12,014,700 stock options, that meet the exercise conditions and can be exercised. The Company plans to adopt the independent exercise mode. As of December 31, 2020, 606 incentive objects in the first exercise period had completed the exercise of 12,014,700 stock options, increased the Company's share capital by 12,014,700 yuan, and the share capital increased to 1,030,790,469.00 yuan after the exercise of the stock options.

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

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

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

On March 18, 2022, the 21st Meeting of the 7th Board of Directors and the 17th Meeting of the 7th Board of Supervisors deliberated and approved the Proposal on the Third Exercise Period of 2018 Stock Option Incentive Plan Meeting the Exercise Conditions and Exercisable Rights and the Proposal on Adjustment of the Incentive Objects and the Number of Stock Options of 2018 Stock Option Incentive Plan. There were 543 incentive objects

in the third exercise period to exercise their rights independently and a total of 14,049,300 stock options meeting the exercise conditions. As of June 30, 2022, a total of 14,049,300 stock options have been exercised by 543 incentive objects in the third exercise period, increasing the Company's share capital by 14.0493 million yuan. After the stock options are exercised, the share capital will increase to 1,271,027,372 yuan.

(III) The financial report is approved and submitted by the Board of Directors of the Company on July 25, 2022.

(IV) Scope of consolidated financial statement

There are a total of 38 subsidiary companies included in the scope of the consolidated statement this time, as shown in Note VIII. (I); during the reporting period, 3 companies were newly included in the scope of consolidation, of which 3 were newly-established subsidiaries or grandson companies.

IV. Preparation basis of the financial statement

1. Basis of preparation

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

2. Continuation

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

V. Significant accounting policies and accounting estimates

Specific accounting policies and accounting estimates reminders:

None

1. Statement on compliance with Accounting Standards for Business Enterprises

The financial statements prepared on the basis of above compiling foundation give a true and full view of the financial position, operating results, cash flow and other relevant information of the Company, conforming to the requirements of the latest Accounting Standards for Business Enterprises and its application guidelines,

interpretations as well as other relevant provisions (collectively referred to as "Accounting Standards for Business Enterprises") issued by the Ministry of Finance.

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

2. Accounting period

The accounting period of the Company is divided into an annual period and an interim period, and an interim period refers to the reporting period shorter than a complete accounting year. The financial year of the Company adopts the Gregorian calendar year, that is, from January 1 to December 31 every year.

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

RMB is the currency of the main economic environment in which the Company and its domestic subsidiaries operate, so the Company and its domestic subsidiaries use RMB as the recording currency. The recording currency for the foreign subsidiaries of the Company shall be determined in accordance with the currency of the main economic environment in which they operate. The financial statements of the Company are denominated in RMB.

5. Accounting treatment for business merger under the same control and 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 business combination 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 re-measured by the investee.

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

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

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

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

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

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

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

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

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

If the transactions relating to disposal of equity investment in subsidiaries to losing control over subsidiaries belong to "package transaction", these shall be treated as a transaction for disposing the subsidiary and losing control; however, the difference between the price of every disposal and the net assets share held in the subsidiary corresponding to the disposal of investment before losing control shall be recognized as other consolidated income in the consolidated financial statements, which shall be transferred to the current profits and losses at the time of losing control.

In the consolidated financial statements, the remaining equity shall be re-measured according to its fair value on the date of losing control. The difference between the sum of consideration obtained from equity disposal and fair value of remaining equity less the net assets share held in original subsidiary and continuously calculated from the date of acquisition as per the original shareholding proportion 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 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 losing control over the investment in a subsidiary, the remaining equity shall be re-measured according to its fair value on the date of loss of control in the consolidated financial statements. 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 proportion 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 at the time of losing control.

6. Compiling method of consolidated financial statements

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

During the combination, the internal equity investment and the owner's equity of the subsidiaries, the internal investment income and the profit distribution of the subsidiaries, the internal transactions, the internal claims and debts are offset. The accounting policies adopted by the subsidiaries shall be consistent with those adopted by the parent company.

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

1. Identification and classification of joint venture arrangements

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

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

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

2. Accounting treatment for joint venture arrangement

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

operation as per its share; (5) recognize the expenses incurred separately and those incurred in the joint operation as per its share.

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

8. Standards for determining cash and cash equivalents

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

9. Foreign currency transaction and foreign currency statement translation

1. The translation of foreign currency transactions

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

2. Translation of foreign currency financial statements

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

10. Financial instruments

1. Recognition and derecognition of financial instruments

The Company recognizes a financial asset or financial liability when it becomes a party to a financial instrument contract.

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 satisfying the following conditions at the same time are classified as financial assets measured at amortized cost: The business model for managing such financial assets by the Company is to collect contractual cash flows as the goal; the contract terms of the financial assets stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount. 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.

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 through other comprehensive income: The business model for managing the financial assets by the Company is to collect contractual cash flows and to sell financial assets; The contract terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount. 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

The financial liabilities of the Company are classified at the initial recognition as follows: financial liabilities measured at amortized cost and financial liabilities measured at fair value through current profits and losses.

Financial liabilities that meet one of the following conditions can be designated as financial liabilities measured at fair value through current profits and losses at the time of initial measurement: (1) such designation can eliminate or significantly reduce accounting mismatch; (2) according to the company risk management or investment strategy stated in formal written documents, the management and performance evaluation for the financial liabilities portfolio or portfolio of financial assets and financial liabilities is conducted on the basis of fair value, which is reported to key management personnel within the Company on this basis; (3) the financial liabilities include embedded derivatives that need to be split separately.

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

The subsequent measurement of financial liabilities depends on its classification:

(1) Financial liabilities measured at amortized cost

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

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

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

4. Set off of financial instruments

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

5. Impairment of financial assets

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

The Company, taking into account all reasonable and well founded information (including forward-looking information) estimates the expected credit losses of financial assets measured at amortized cost and financial assets (debt instruments) measured at fair value with changes included in other comprehensive income in a single or combined way.

(1) Measurement of expected credit loss

If the credit risk of the financial instrument has increased significantly since the initial recognition, the Company measures its loss provision according to the amount equivalent to the expected credit loss of the financial instrument in the whole duration; if the credit risk of the financial instrument has not increased significantly since the initial recognition, the Company measures its loss provision according to the amount equivalent to the expected credit loss of the financial instrument in the next twelve months. The increased or reversed amount of the loss provisions arising therefrom shall be included in the current profits and losses as impairment losses or gains. The specific assessment of credit risk by the Company is detailed in the Note "IX. Risks Associated with Financial Instruments".

Generally, if it is overdue for more than 30 days, the Company considers that the credit risk of the financial instrument has increased significantly, unless there is conclusive evidence to prove that the credit risk of the financial instrument has not increased significantly since the initial recognition.

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

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

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

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

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

Third stage: credit impairment occurs after initial recognition

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

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

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

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

(3) Receivables and lease receivables

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

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

6. Transfer of financial assets

If the Company has transferred almost all risks and rewards in the ownership of financial assets to the transferee, the financial assets shall be derecognized, and if it retains almost all risks and rewards in the ownership of the financial assets, the financial assets shall not be derecognized.

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

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

11. Notes receivable

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

aging, and the transfer provision shall be accrued according to the accounting estimate policy of expected credit loss of above accounts receivable.

12. Accounts receivable

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

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

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

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

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

2. Receivables with provision for bad debts by portfolio

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

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

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

Note: when measuring the expected credit loss of receivables, the Group 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 single 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.

13. Receivables financing

Financial assets that meet the following conditions at the same time are classified as financial assets measured at fair value through other comprehensive income: The business model for managing the financial assets by the Company is to collect contractual cash flows and to sell financial assets; The contract terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount.

If the Company transfers the receivables held by it in the form of discount or endorsement, which is frequent and involves a large amount, and its management business mode is essentially the collection and sale of the contractual cash flow, it is classified into financial assets whose changes are measured at fair value and included in other comprehensive income in accordance with the accounting standards of financial instruments.

14. Other receivables

Recognition method and accounting treatment method for expected credit loss 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:

Items	Basis for determining the portfolios
Risk-free portfolio	This portfolio is a risk-free account receivable.
Aging portfolio	The credit risk of the portfolio is characterized by the aging of receivables.

15. Inventories

1. Classification of inventories

Inventories refer to the finished products or commodities held by a company for sale, the unfinished products in the process of production and outsourced processing, and the materials and supplies consumed for production or rendering of labor service in daily activities of the Company.

The Company's inventories mainly include raw materials (including auxiliary materials and wrappage), outside processing materials, unfinished products, self-made semi-finished products, goods on hand and low value consumables.

2. Pricing method of delivered inventories

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

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

On the balance sheet date, the inventories are measured at the lower of cost and net realizable value, and the inventory revaluation reserves are calculated at the difference between the cost of inventory category and the net realizable value. The net realizable value of the inventories ready for sale is determined at the estimated sale price

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

Net realizable value refers to the amount of the estimated sale price of the inventories minus the costs, sales expenses and relevant taxes estimated to be incurred up to completion in daily activities. For the provision of inventory revaluation reserve, it is made based on a single inventory item for various inventories and in a combined manner for the inventories which are related to the product line produced and sold in the same region, difficult to be measured separately from other items and for the same or similar end use or purpose.

4. Inventory system

Perpetual inventory system is applied for the inventories.

5. Amortization method of low value consumables and packaging materials

Both low value consumables and wrappage are amortized with one-off amortization method when they are received.

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16. Contractual assets

None

17. Contractual costs

None

18. Assets held for sale

The Company classifies corporate components (or non-current assets) that meet the following conditions as the assets held for sale: (1) The corporate components can be sold immediately under current background in accordance with the practice of sales of such assets or disposal portfolio in similar transactions; (2) The sale is very likely to take place and expected to be completed within one year since a resolution has been made on a sale plan and a definite purchase commitment has been obtained (definite purchase commitment refers to a legally binding purchase agreement that is signed by a company with other parties and indicates the important clauses with respect to the transaction price, time and severe penalties for breach of contract to minimize the possibility of major adjustment or revocation of the agreement.). It has been approved by the relevant authority or regulators in accordance with relevant regulations.

The Company adjusted the estimated net residual value of the asset held for sale to the net amount (not more than the original book value of such asset held for sale) reflecting its fair value minus the sales expenses. If the original book value is higher than the adjusted estimated net residual value, the difference between the two was deemed as the asset impairment loss and included in the current profits and losses, and the provision for impairment of assets held for sale shall be made. For the amount of asset impairment loss recognized for the disposal portfolio held for sale, it is necessary to offset the book value of goodwill in the disposal portfolio and then offset the book value of the specified non-current assets in the disposal portfolio applicable for being measured in accordance with the Standard in proportion.

If the net amount of the fair value of the non-current assets held for sale minus the sales expenses increases on the subsequent balance sheet date, the amount written-down previously shall be recovered and reversed within the amount of asset impairment loss recognized after such non-current assets are classified as the assets held for sale. The reversed amount shall be included in the current profits and losses. The asset impairment loss recognized before such non-current assets are classified as the assets held for sale shall not be reversed. If the net amount of the fair value of the disposal portfolio held for sale minus the sales expenses increases on the subsequent balance sheet date, the amount written-down previously shall be recovered and reversed within the amount of impairment loss recognized for the non-current assets applicable for being measured in accordance with the Standard after such disposal portfolio is classified as the assets held for sale. The reversed amount shall be included in the current profits and losses. It is not allowed to reverse the book value of the goodwill that has been written down and the impairment loss recognized for the non-current assets applicable for being measured in accordance with the Standard before such assets are classified as the assets held for sale. The book value of the subsequently reversed amount of the asset impairment loss recognized for the disposal portfolio held for sale shall be increased according to the proportion of the book value of non-current assets applicable for being measured in accordance with the Standard except for the goodwill in the disposal portfolio.

If the Company loses control over its subsidiary for some reasons such as the sale of its investment into its subsidiary, it shall classify the entire investment into its subsidiary as the assets held for sale in the individual financial statement of the parent company and classify all assets and liabilities of the subsidiary as the assets held for sale in the consolidated financial statements provided that the investment into its subsidiary to be sold meets the conditions for classification of assets held for sale.

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 business combination 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 business combination 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 business combination 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 business combination: 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 profit, 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 profits and losses 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. The Company recognizes the net loss incurred by the investee to the extent that the book value of the long-term equity investment and other long-term equity substantially constituting the net

investment into the investee are written down to zero, unless the Company is liable for extra 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 profit 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 profit (loss). In addition, the remaining equity shall be recognized as long-term equity investment or other related financial assets at its book value. The remaining equity after disposal that has joint control or significant influence on the subsidiaries shall be subject to the accounting treatment in accordance with the relevant regulations on the conversion from the cost method to the equity method.

5. Methods for impairment test and provision of impairment reserve

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

23. Investment property

Measurement model of investment property

Measurement with cost method

Depreciation or amortization method

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

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

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

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

If the property for private use or inventory is converted to an investment property or the investment property is converted to a property 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

The fixed assets of the Company refer to the tangible assets that are held for production of goods, rendering of labor services, and leasing or operating management and have a useful life of more than one fiscal year.

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

(2) Depreciation method

Category	Depreciation method	Depreciable life	Residual rate	Annual depreciation rate
Houses and buildings	Straight-line method	20-40 years	5.00%	2.375%-4.75%
Machinery and equipment	Straight-line method	10 years	5.00%	9.50%
Transportation equipment	Straight-line method	5 years	5.00%	19.00%
Tooling	Straight-line method	5 years	5.00%	19.00%
Electronic equipment and other equipment	Straight-line method	5 years	5.00%	19.00%

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

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

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

25. Construction in progress:

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

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

26. Borrowing costs

1. Recognition principle for capitalizing borrowing cost

The borrowing costs of the Company that can be directly attributable to the acquisition, construction or production of assets that meet the conditions for capitalization shall be capitalized and included in the cost of the relevant assets, and other borrowing costs shall be recognized as expenses at the time of occurrence and included in the current profits and losses.

2. The capitalization period of borrowing costs

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

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

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

3. Capitalized amount of borrowing costs

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

27. Biological assets

None

28. Oil and gas assets

None

29. Right-of-use assets

On the start date of lease, the Company recognizes right-of-use assets and lease liabilities for leases, except for short-term leases and leases of low-value assets for which the application of the standard provides simplified treatment.

The right-of-use assets shall be initially measured by the Company at the cost. This cost includes:

1. The initial measurement amount of the lease liability;
2. For lease payments paid on or before the starting date of the lease term, if there are lease incentives, the amount of lease incentives already enjoyed shall be deducted;
3. The initial direct expenses incurred by the Company;

4. Estimated costs to dismantle and remove the leased asset, restore the site where the leased asset is located, or restore the leased asset to the state agreed upon in the lease terms. The aforementioned costs are incurred for the make-to-stock production, and the Accounting Standards for Business Enterprises No. 1 - Inventories shall apply.

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

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

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

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

30. Intangible assets

(1) Valuation method, service life and impairment test

1. Intangible assets include land usage right and software, and shall be 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), and the software shall be averagely amortized within 3-5 years.

3. In case of evidence of impairment of intangible assets with defined service life on the balance sheet date, corresponding provision for impairment shall be made according to the difference between the book value and the recoverable amount; For intangible assets with uncertain service life and intangible assets that have not reached the

serviceable state, the impairment tests shall be carried out every year, whether there are signs of impairment or not. Currently, the Company has no intangible assets with uncertain service life.

(2) Accounting policy of internal R&D expenditure

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

31. Long-term assets impairment

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

Goodwill arising from business combination 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 loss of asset impairment and included in the current profits and losses; besides, corresponding provision for asset impairment shall be made at the same time.

32. Long-term deferred expenses

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

33. Contractual liabilities

The Company shall list contractual assets or liabilities in the balance sheet based on the relationship between the performance of obligations and customer payment. Obligation of the Company to transfer goods or provide services to customers for consideration received or receivable from customers shall be listed as contractual liabilities.

34. Employee compensation

(1) Accounting treatment of short-term compensation

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

benefits provided by the Company to the employee's spouse, children, dependents, family members of the deceased employee and other beneficiaries are also employee compensation.

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

The Company shall recognize actual short-term benefits as liabilities and include it in the current profits and losses or related asset costs during the accounting period when employees provide services. Where, non-monetary welfare shall be measured at fair value.

(2) Accounting treatment of post-employment benefits

None

(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.

Employees of the Company have accepted the social basic endowment insurance organized and implemented by the local labor and social security departments. The Company shall pay endowment insurance premium to the local agency handling with social basic endowment insurance on a monthly basis based on the payment base and proportion of the local social basic endowment insurance. After employee retirement, the local labor and social security department shall pay basic social pension to retired employees. The Company shall recognize amount to be paid according to the above social security provisions as liabilities and include it into the current profits and losses or related asset cost during the accounting period when employees provide services.

35. Lease liabilities

On the beginning date of the lease term, the Company recognizes the present value of the unpaid lease payments as lease liabilities, except for short-term leases and low-value asset leases. When calculating the present value of lease payments, the Company adopts the interest rate implicit in the lease as the discount rate; if the interest rate implicit in the lease cannot be determined, the lessee's incremental loan interest rate shall be used as the discount rate. The Company calculates the interest expense of the lease liability in each period of the lease term according to the fixed periodic interest rate and includes it in the current profits and losses, unless it is otherwise specified that it shall be included in the relevant asset cost. The amount of variable lease payments not included in the measurement of lease liabilities shall be included in the current profits and losses when they actually occur, unless it is otherwise specified that they shall be included in the relevant asset cost. After the beginning date of the lease term, when the substantial fixed payment amount changes, the expected amount payable for the guaranteed residual value changes, the index or ratio used to determine the lease payment amount changes, or the evaluation result or actual exercise of the purchase option, renewal option or termination option changes, the Company shall remeasure the lease liabilities according to the present value of the changed lease payments.

36. Estimated liabilities

None

37. Share-based payment

1. Types of share-based payment

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

2. Determination method of fair value of equity instrument

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

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

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

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

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

(1) Equity-settled share-based payment

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

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

(2) Cash-settled share-based payment

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

Share-based payment refers to the transaction of granting equity instruments or undertaking liabilities determined on the basis of equity instruments to obtain services provided by employees and other parties. Share-based payment can be divided into equity-settled share-based payment and cash-settled share-based payment. Share-based payment can be divided into equity-settled share-based payment and cash-settled share-based payment.

Equity-settled share-based payment in exchange for employee services shall be measured at the fair value of equity instruments granted to employees. Cash-settled share-based payment shall be measured at the fair value of the Company's liabilities calculated and determined on the basis of shares or other equity instruments.

38. Preferred shares, perpetual bonds and other financial instruments

None

39. Revenue

Accounting policies adopted for revenue recognition and measurement

1. Revenue recognition

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

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

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

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

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

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

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

For performance obligations fulfilled within a certain period of time, the Company shall recognize revenue according to the performance progress within that period, except that the performance progress cannot be reasonably determined. The Company shall consider the nature of commodities, and shall determine the proper performance progress by adopting the output method or the input method.

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

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

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

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

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

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

⑤ Customers have accepted the commodities.

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

3. The specific method of revenue recognition of the group

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

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

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

4. Measurement of revenue

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

(1) Variable consideration

The Company shall determine the best estimate of variable consideration according to the expected value or the most likely amount, but the transaction price including the variable consideration shall not exceed the accumulated recognized revenue that will not be significantly reversed when relevant uncertainty is eliminated.

When evaluating whether the accumulative recognized revenue is unlikely to be significantly reversed, the enterprise shall further consider the possibility and proportion of revenue reversal.

(2) Significant financing components

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

(3) Non-cash consideration

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

(4) Consideration payable to customers

Consideration payable to customers shall be written down against the transaction price, and the current income shall be offset at the later of confirming relevant income or paying (or promising to pay) customer's consideration, except that the consideration payable to customers is to obtain other clearly distinguishable commodities from customers.

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

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

None

40. Government subsidies

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

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

3. Government subsidies calculated by adopting the gross method:

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

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

4. Government subsidies calculated by adopting the net method:

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

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

5. The Company shall adopt the gross method to calculate the government subsidies received.

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

7. The Company shall include the government subsidies related to its daily activities in other income according to the essence of economic business, and shall include the government subsidies unrelated to its daily activities in non-operating income and expenditure.

8. 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:

a. 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.

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

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

41. Deferred tax assets/deferred tax liabilities

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

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

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

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

42. Lease

(1) Accounting treatment of operating lease

(1) Operating lease business recorded by the Company as the lessee

GHB shall include the rental from the operating lease in the relevant asset costs or current profits and losses using straight-line method over the relevant lease term. Initial direct expenses shall be included in the current profits and losses. Contingent rents shall be included in the current profits and losses at the time of occurrence.

(2) Operating lease business recorded by the Company as the lessor

Rental income of operating lease shall be recognized as the current profits and losses by adopting the straight-line method in each period of the lease term. Initial direct expenses with large amount shall be capitalized at the time of occurrence, and shall be included in the current profits and losses by stages on the same basis as the rental revenue during the whole lease term; Other initial direct expenses with small amount shall be included in the current profits and losses at the time of occurrence. Contingent rents shall be included in the current profits and losses at the time of occurrence.

(2) Accounting treatment of financing lease

(1) Financial lease business recorded by the Company as the lessee

The lower of the fair value of the leased asset and the present value of the minimum lease payment on the beginning date of lease term shall be taken as the entry value of the leased asset, the minimum lease payment shall be taken as the entry value of the long-term accounts payable, and the difference of the above two shall be taken as the unrecognized financing expense at the beginning of the lease term. In addition, initial direct expenses that can be attributed to the leased item in the process of lease negotiation and signing the lease contract shall also be included

in leased assets. Balance of the minimum lease payment after deducting the unrecognized financing expenses shall be listed as long-term liabilities or long-term liabilities due within one year.

During the lease term, the unrecognized financing expenses shall be calculated and recognized by adopting the effective interest rate method. Contingent rents shall be included in the current profits and losses at the time of occurrence.

(2) Financial lease business recorded by the Company as the lessor

The sum of the minimum lease receipts and the initial direct expenses on the beginning date of lease term shall be taken as the entry value of the financing lease receivables, and the unguaranteed residual value shall be recorded at the same time at the beginning of the lease term; and the sum of minimum lease collection, initial direct cost and difference between unguaranteed residual value and its present value shall be recognized as unrealized financing income. Balance of financing lease receivables after deducting the unrealized financing income shall be listed as long-term creditor's right or long-term creditor's right due within one year.

During the lease term, the unrealized financing income shall be calculated and recognized by adopting the effective interest rate method. Contingent rents shall be included in the current profits and losses at the time of occurrence.

43. Other important accounting policies and accounting estimation

Hedge accounting

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

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

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

(1) The hedge relationship is only composed of the hedge instruments and hedged projects that meet the conditions; (2) When the hedge begins, the enterprise officially designates the hedge instruments and hedged projects and prepares the written documents about hedge relationship and the risk management strategies and risk

management objectives related to the hedge for the enterprise. These documents at least describe the hedge instrument, hedged projects, nature of the hedged risks, and evaluation methods on hedge effectiveness (including the forming reason analysis for invalid part of the hedge and the confirmation methods of the hedge ratio) etc. (3) The hedge relationship conforms to the requirements of hedge effectiveness.

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

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

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

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

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

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

3. Accounting handling of the hedge.

(1) Fair value hedge

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

(a) The profit or loss generated by the hedge instrument shall be incorporated into the profits and losses. If the hedge instrument is used to hedge the non-tradable equity instrument investment (or its components) which is

measured at fair value with the changes including in other comprehensive income, the profit or loss generated by the hedge instruments shall be incorporated into other comprehensive income.

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

(2) Cash flow hedge

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

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

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

(3) Net investment hedge for overseas operation

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

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

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

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

Repurchase shares

If the Company or its subsidiaries shares are acquired due to the reduction of registered capital or reward of employees, the amount actually paid shall be treated as the treasury share, and the record shall be made for reference. If the repurchase shares are cancelled, the capital reserve will be offset by the difference between the total par value

of the cancelled shares and the number of cancelled shares and the amount paid for the actual repurchase. If the capital reserve is insufficient to be offset, the retained earnings shall be offset; If the repurchase shares are awarded to the employees of the Company as equity-settled share-based payment, when the employees exercise the right to purchase the shares of the Company or its subsidiaries and receive the price, the cost of treasury shares delivered to the employees and the accumulated amount of capital reserve (other capital reserves) during the waiting period shall be resold, and the capital reserve (capital premium or share premium) shall be adjusted according to the difference.

44. Important accounting policy and accounting estimation changes

(1) Important accounting policy changes

Applicable Not applicable

(2) Important accounting estimation changes

Applicable Not applicable

45. Others

Not applicable

VI. Tax

1. Main tax types and tax rate

Tax type	Tax basis	Tax rate
VAT (value-added tax)	Revenue from sales of goods	13%、9%、6%、3%
Consumption tax	Paid turnover tax amount	4%
City maintenance and construction tax	Paid turnover tax amount	7%
Corporate income tax	Taxable income	15%、25%、16.5%、25.17%、20%、15.825%、22.46%
Education surcharge	Actually paid goods turnover tax	3%
Local education surcharge	Actually paid goods turnover tax	2%

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

Name of taxpayer	Income tax rate
Shenzhen Topband Co., Ltd.	15.00%
Shenzhen Topband Software Technology Co., Ltd.	15.00%
Shenzhen Topband Automation Technology Co., Ltd.	25.00%
Shenzhen Topband Battery Co., Ltd.	15.00%
Chongqing Topband Industrial Co., Ltd.	25.00%
Topband (Hong Kong) Co., Ltd.	16.50%
Huizhou Topband Electrical Technology Co., Ltd.	15.00%

TOPBAND INDIA PRIVATE LIMITED	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 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	22.46%
Tunnu Innovation HK Limited	8.25%
Topband (Vietnam) Co.,Ltd	20.00%
TOPBAND SMART DONGNAI(VIETNAM) Co.,Ltd	20.00%
Topband Germany GmbH	15.825%
Huizhou Topband Battery Co., Ltd.	20.00%
Shenzhen Xiaoyou Aitu Innovation Technology Co., Ltd.	20.00%
Shenzhen Yueshang Robot Co., Ltd.	20.00%
Shenzhen Topband Motor Co., Ltd.	20.00%
Nantong Topband Youneng Technology Co., Ltd.	25.00%
Huizhou YAKO Automation Technology Co., Ltd.	20.00%
TOPBAND MEXICO,S.DE R.L.D	30.00%
TOPBAND SMART EUROPE COMPANY LIMITED S.R.L..	16.00%

2. Tax preference

On October 31, 2017, the Company obtained the Certificate for High-tech Enterprise that is numbered GR201744204652 and issued by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Commission, Shenzhen Municipal Office, SAT and Shenzhen Local Taxation Administration. This Certificate is valid within 3 years from the date of issuance. On February 5, 2021, the Company has received the Certificate for High-tech Enterprise jointly issued by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Bureau, and Shenzhen Tax Service, State Taxation Administration, and passed the re-certification of high-tech enterprises. This certification is a renewal of the original certificate that has been expired. According to relevant regulations, the Company will be entitled to the preferential policies stated by China for the high-tech enterprise income tax for three consecutive years after passing the re-certification of high-tech enterprises. That is, the Company shall pay its corporate income tax at 15% of corporate income tax rate from 2021 to 2023.

On December 9, 2019, Shenzhen Topband Software Technology Co., Ltd. obtained the Certificate for High-tech Enterprise that is numbered GR201944201381 and issued by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Commission, Shenzhen Municipal Office, SAT and Shenzhen Local Taxation Administration. This Certificate is valid within 3 years from the date of issuance. The corporate income tax rate applicable for the Company from 2019 to 2021 is 15% in accordance with relevant provisions of the Law of the People's Republic of China on Enterprise Income Tax, Regulations of the People's Republic of China on the Implementation of Enterprise Income Tax and the Management Measures for the Certification of High-tech Enterprises.

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

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

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

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

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

On December 23, 2021, Shenzhen Yansheng Software Co., Ltd. obtained the Certificate for High-tech Enterprise that is numbered GR202144207744 and issued by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Commission and Shenzhen Tax Service, State Taxation Administration. This Certificate is valid within 3 years from the date of issuance. The corporate income tax rate applicable for the Company from 2021 to 2023 is 15% in accordance with relevant provisions of the Law of the People's Republic of China on Enterprise Income Tax, Regulations of the People's Republic of China on the Implementation of Enterprise Income Tax and the Management Measures for the Certification of High-tech Enterprises.

On September 15, 2020, Shenzhen Yansheng Software Co., Ltd. passed the verification carried out by the Industry and Information Technology Bureau of Shenzhen Municipality on the preferential income tax conditions for the enterprises engaged in software and integrated circuit design in Shenzhen. According to the provisions of No. 68 Announcement of Ministry of Finance and State Taxation Administration on Corporate Income Tax Policies for Integrated Circuit Design and Software Industry issued by the Ministry of Finance and State Taxation Administration in 2019, Shenzhen Yansheng Software Co., Ltd. shall be entitled to the preferential tax policy of exemptions in two years and reduction in three years, that is, its corporate income tax shall be exempted from the first to the second year and reduced by 50% at 25% of statutory tax rate from the third to the fifth year until the expiration of the preferential period provided that the preferential period shall be calculated from the profit-making year before December 31, 2018. The Company's corporate income tax rate from 2019 to 2021 was 12.5%.

On November 25, 2021, the Taizhou Science & Technology Bureau issued the Announcement on the Enterprises to be Included in the National High-tech Enterprise Cultivation Library of Taizhou in 2021, recognizing

Taixing Ninghui Battery Co., Ltd. as a high-tech enterprise. On November 30, 2022, at the working net of High-tech Enterprise Identification Management, the Third Batch of High-tech Enterprises for Identification and Filing in 2021 in Jiangsu Province was published. The Company's applicable corporate income tax rate from 2021 to 2023 was 15%.

According to CS [2019] No. 13 Notice on the Implementation of Inclusive Tax Relief Policies for Small and Micro Businesses, the small and micro businesses shall pay their corporate income taxes at 20% of tax rate, and reduce the portion of not more than 1 million yuan in their annual taxable incomes by 25% and that of more than 1 million yuan but not more than 3 million yuan in their annual taxable incomes by 50% before including such portion into their taxable incomes. According to Announcement of the State Taxation Administration on Matters Concerning the Implementation of Preferential Income Tax Policies Supporting the Development of Small Low-Profit Enterprises and Individual Industrial and Commercial Households (CS [2021] No. 12), the annual taxable income of small and low-profit enterprises shall not exceed 1 million yuan. On the basis of the preferential policies stipulated in Article 2 of the Notice of the Ministry of Finance and the State Administration of Taxation on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises (CS [2019] No. 13), the corporate income tax will be halved. The provisions of this Policy apply to Shenzhen Senxuan Technology Co., Ltd., Shenzhen Spark IOT Technology Co., Ltd., Shenzhen Tunnu Innovation Co., Ltd., Huizhou Topband Battery Co., Ltd., Shenzhen Meanstone Intelligent Technology Co., Ltd., Shenzhen Zhongli Consulting Co., Ltd., Shenzhen Tengyi Industrial Co., Ltd., and Shenzhen Topband Automotive Electronics Co., Ltd. that are subsidiaries and sub-subsidiaries.

3. Others

None

VII. Notes to Items of Consolidated Financial Statements

1. Monetary capital

Unit: yuan

Items	Ending balance	Beginning balance
Cash on hand	966,707.91	1,015,081.13
Bank deposit	1,391,833,225.22	1,337,414,181.07
Other monetary capital	199,355,771.32	429,150,793.87
Total	1,592,155,704.45	1,767,580,056.07
Including: total amount deposited abroad	271,287,556.54	177,157,407.23

Total amount restricted for use due to mortgage, pledge or freezing, etc.	18,372,985.21	31,475,097.87
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Other description:

Other monetary capital at the end of the period mainly includes the large-denomination certificates of deposit of 120,000,000.00 yuan and the fixed-time deposit of 50,000,000.00 yuan. The other restricted monetary capital amounts to 18,372,985.21 yuan and the unrestricted part amounts to 10,661,717.95 yuan (securities account).

2. Tradable financial assets

Unit: yuan

Items	Ending balance	Beginning balance
Financial asset at fair value and changes through profit or loss	272,602,542.73	214,999,336.74
Including:		
Including: financial products		4,000,000.00
Investment in equity instruments	272,602,542.73	210,999,336.74
Including:		
Total	272,602,542.73	214,999,336.74

Other description:

None

3. Derivative financial assets

Applicable Not applicable

Other description:

None

4. Notes receivable

(1) List of classification of notes receivable

Unit: yuan

Items	Ending balance	Beginning balance
Bank acceptance bill	87,726,220.94	141,695,340.12
Commercial acceptance bill	7,284,348.95	19,964,130.09
Total	95,010,569.89	161,659,470.21

Unit: yuan

Category	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		Amount	Proportion	Amount	Proportion of	

				provision					provision	
Notes receivable with single provision for bad debts	87,971,473.36	92.37%		0.00%	87,971,473.36	150,816,667.92	93.09%		0.00%	150,816,667.92
Including:										
Bank acceptance bill	87,726,220.94	92.11%		0.00%	87,726,220.94	141,695,340.12	87.46%		0.00%	141,695,340.12
Commercial acceptance bill	245,252.42	0.26%		0.00%	245,252.42	9,121,327.80	5.63%		0.00%	9,121,327.80
Notes receivable with provision for bad debts by portfolio	7,264,289.50	7.63%	225,192.97	3.10%	7,039,096.53	11,189,682.44	6.91%	346,880.15	3.10%	10,842,802.29
Including:										
Commercial acceptance bill	7,264,289.50	7.63%	225,192.97	3.10%	7,039,096.53	11,189,682.44	6.91%	346,880.15	3.10%	10,842,802.29
Total	95,235,762.86	100.00%	225,192.97	0.24%	95,010,569.89	162,006,350.36	100.00%	346,880.15	0.21%	161,659,470.21

Provision for bad debts by portfolio: 225,192.97

Unit: yuan

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Commercial acceptance bill	7,264,289.50	225,192.97	3.10%

Description of the basis for determining the portfolio:

None

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

Applicable Not applicable

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

Provision for bad debts in the current period:

Unit: yuan

Category	Beginning	Amount changed in the current period	Ending balance
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	balance	Provision	Recover or reversal	Write-off	Other	
Provision for bad debts - notes receivable	346,880.15		121,687.18			225,192.97
Total	346,880.15		121,687.18			225,192.97

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

Applicable Not applicable

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

Applicable Not applicable

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

Unit: yuan

Items	Amount derecognized at the end of period	Amount not derecognized at the end of the period
Bank acceptance bill		56,844,298.34
Commercial acceptance bill		150,442.25
Total		56,994,740.59

(5) Notes that the Company transferred to accounts receivable at the end of the period due to non-performance by drawer

Applicable Not applicable

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

Applicable Not applicable

5. Accounts receivable

(1) Disclosure of accounts receivable by category

Unit: yuan

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Accounts receivable with single provision for bad debts	82,699,866.31	3.26%	70,283,785.12	84.99%	12,416,081.19	84,081,324.25	3.60%	70,915,243.12	84.34%	13,166,081.13

Including:										
Receivables with significant individual amount and single provision for bad debts	81,649,228.61	3.22%	69,233,147.42	84.79%	12,416,081.19	82,399,228.55	3.53%	69,233,147.42	84.02%	13,166,081.13
Receivables with not significant amount but with single provision for bad debts	1,050,637.70	0.04%	1,050,637.70	100.00%	0.00	1,682,095.70	0.07%	1,682,095.70	100.00%	
Accounts receivable with provision for bad debts by aging combination	2,450,339,073.11	96.74%	78,828,127.15	3.22%	2,371,510,945.96	2,247,009,076.27	96.40%	72,013,691.92	3.20%	2,174,995,384.35
Including:										
Accounts receivable with provision for bad debts by aging combination	2,450,339,073.11	96.74%	78,828,127.15	3.22%	2,371,510,945.96	2,247,009,076.27	96.40%	72,013,691.92	3.20%	2,174,995,384.35
Total	2,533,038,939.42	100.00%	149,111,912.27	5.89%	2,383,927,027.15	2,331,090,400.52	100.00%	142,928,935.04	6.13%	2,188,161,465.48

Single provision for bad debts: 70,283,785.12

Unit: yuan

Name	Ending balance			
	Book balance	Provision for bad debts	Proportion of provision	Reasons for provision
Accounts receivable with a single significant amount and single bad debt provision	81,649,228.61	69,233,147.42	84.79%	It is difficult to recover
Accounts receivable with insignificant single amount but separate bad debt provision	1,050,637.70	1,050,637.70	100.00%	It is difficult to recover
Total	82,699,866.31	70,283,785.12		

Provision for bad debts by portfolio: 78,828,127.15

Unit: yuan

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Accounts receivable with provision for bad debts by aging combination	2,450,339,073.11	78,828,127.15	3.22%

Total	2,450,339,073.11	78,828,127.15	
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Description of the basis for determining the portfolio: None

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

Applicable Not applicable

Disclosure by aging

Unit: yuan

Aging	Ending balance
Within 1 year (including 1 year)	2,516,914,290.06
1-2 years	9,369,301.21
2-3 years	3,089,442.63
Above 3 years	3,665,905.52
3-4 years	2,273,693.44
4-5 years	433,255.48
Above 5 years	958,956.60
Total	2,533,038,939.42

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

Provision for bad debts in the current period:

Unit: yuan

Category	Beginning balance	Amount changed in the current period				Ending balance
		Provision	Recover or reversal	Write-off	Other	
Provision for bad debts	142,928,935.04	6,849,786.00		666,808.77		149,111,912.27
Total	142,928,935.04	6,849,786.00		666,808.77		149,111,912.27

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

Applicable Not applicable

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

Unit: yuan

Items	Write-off amount
Accounts receivable actually written off	666,808.77

Of which the significant write-offs of accounts receivable:

None

Description of accounts receivable written off:

None

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

Unit: yuan

Name of unit	Ending balance of accounts receivable	Proportion to total ending balances of accounts receivable	Ending balance of provision for bad debts
No. 1	672,890,156.54	26.56%	20,859,594.85
No. 2	77,772,367.29	3.07%	2,477,780.82
No. 3	66,988,907.32	2.64%	2,076,656.13
No. 4	65,080,405.66	2.57%	52,664,324.53
No. 5	61,399,641.38	2.42%	1,903,388.88
Total	944,131,478.19	37.26%	

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

Applicable Not applicable

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

Applicable Not applicable

Other descriptions: None

6. Receivables financing

Unit: yuan

Items	Ending balance	Beginning balance
Bank acceptance bill	48,766,925.55	26,520,757.05
Accounts receivable	138,030,617.46	10,381,750.80
Total	186,797,543.01	36,902,507.85

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

Applicable Not applicable

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

Applicable Not applicable

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, 2022	321,834.27			321,834.27
Accrual in the current period	4,094,005.92			4,094,005.92
Balance as of June 30, 2022	4,415,840.19	-	-	4,415,840.19

Other description:

None

7. Prepayments

(1) List of advance payments by aging

Unit: yuan

Aging	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	78,781,848.02	98.96%	40,538,366.14	93.35%
1-2 years	578,474.25	0.73%	666,816.83	5.06%
2-3 years	208,882.44	0.26%	94,392.13	1.08%
Above 3 years	39,929.01	0.05%	20,709.92	0.51%
Total	79,609,133.72		41,320,285.02	

Explanation of the cause for untimely settlement of advance payments aging more than one year with important amounts:

None

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

The total amount of prepayments of top five ending balances grouped by debtors in the year was 17,776,615.70 yuan, accounting for 22.33% of the total ending balances of prepayments.

Other description:

None

8. Other receivables

Unit: yuan

Items	Ending balance	Beginning balance
Other receivables	56,585,892.25	50,156,221.82
Total	56,585,892.25	50,156,221.82

(1) Interest receivable

1) Classification of interest receivable

Applicable Not applicable

2) Significant overdue interest

Applicable Not applicable

3) Provision for bad debts

Applicable Not applicable

(2) Dividends receivable

1) Classification of interest receivable

Applicable Not applicable

2) Important dividends receivable aged over 1 year

Applicable Not applicable

3) Provision for bad debts

Applicable Not applicable

Other description:

None

(3) Other receivables

1) Classification of other receivables by nature of amount

Unit: yuan

Nature of payment	Book balance at the end of the period	Book balance at the beginning of the period
VAT export rebate	10,510,388.97	14,317,249.26
Employee loans	12,496,377.85	11,891,648.41
Margin, deposit	33,182,470.28	28,560,062.74
Other	5,886,140.51	638,217.83
Total	62,075,377.61	55,407,178.24

2) Provision for bad debts

Unit: yuan

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, 2022	5,250,956.42			5,250,956.42

Balance as of January 1, 2022 in the current period				
Accrual in the current period	238,528.94			238,528.94
Balance as of June 30, 2022	5,489,485.36			5,489,485.36

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

Applicable Not applicable

Disclosure by aging

Unit: yuan

Aging	Ending balance
Within 1 year (including 1 year)	47,652,985.96
	47,652,985.96
1-2 years	7,415,032.74
2-3 years	1,499,798.73
Above 3 years	5,507,560.18
3-4 years	3,710,336.23
4-5 years	1,775,611.80
Above 5 years	21,612.15
Total	62,075,377.61

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

Provision for bad debts in the current period:

Unit: yuan

Category	Beginning balance	Amount changed in the current period				Ending balance
		Provision	Recover or reversal	Write-off	Other	
Provision for bad debts	5,250,956.42	238,528.94				5,489,485.36
Total	5,250,956.42	238,528.94				5,489,485.36

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

Applicable Not applicable

4) Other receivables actually written off in the current period

Applicable Not applicable

Of which the significant write-offs of other receivables:

Applicable Not applicable

Description of other receivable written off:

None

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

Unit: yuan

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	10,510,388.97	Within 1 year	16.93%	
No. 2	Investment margin	9,000,000.00	Within 1 year	14.50%	
No. 3	Margin, deposit	3,463,218.81	Within 1 year	5.58%	173,160.94
No. 4	Margin, deposit	1,520,178.00	2-3 years	2.45%	456,053.40
No. 5	Margin, deposit	1,000,000.00	4-5 years	1.61%	800,000.00
Total		25,493,785.78		41.07%	1,429,214.34

6) Receivables involving government subsidies

None

7) Other receivables derecognized due to transfer of financial assets Applicable Not applicable**8) Amount of assets and liabilities formed by transferring other receivables and continuing to be involved** Applicable Not applicable

Other description:

None

9. Inventory

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

No

(1) Inventory classification

Unit: yuan

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

Raw materials	1,409,913,019.80	87,035,791.46	1,322,877,228.34	1,373,010,350.15	87,214,891.71	1,285,795,458.44
Goods in process	145,417,071.36		145,417,071.36	108,042,400.38	14,608.82	108,027,791.56
Goods on hand	533,250,453.81	9,725,109.74	523,525,344.07	601,322,955.25	15,911,446.54	585,411,508.71
Goods shipped in transit	139,260,714.65	1,832,879.78	137,427,834.87	122,939,046.46	3,114,595.53	119,824,450.93
Self-manufactured semi-finished product	77,861,681.45	6,712,565.54	71,149,115.91	80,789,830.12	3,169,232.84	77,620,597.28
Low priced and easily worn articles	94,094.91		94,094.91	97,460.86		97,460.86
Materials entrusted for processing				7,625,498.26		7,625,498.26
Total	2,305,797,035.98	105,306,346.52	2,200,490,689.46	2,293,827,541.48	109,424,775.44	2,184,402,766.04

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

Unit: yuan

Items	Beginning balance	Increase in the current period		Decrease amount in the current period		Ending balance
		Provision	Other	Reversal or write-off	Other	
Raw materials	87,214,891.71	44,463,834.71		44,642,934.96		87,035,791.46
Goods in process	14,608.82			14,608.82		
Goods on hand	15,911,446.54	289,835.64		6,476,172.44		9,725,109.74
Goods shipped in transit	3,114,595.53	70,069.32		1,351,785.07		1,832,879.78
Self-manufactured semi-finished product	3,169,232.84	4,033,512.14		490,179.44		6,712,565.54
Total	109,424,775.44	48,857,251.81		52,975,680.73		105,306,346.52

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

Applicable Not applicable

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

Applicable Not applicable

10. Contractual assets

Applicable Not applicable

Amount and reasons for significant changes in the book value of contractual assets during the current period:

Applicable Not applicable

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

Applicable Not applicable

Provision for impairment of current contract assets:

Applicable Not applicable

Other description:

None

11. Assets held for sale

Applicable Not applicable

Other description:

None

12. Non-current assets due within one year

Applicable Not applicable

Important debt investments/other debt investments

Applicable Not applicable

Other description:

None

13. Other current assets

Unit: yuan

Items	Ending balance	Beginning balance
Input tax of VAT	113,621,975.10	92,861,498.25
Other taxes paid in advance	7,980,715.52	19,851,631.11
Upfront IPO-related fees		358,490.57
Total	121,602,690.62	113,071,619.93

Other description:

None

14. Debt investment

Applicable Not applicable

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

Applicable Not applicable

Other description:

None

15. Other debt investment

Applicable Not applicable

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

Applicable Not applicable

Other description:

None

16. Long-term receivables

(1) Situation of long-term receivables

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Other description:

None

17. Long-term equity investment

Unit: yuan

Investee	Beginning balance (book value)	Changes in increase or decrease in the current period								Ending balance (book value)	Ending balance of provision for impairment
		Additional investment	Decrease in investment	Profits and losses on investment recognized under equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration of distribution for cash dividends or profits	Provision for impairment	Other		
I. Joint venture											
II. Associated enterprises											
Shenzhen Yuchengxin Power Technology Co., Ltd.											9,764,719.19
Shenzhen Daka Optoelectronics Co., Ltd.	5,975,059.85			-31,393.79						5,943,666.06	
Pas Electronic Technology (Nanjing) Co., Ltd.	7,967,433.99			-864,170.61						7,103,263.38	
Shanghai Yidong Power Technology Co., Ltd.	12,176,633.98			-593,998.60						11,582,635.38	
Subtotal	26,119,127.82			-	1,489,563.00					24,629,564.82	9,764,719.19
Total	26,119,127.82			-	1,489,563.00					24,629,564.82	9,764,719.19

Other description:

None

18. Investment in other equity instruments Applicable Not applicable

Other description:

None

19. Other non-current financial assets Applicable Not applicable

Other description:

None

20. Investment property**(1) Investment property with cost measurement model**

☑ Applicable ☐ Not applicable

Unit: yuan

Items	Houses and buildings	Land usage right	Construction in progress	Total
I. Original book value				
1. Beginning balance	94,945,556.51			94,945,556.51
2. Increase in the current period	24,125,005.55			24,125,005.55
(1) Outsourcing				
(2) Transfer in of inventory\fixed assets\construction in progress	24,125,005.55			24,125,005.55
(3) Increment from business combination				
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	7,970,442.20			7,970,442.20
2. Increase in the current period	3,443,464.52			3,443,464.52
(1) Provision or amortization	1,178,626.03			1,178,626.03
(2) Transfer in of inventory, fixed assets and construction in progress	2,264,838.49			2,264,838.49
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer out				
4. Ending balance	11,413,906.72			11,413,906.72
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	107,656,655.34			107,656,655.34
2. Beginning book value	86,975,114.31			86,975,114.31

(2) Investment property with fair value measurement model

Applicable Not applicable

(3) Investment property without property certificate of title

Applicable Not applicable

Other description:

None

21. Fixed assets

Unit: yuan

Items	Ending balance	Beginning balance
Fixed assets	1,720,571,118.72	1,299,517,887.54
Total	1,720,571,118.72	1,299,517,887.54

(1) Situation about fixed assets

Unit: yuan

Items	Houses and buildings	Machinery and equipment	Transportation equipment	Office equipment and others	Total
I. Original book value:					
1. Beginning balance	816,660,305.08	695,192,193.23	2,567,259.53	227,092,564.50	1,741,512,322.34
2. Increase in the current period	359,143,085.59	143,019,136.74	302,781.40	23,645,568.31	526,110,572.03
(1) Purchase	31,371.18	45,107,997.05	294,099.52	23,012,633.58	68,446,101.33
(2) Transfer into projects under construction	358,367,902.49	95,841,327.42		426,548.65	454,635,778.56
(3) Increment from business combination					
(4) Impact of exchange rate changes	743,811.92	2,069,812.27	8,681.88	206,386.08	3,028,692.15
3. Decrease in the current period	24,125,005.55	21,691,241.35	220,383.14	674,215.81	46,710,845.85
(1) Disposal or scrapping		21,691,241.35	220,383.14	674,215.81	22,585,840.30
(2) Transfer in of investment property	24,125,005.55				24,125,005.55
4. Ending balance	1,151,678,385.12	816,520,088.62	2,649,657.79	250,063,917.00	2,220,912,048.52
II. Accumulated depreciation					
1. Beginning balance	118,838,866.02	220,462,662.52	2,199,293.28	100,493,612.98	441,994,434.80
2. Increase in the current period	12,096,646.33	37,863,498.55	155,860.73	17,051,174.68	67,167,180.29
(1) Accrual	12,096,646.33	37,863,498.55	155,860.73	17,051,174.68	67,167,180.29

3. Decrease in the current period	2,264,838.49	5,477,252.99	209,363.98	869,229.83	8,820,685.29
(1) Disposal or scrapping		5,477,252.99	209,363.98	869,229.83	6,555,846.80
(2) Transfer in of investment property	2,264,838.49				2,264,838.49
4. Ending balance	128,670,673.86	252,848,908.08	2,145,790.03	116,675,557.83	500,340,929.80
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	1,023,007,711.26	563,671,180.54	503,867.76	133,388,359.17	1,720,571,118.72
2. Beginning book value	697,821,439.06	474,729,530.71	367,966.25	126,598,951.52	1,299,517,887.54

(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

Other description:

None

(5) Disposal of fixed assets

Applicable Not applicable

Other description:

None

22. Construction in progress:

Unit: yuan

Items	Ending balance	Beginning balance
Construction in progress	143,094,482.19	495,248,025.93
Total	143,094,482.19	495,248,025.93

(1) Projects under construction

Unit: yuan

Items	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Chongqing Yiyuan	24,945,471.83		24,945,471.83	16,356,912.92		16,356,912.92
Decoration of Huizhou Plant	2,319,136.25		2,319,136.25	2,966,677.50		2,966,677.50
Topband (India) Plant	15,957,672.34		15,957,672.34	15,671,909.07		15,671,909.07
Ningbo Topband Industrial Park	17,836,966.56		17,836,966.56	342,090,917.50		342,090,917.50
Test equipment to be commissioned	29,478,749.08		29,478,749.08	102,011,463.63		102,011,463.63
Vietnam Dong Nai Decoration	3,711,048.82		3,711,048.82	7,740,644.30		7,740,644.30
Dormitory renovation of Huizhou plant	953,557.22		953,557.22	953,557.22		953,557.22
Huizhou YAKO Automation Plant	16,752,921.13		16,752,921.13	3,452,853.07		3,452,853.07
Qingdao Plant	1,804,902.19		1,804,902.19	1,086,337.54		1,086,337.54
Huizhou Electrical No. 2 Industrial Park Phase-I Project	4,058,841.31		4,058,841.31	2,916,753.18		2,916,753.18
Nantong Industrial Park	4,231,698.02		4,231,698.02			0.00
Plant decoration in Mexico	17,369,660.72		17,369,660.72			0.00
Other sporadic works	3,673,856.72		3,673,856.72			
Total	143,094,482.19		143,094,482.19	495,248,025.93		495,248,025.93

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

Unit: yuan

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	Capital source
Chongqing Yiyuan	230,000,000.00	16,356,912.92	8,588,558.91			24,945,471.83	93.91%	94%				Capital raising
Topband (India) Plant	136,004,000.00	15,671,909.07	379,172.09		93,408.82	15,957,672.34	85.30%	85%				Other
Ningbo Topband	465,704,300.00	342,090,917.50	26,231,211.50	350,476,789.87	8,372.57	17,836,966.56	73.28%	79%				Capital raising

Industrial Park												
Plant in Dong Nai, Vietnam	75,000,000.00	7,740,644.30	7,754,828.98	7,891,112.62	3,893,311.85	3,711,048.81	90.90%	85%				Other
Total	906,708,300.00	381,860,383.79	42,953,771.48	358,367,902.49	3,995,093.24	62,451,159.54						

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

Applicable Not applicable

Other description:

None

(4) Engineering materials

Applicable Not applicable

Other description:

None

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

Applicable Not applicable

(2) Productive biological assets with fair value measurement model

Applicable Not applicable

24. Oil and gas assets

Applicable Not applicable

25. Right-of-use assets

Unit: yuan

Items	Houses and buildings	Total
I. Original book value		
1. Beginning balance	74,075,277.50	74,075,277.50
2. Increase in the current period	8,603,955.28	8,603,955.28
(1) The lease contract for the current period	8,189,065.35	8,189,065.35
(2) Increase in original value due to contract change	414,889.93	414,889.93
3. Decrease in the current period		

4. Ending balance	82,679,232.78	82,679,232.78
II. Accumulated depreciation		
1. Beginning balance	15,907,125.62	15,907,125.62
2. Increase in the current period	11,559,119.61	11,559,119.61
(1) Accrual	11,559,119.61	11,559,119.61
3. Decrease in the current period		
(1) Disposal		
4. Ending balance	27,466,245.23	27,466,245.23
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	55,212,987.55	55,212,987.55
2. Beginning book value	58,168,151.88	58,168,151.88

Other description:

None

26. Intangible assets

(1) Situation of intangible assets

Unit: yuan

Items	Land usage right	Patent right	Non-patented technology	Software	Trademark	Total
I. Original book value						
1. Beginning balance	238,231,231.17	435,321.58	395,881,185.31	23,753,932.02	9,728,450.00	668,030,120.08
2. Increase in the current period	1,739,622.05		46,777,128.43	356,150.23		48,872,900.71
(1) Purchase	483,730.00			356,150.23		839,880.23
(2) Internal R&D			46,777,128.43			46,777,128.43
(3) Increment from business combination						
(4) Increase due to exchange rate changes	1,255,892.05					1,255,892.05
3. Decrease in the	293,768.36					293,768.36

current period						
(1) Disposal						
(2) Decrease due to exchange rate changes	293,768.36					293,768.36
4. Ending balance	239,677,084.86	435,321.58	442,658,313.74	24,110,082.25	9,728,450.00	716,609,252.43
II. Accumulated amortization						
1. Beginning balance	15,679,029.95	435,321.58	190,562,973.49	20,088,159.26	5,624,862.50	232,390,346.78
2. Increase in the current period	1,957,779.30		36,492,956.85	945,554.24	1,122,408.22	40,518,698.61
(1) Accrual	1,957,779.30		36,492,956.85	945,554.24	1,122,408.22	40,518,698.61
(2) Increase due to exchange rate changes						
3. Decrease in the current period	253,127.18					253,127.18
(1) Disposal						
(2) Decrease due to exchange rate changes	253,127.18					253,127.18
4. Ending balance	17,383,682.06	435,321.58	227,055,930.34	21,033,713.50	6,747,270.72	272,655,918.20
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	222,293,402.79		215,602,383.40	3,076,368.75	2,981,179.28	443,953,334.22
2. Beginning book value	222,552,201.22		205,318,211.82	3,665,772.76	4,103,587.50	435,639,773.30

The proportion of intangible assets formed through internal R&D in the balance of intangible assets at the end of the current period accounted for 6.53%.

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

Applicable Not applicable

Other description:

None

27. Development expenditure

Unit: yuan

Items	Beginning balance	Increase in the current period		Decrease amount in the current period		Ending balance
		Internal development expenditure	Other	Recognized as intangible assets	Transferred to current profits and losses	
Intelligent controller project	49,182,845.49	54,786,544.75		28,942,388.79		75,027,001.45
Lithium battery project	6,675,242.57	9,630,943.40		4,460,551.65		11,845,634.32
Motor and control system project	10,500,319.42	2,873,868.57		13,374,187.99		
Total	66,358,407.48	67,291,356.72		46,777,128.43		86,872,635.77

Other description:

None

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

Unit: yuan

Name of investees or items forming goodwill	Beginning balance	Increase in the current period		Decrement in the current period		Ending balance
		Disposal formed by business combination				
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 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: yuan

Name of investees or items forming goodwill	Beginning balance	Increase in the current period		Decrement in the current period		Ending balance
		Provision				
Shenzhen Allied Control System Co., Ltd.	53,768,699.68					53,768,699.68

Shenzhen Meanstone Intelligent Technology Co., Ltd.	3,006,892.59					3,006,892.59
Total	56,775,592.27					56,775,592.27

Information about the asset group or portfolio of goodwill

None

Description of goodwill impairment test process, key parameters (e.g. growth rate during the forecast period, growth rate during the stabilization period, profitability, discount rate, forecast period, etc. when the present value of future cash flow is expected) and method for recognizing impairment loss of goodwill:

None

Impact of goodwill impairment test

None

Other description:

None

29. Long-term deferred expenses

Unit: yuan

Items	Beginning balance	Increase in the current period	Amortization in the current period	Other reduced amount	Ending balance
Decoration cost	94,763,914.58	10,557,592.24	16,005,463.90		89,316,042.92
Other	387,701.80	5,197,129.43	2,326,718.12		3,258,113.11
Total	95,151,616.38	15,754,721.67	18,332,182.02		92,574,156.03

Other description:

None

30. Deferred tax assets/deferred tax liabilities

(1) Non-offset deferred tax assets

Unit: yuan

Items	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for asset impairment	272,048,720.32	41,779,910.07	261,692,978.84	40,332,191.17
Deductible loss	144,811,506.82	28,336,235.00	69,221,226.16	13,336,499.73
Amortization of intangible assets	75,799,406.84	11,369,911.02	60,259,563.87	9,038,934.58
Deferred income	15,201,300.00	2,280,195.00	14,150,200.00	2,122,530.00
Option fee	64,206,307.20	9,630,946.08	253,046,279.23	37,956,941.88
Total	572,067,241.18	93,397,197.17	658,370,248.10	102,787,097.36

(2) Deferred tax liabilities without offset

Unit: yuan

Items	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Valuation and appreciation of assets of business merger under different control	1,245,029.87	186,754.48	2,589,919.73	388,487.96
Changes in fair value of tradable financial assets	179,347,913.30	22,951,786.25	147,744,707.31	22,161,706.10
Book-tax difference of fixed assets depreciation	22,861,445.75	5,754,225.90	10,334,504.12	2,570,545.66
Book-tax difference of rental income	686,676.15	171,669.04	4,638,866.49	1,159,716.62
Total	204,141,065.07	29,064,435.67	165,307,997.65	26,280,456.34

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

Unit: yuan

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		93,397,197.17		102,787,097.36
Deferred tax liabilities		29,064,435.66		26,280,456.34

(4) Details of unrecognized deferred tax assets

Unit: yuan

Items	Ending balance	Beginning balance
Deductible temporary differences	2,264,776.17	6,322,216.54
Deductible loss	14,499,458.57	32,682,476.84
Total	16,764,234.74	39,004,693.38

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

Unit: yuan

Year	Ending amount	Beginning amount	Remarks
2023			
2024			
2025			
2026	277,177.40	2,183,482.54	
2027	500,073.69		
No time limit	13,722,207.48	30,498,994.30	
Total	14,499,458.57	32,682,476.84	

Other description:

None

31. Other non-current assets

Unit: yuan

Items	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepayment for long-term assets	307,315,620.42		307,315,620.42	72,041,428.40		72,041,428.40
Total	307,315,620.42		307,315,620.42	72,041,428.40		72,041,428.40

Other description:

None

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

Unit: yuan

Items	Ending balance	Beginning balance
Credit loan	714,100,000.00	400,321,259.95
Undue notes payable	10,568,584.75	9,209,847.31
Total	724,668,584.75	409,531,107.26

Description of classification of short-term loans:

None

(2) Overdue short-term loans

The total amount of overdue but not repaid short-term loans at the end of the current period is 0.00 yuan, of which the important overdue but not repaid short-term loans are as follows:

Applicable Not applicable

Other description:

None

33. Tradable financial liabilities

Applicable Not applicable

Other description:

None

34. Derivative financial liabilities

Applicable Not applicable

Other description:

None

35. Notes payable

Unit: yuan

Category	Ending balance	Beginning balance
Bank acceptance bill	1,253,202,540.98	1,231,106,148.24
Total	1,253,202,540.98	1,231,106,148.24

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

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

Unit: yuan

Items	Ending balance	Beginning balance
Within 1 year	1,518,687,879.28	1,493,504,084.34
1-2 years	2,167,820.25	11,697,003.66
2-3 years	1,595,291.62	4,533,633.55
Above 3 years	1,648,581.61	1,550,275.01
Total	1,524,099,572.76	1,511,284,996.56

(2) Significant accounts payable aged over 1 year

Applicable Not applicable

Other description:

None

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

Unit: yuan

Items	Ending balance	Beginning balance
Within 1 year (including 1 year)	974,629.25	353,895.16
Total	974,629.25	353,895.16

(2) Important advance receipts with aging over 1 year

Applicable Not applicable

Other description:

None

38. Contractual liabilities

Unit: yuan

Items	Ending balance	Beginning balance
Advances on sales	140,315,780.40	93,328,006.70
Total	140,315,780.40	93,328,006.70

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

Applicable Not applicable

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

Unit: yuan

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
I. Short-term compensation	198,774,619.59	770,678,731.96	830,634,537.55	138,818,814.00
II. Post-employment benefits - defined contribution plan	89,176.43	37,940,319.31	37,795,256.52	234,239.22
Total	198,863,796.02	808,619,051.27	868,429,794.07	139,053,053.22

(2) Reporting of short-term remuneration

Unit: yuan

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
1. Wages, bonuses, allowances and subsidies	196,488,729.39	727,845,632.14	787,976,059.75	136,358,301.78
2. Employee benefits	647,448.84	16,442,519.90	16,627,929.30	462,039.44
3. Social insurance expense	146,677.04	12,605,713.57	12,623,499.04	128,891.57
Including: medical insurance premiums	141,117.22	11,289,399.04	11,308,307.39	122,208.87
Industrial injury insurance expense	3,334.60	433,497.80	432,374.92	4,457.48
Maternity insurance expense	2,225.22	882,816.73	882,816.73	2,225.22
4. Housing provident fund		13,320,777.04	13,320,777.04	
5. Trade union funds and staff education funds	249.29	4,041.31	3,981.95	308.65
8. Others	1,491,515.03	460,048.00	82,290.47	1,869,272.56
Total	198,774,619.59	770,678,731.96	830,634,537.55	138,818,814.00

(3) List of defined contribution plan

Unit: yuan

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
1. Basic endowment insurance	87,064.50	37,317,213.89	37,178,020.92	226,257.47
2. Unemployment insurance expense	2,111.93	623,105.42	617,235.60	7,981.75
Total	89,176.43	37,940,319.31	37,795,256.52	234,239.22

Other description:

None

40. Taxes payable

Unit: yuan

Items	Ending balance	Beginning balance
VAT (value-added tax)	27,917,630.10	1,412,358.17
Corporate income tax	21,680,830.21	435,351.06
Individual income tax	14,174,806.66	13,324,912.30
City maintenance and construction tax	366,380.84	145,831.34
Education surcharge	258,942.89	103,910.96
Property tax	4,172,400.43	751,908.84
Other taxes	306,885.40	80,269.78
Total	68,877,876.53	16,254,542.45

Other description:

None

41. Other payables

Unit: yuan

Items	Ending balance	Beginning balance
Other account payable	303,153,820.38	318,632,275.66
Total	303,153,820.38	318,632,275.66

(1) Interest payable Applicable Not applicable

Other description:

None

(2) Dividends payable

Applicable Not applicable

Other description, including significant dividends payable that have not been paid for more than 1 year. The reasons for the non-payment shall be disclosed:

None

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

Unit: yuan

Items	Ending balance	Beginning balance
Payment for equipment	22,074,524.03	28,870,825.20
Payment for tooling	926,093.48	965,441.44
Transportation expenses	7,307,668.56	10,878,639.69
Rent and utilities	10,666,137.87	4,127,402.12
Margin, deposit	8,875,643.23	5,830,893.34
Wages for labor dispatching	351,322.03	3,595,257.44
Consultation fee	201,310.38	1,283,728.33
Fuel card fee	0.00	2,977,890.66
Payment of decoration	117,152.63	3,254,149.87
restricted stock repurchase obligations	241,082,253.60	242,525,433.60
Other	11,551,714.57	14,322,613.97
Total	303,153,820.38	318,632,275.66

2) Other significant payables aged over 1 year

Applicable Not applicable

Other description:

None

42. Liabilities held for sale

Applicable Not applicable

Other description:

None

43. Non-current liabilities due within one year

Unit: yuan

Items	Ending balance	Beginning balance
Long-term borrowings due within one year	36,784,000.00	27,209,500.00
Lease liabilities due within one year	20,589,923.45	20,512,195.74
Total	57,373,923.45	47,721,695.74

Other description:

None

44. Other current liabilities

Unit: yuan

Items	Ending balance	Beginning balance
Output tax to be written off	5,467,273.22	2,874,899.86
Notes receivable that have been endorsed but not derecognized	46,426,155.84	104,189,643.96
Total	51,893,429.06	107,064,543.82

Changes in increase or decrease for the short-term bonds payable:

Applicable Not applicable

Other description:

None

45. Long-term loans

(1) Classification of long-term loan

Unit: yuan

Items	Ending balance	Beginning balance
Mortgage loan	133,511,381.65	156,520,000.00
Credit loan	317,000,000.00	318,500,000.00
Total	450,511,381.65	475,020,000.00

Description of long-term loan classification:

None

Additional notes, including interest rate ranges:

None

46. Bonds payable

(1) Bonds payable

Applicable Not applicable

(2) Changes in increase or decrease for the bonds payable (excluding the preferred share classified as financial liability, perpetual liability and other financial instrument)

Applicable Not applicable

(3) Description of conversion conditions and time of convertible corporate bond

Applicable Not applicable

(4) Description of other financial instruments classified as financial liabilities

Applicable Not applicable

Other description:

None

47. Lease liabilities

Unit: yuan

Items	Ending balance	Beginning balance
Rent leasing	38,645,239.64	40,290,402.14
Total	38,645,239.64	40,290,402.14

Other description:

None

48. Long-term payables

Applicable Not applicable

Other description:

None

(2) Special payable

Applicable Not applicable

Other description:

None

49. Long-term employee compensation payable**(1) Long-term payroll payable table**

Applicable Not applicable

(2) Changes in the defined benefit plan

Applicable Not applicable

Other description:

None

50. Estimated liabilities

Applicable Not applicable

Additional descriptions, including relevant important assumptions and estimation explanations of important estimated liabilities:

None

51. Deferred income

Unit: yuan

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance	Reasons of formation
Government subsidies	14,385,200.00	5,744,000.00	4,747,900.00	15,381,300.00	Government subsidies related to assets
Total	14,385,200.00	5,744,000.00	4,747,900.00	15,381,300.00	

Items involving government subsidies:

Liabilities items	Beginning balance	Newly increased subsidy in the current period	Amount accounted into non-operating revenue in the current period	Amount included in other income in the current period	Amount of write-down costs in the current period	Other changes	Ending balance	Asset-related/r evenue-related
Special fund for the industrialization of high-efficiency energy-saving rare-earth permanent magnet motor	1,105,000.00			97,500.00			1,007,500.00	Asset-related
R&D equipment project of intelligent home management system such as IoT cloud computing technology	131,500.00			131,500.00				Asset-related

R&D project of key technology for clean energy DC system measurement	175,000.00			25,000.00			150,000.00	Asset-related
Nano lithium iron phosphate power battery project	500,000.00			125,000.00			375,000.00	Asset-related
Key technology R&D of 18650-2.8A.h high power battery	357,000.00			102,000.00			255,000.00	Asset-related
Intelligent grid connected project of distributed photovoltaic power station	60,000.00			30,000.00			30,000.00	Asset-related
R&D project of 60A solar charging controller with peak power tracking technology	410,000.00			60,000.00			350,000.00	Asset-related
R&D project of unmanned robot cleaner	2,550,000.00			300,000.00			2,250,000.00	Asset-related
Key technology R&D project of rare-earth permanent magnet brushless DC motor and controller with high speed ratio and variable frequency	4,000,000.00			2,000,000.00			2,000,000.00	Asset-related
Monthly Acceptance Amortization of Huizhou Anti-epidemic National Debt Technical Transformation Project (2006) for 5 Years	2,912,210.00			416,030.00			2,496,180.00	Asset-related
Monthly Acceptance Amortization of Technical Transformation Project of Intelligent Controller in Huizhou Province and Technical Transformation of Lithium Battery Automation Production Line in 2006 for 5 Years	2,184,490.00			312,070.00			1,872,420.00	Asset-related
Monthly acceptance amortization of provincial-level enterprise technology transformation fund (2106) special for promoting high-quality economic development for 5 years in 2022		5,744,000.00		1,148,800.00			4,595,200.00	Asset-related

Other description:

None

52. Other non-current liabilities

Applicable Not applicable

Other description:

None

53. Share capital

Unit: yuan

	Beginning balance	Increase or decrease of change this time (+, -)					Ending balance
		Issuance of new shares	Stock dividend	Conversion of accumulation fund into shares	Other	Subtotal	
Total number of shares	1,256,978,072.00				14,049,300.00	14,049,300.00	1,271,027,372.00

Other description:

Note: The share capital increased by 14,049,300.00 yuan in the current period, including 14,049,300.00 yuan due to the exercise of stock options.

54. Other equity instruments

(1) Basic situation on preferred shares, perpetual bonds and other financial instruments outstanding at the end of the period

Not applicable

(2) Table of changes in financial instruments such as preferred shares and perpetual bonds outstanding at the end of the period

Applicable Not applicable

Other description:

None

55. Capital reserve

Unit: yuan

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
Capital premium (share premium)	2,076,431,608.14	54,522,812.37	0.00	2,130,954,420.51
Other capital reserves	63,621,541.60	79,510,789.24	53,296,748.22	89,835,582.62
Total	2,140,053,149.74	134,033,601.61	53,296,748.22	2,220,790,003.13

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

None

56. Treasury shares

Unit: yuan

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
Repurchase of company shares in competitive trading	242,525,433.60	39,344,623.76		281,870,057.36
Total	242,525,433.60	39,344,623.76		281,870,057.36

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

Note: The increase of treasury shares in this period is due to the repurchased share of 39,344,623.76 yuan by major companies.

57. Other comprehensive income

Unit: yuan

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: retained earnings included in other comprehensive income previously and transferred in currently	Minus: income tax expenses	Attributable to parent company after tax	Attributable to minority shareholders after tax	
II. Other comprehensive income that is reclassified into profits and losses	91,831,496.88	18,153,909.87				18,153,909.87		73,677,587.01
Translation difference of foreign currency financial statements	92,201,606.29	18,153,909.87				18,153,909.87		74,047,696.42
Other	370,109.41							370,109.41
Total amount of other comprehensive income	91,831,496.88	18,153,909.87				18,153,909.87		73,677,587.01

Other description, including the adjustment to the effective portion of the profits and losses of cash flow hedging transferred to the amount initially recognized for the hedged item:

None

58. Special reserve Applicable Not applicable

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

None

59. Surplus reserve

Unit: yuan

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
Statutory surplus reserve	186,397,631.76			186,397,631.76
Total	186,397,631.76			186,397,631.76

Explanation of the surplus reserve, including the changes in increase or decrease in the current period and the reasons for the change:

None

60. Retained earnings

Unit: yuan

Items	Current period	Previous period
Retained earnings at the end of the previous period before adjustment	1,779,243,483.61	1,324,944,369.91
Total retained earnings at the beginning of the period (+ for increase, - for decrease)		-19,061,969.80
Retained earnings at the beginning of last period after adjustment	1,779,243,483.61	1,305,882,400.11
Plus: net profit attributable to owners of the parent company in the current period	246,508,271.38	564,964,282.18
Minus: withdraw legal surplus reserve		35,037,674.23
Common stock dividends payable	62,713,008.60	56,565,524.45
Retained earnings at the end of the period	1,963,038,746.39	1,779,243,483.61

Details of retained earnings at the beginning of adjustment period:

1) Due to the retroactive adjustment of Accounting Standards for Business Enterprises and related new regulations, the retained earnings at the beginning of the period was 0.00 yuan.

2) Due to the change of accounting policy, the retained earnings at the beginning of the period was 0.00 yuan.

3) Due to the correction of major accounting errors, the undistributed profit at the beginning of the period was 0.00 yuan.

4) Due to the change in merger under the same control, the undistributed profit at the beginning of the period was 0.00 yuan.

5) The retained earnings at the beginning of the period was 0.00 yuan with other adjustments.

61. Operating income and operating costs

Unit: yuan

Items	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Main business	4,212,996,240.53	3,420,959,502.11	3,613,778,665.34	2,751,947,592.34
Other business	15,006,897.04	474,527.50	30,266,947.06	13,348,149.05
Total	4,228,003,137.57	3,421,434,029.61	3,644,045,612.40	2,765,295,741.39

Income-related information:

Unit: yuan

Contract classification	Division 1	Division 2	Intelligent Control Division	Total
Types of commodities				
Including:				
Tool			1,606,784,503.47	1,606,784,503.47
Home appliances			1,515,196,016.05	1,515,196,016.05
New energy			858,103,466.53	858,103,466.53
Industry			135,322,059.03	135,322,059.03
Intelligent solutions			83,117,293.53	83,117,293.53
Other			29,479,798.96	29,479,798.96
Classified by business area				
Including:				
Domestic			1,568,861,062.41	1,568,861,062.41
Foreign			2,659,142,075.16	2,659,142,075.16
Total			4,228,003,137.57	4,228,003,137.57

Information related to performance obligations:

Not applicable

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

The amount of income corresponding to the performance obligations that have signed contracts but have not been performed or completed at the end of this reporting period is 0.00 yuan, and 0.00 yuan is expected to be recognized within one year.

Other description:

None

62. Taxes and surcharges

Unit: yuan

Items	Amount incurred in the current period	Amount incurred in the previous period
City maintenance and construction tax	6,262,071.28	4,966,766.89
Education surcharge	4,472,907.99	3,547,687.35
Property tax	4,579,610.57	3,185,254.25
Land use tax	601,530.92	267,163.92
Stamp duty	4,843,716.89	1,278,559.97
Other	300,307.02	32,811.86
Total	21,060,144.67	13,278,244.24

Other description:

None

63. Sales expenses

Unit: yuan

Items	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	71,092,467.40	41,877,611.55
Transportation expenses	2,151,858.07	1,403,606.36
Business entertainment expenses	7,717,742.44	8,822,018.86
Travel expenses	2,886,798.49	4,242,288.17
Intermediary service expenses	8,406,618.19	4,907,544.95
Exhibition expenses	1,355,664.97	1,032,138.04
Material expenses	5,099,828.02	5,050,324.90
Mail expenses	1,403,983.61	1,170,285.37
Advertising expenses	2,136,657.03	916,778.99
Option fee	13,224,050.94	320,885.87
Other	9,705,156.32	7,146,401.53
Total	125,180,825.48	76,889,884.59

Other description:

None

64. Administrative expenses

Unit: yuan

Items	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	90,896,179.65	59,721,623.90
Decoration cost	1,047,245.23	6,465,540.78
Intermediary service expenses	6,962,764.32	4,322,142.87
Depreciation expense	18,911,602.57	6,619,979.60
Amortization of intangible assets	2,125,131.65	2,677,290.87
Rent and utilities	7,121,821.96	3,404,885.34
Property insurance expenses	1,294,426.48	758,226.43
Office expenses	1,068,314.24	1,246,496.01
Option fee	16,890,907.13	571,018.75
Travel expenses	1,814,741.13	802,360.66

Recruitment expenses	545,122.70	906,502.78
Other	12,215,769.40	7,346,751.70
Total	160,894,026.46	94,842,819.69

Other description:

None

65. R&D expenses

Unit: yuan

Items	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	163,347,312.36	107,357,106.03
Amortization of intangible assets	37,824,208.93	27,849,377.95
Material expenses	17,546,287.12	11,634,261.27
Depreciation expense	6,180,237.11	4,465,093.77
Option fee	32,417,628.32	1,590,663.41
Tooling expenses	5,454,370.25	6,365,344.99
Travel expenses	1,369,302.27	1,805,639.42
Intermediary service expenses	5,514,466.09	1,867,115.15
Utilities	3,153,073.64	1,636,703.79
Rentals	2,011,756.62	922,869.58
Other	10,028,565.21	9,273,550.95
Total	284,847,207.92	174,767,726.31

Other description:

None

66. Financial expenses

Unit: yuan

Items	Amount incurred in the current period	Amount incurred in the previous period
Interest expense	14,644,344.03	6,676,232.42
Minus: interest income	6,486,250.66	4,397,537.66
Profit or loss on exchange	-75,077,691.81	23,768,783.43
Other	3,303,222.82	27,713,678.97
Total	-63,616,375.63	53,761,157.16

Other description:

None

67. Other revenues

Unit: yuan

Source for other revenues	Amount incurred in the current period	Amount incurred in the previous period
Government subsidies	14,488,480.96	16,456,682.22
Value added tax refund on demand	1,793,694.48	8,646,329.13
Return of individual income tax service charge	646,161.64	1,105,035.34
Other	144,530.54	0.00

68. Investment revenue

Unit: yuan

Items	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment revenue accounted by equity method	-1,489,563.00	-1,390,590.78
Investment revenue from disposal of tradable financial assets		24,066,351.32
Investment revenue of financial products	241,902.47	1,200,855.83
Total	-1,247,660.53	23,876,616.37

Other description:

None

69. Net exposure hedging revenue

None

70. Fair value change revenue

Unit: yuan

Sources of income from change in fair value	Amount incurred in the current period	Amount incurred in the previous period
Tradable financial assets	31,603,205.99	98,312,768.52
Total	31,603,205.99	98,312,768.52

Other descriptions: None

71. Credit impairment loss

Unit: yuan

Items	Amount incurred in the current period	Amount incurred in the previous period
Bad debt loss of other receivables	-229,235.75	-1,036,235.40
Bad debt loss of accounts receivable	-6,705,780.21	-14,198,551.72
Bad debt loss of commercial acceptance bill	121,687.18	-148,671.09
Bad debt loss of receivables financing	-4,094,005.92	219,638.25
Total	-10,907,334.70	-15,163,819.96

Other descriptions: None

72. Asset impairment loss

Unit: yuan

Items	Amount incurred in the	Amount incurred in the
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	current period	previous period
II. Loss on inventory valuation and contract performance cost impairment loss	-46,406,707.31	-99,292,387.41
Total	-46,406,707.31	-99,292,387.41

Other description:

None

73. Assets disposal revenue

Unit: yuan

Source of assets disposal revenue	Amount incurred in the current period	Amount incurred in the previous period
Revenue from disposal of non-current assets	-284,674.88	-317,178.75
Total	-284,674.88	-317,178.75

74. Non-operating income

Unit: yuan

Items	Amount incurred in the current period	Amount incurred in the previous period	Amount included in the current non-recurring profits and losses
Revenue from disposal of non-current assets	259,566.02	49,698.80	259,566.02
Other	894,448.64	1,531,383.00	894,448.64
Total	1,154,014.66	1,581,081.80	1,154,014.66

Government subsidy included in the current profits and losses: None

Unit: yuan

Subsidy project	Grant entity	Grant reasons	Nature type	Whether the subsidy affects the profits and losses of the year	Whether it is the special subsidy	Amount incurred in the current period	Amount incurred in the previous period	Asset-related/revenue-related
Software rebate						1,793,694.48	4,443,028.35	Related to revenue
Return of individual income tax service charge						646,161.64	1,083,707.40	Related to revenue
Subsidies on R & D						540,200.00	1,465,000.00	Related to revenue
Technological transformation supported by 2020 anti-epidemic national debt funds						416,030.00	208,015.00	Asset-related
R&D project of unmanned robot cleaner						300,000.00	150,000.00	Asset-related
Assisting funds for R&D equipment of intelligent home management system based on IoT cloud computing technology						131,500.00	131,500.00	Asset-related
Nano lithium iron phosphate power						125,000.00	125,000.00	Asset-related

battery project								
Financial support fund of Xinqiao Town of Songjiang District of Shanghai							110,000.00	Related to revenue
High rate 18650-2.8Ah power battery key technology R&D project						102,000.00	102,000.00	Asset-related
Subsidy on talent quality improvement project							100,000.00	Related to revenue
Industrialization of high efficiency energy saving motor for permanent magnet with rare earth						97,500.00	97,500.00	Asset-related
Subsidy on R&D project of 60A solar charging controller with peak power tracking technology						60,000.00	60,000.00	Asset-related
Exemption subsidies on urban land use tax due to the pandemic							43,592.50	Related to revenue
Intelligent grid connected project of distributed photovoltaic power station						30,000.00	30,000.00	Asset-related
Subsidies on clean energy projects						25,000.00	25,000.00	Asset-related
Position stabilization subsidy						723,938.84	24,413.33	Related to revenue
Industrial enterprise bonus						2,914,312.72	20,000.00	Related to revenue
Provincial-level enterprise technology transformation fund for promoting high-quality economic development						1,148,800.00		Asset-related
Key technology R&D project of rare-earth permanent magnet brushless DC motor and controller with high speed ratio and variable frequency						2,000,000.00		Asset-related
Special fund for intelligent controller and lithium battery technology transformation						312,070.00		Asset-related
Cultivation fund for high-tech enterprises						1,650,000.00		Related to revenue
Subsidy on export insurance premium from the Commerce Bureau						1,359,525.00		Related to revenue
Shenzhen Science and Technology Innovation Commission: technical breakthrough projects in 2022 submitted to the Major Special Projects Office						500,000.00		Related to revenue
Subsidy on retention training from the Human Resources and Social Security Bureau of Shenzhen						1,963,000.00		Related to revenue
Other						234,134.94		Related to revenue
Subsidy on high-quality growth of foreign trade and support program by the Commerce Bureau							1,453,557.00	Related to revenue
Technology transformation project for intelligent controller and automatic production line of lithium battery							832,155.00	Related to revenue
Industrial and commercial electricity subsidy							459,804.80	Related to revenue
Provincial economic promotion							300,000.00	Related to

subsidy in 2021								revenue
Training replaced for operation subsidy							288,500.00	Related to revenue
Patent application subsidy							157,650.00	Related to revenue
Policy measure bonus							70,000.00	Related to revenue
Exhibition subsidy							68,400.00	Related to revenue
Employment filing subsidy							65,000.00	Related to revenue
Business development subsidy							60,258.00	Related to revenue
Subsidy on Ningbo demonstration projects							20,000.00	Related to revenue
Subsidy on Hubei employees newly recruited by small, medium and micro enterprises							7,000.00	Related to revenue
Subsidy on software copyright registration							5,100.00	Related to revenue
Total							17,072,867.62	12,006,181.38

Other description:

None

75. Non-operating expenses

Unit: yuan

Items	Amount incurred in the current period	Amount incurred in the previous period	Amount included in the current non-recurring profits and losses
External donations		50,000.00	
Loss on damage and scrapping of non-current assets	353,000.78	148,616.46	
Customer quality deduction expenses	2,556,764.63	3,039,355.65	
Other	208,629.48	1,248,193.58	
Total	3,118,394.89	4,486,165.70	

Other description:

None

76. Income tax expenses

(1) Table of income tax expenses

Unit: yuan

Items	Amount incurred in the current period	Amount incurred in the previous period
Current income tax expenses	29,479,656.28	24,865,568.64
Deferred tax expense	-11,672,335.07	20,774,273.52

Total	17,807,321.21	45,639,842.16
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(2) Adjustment process of accounting profits and income tax expenses

Unit: yuan

Items	Amount incurred in the current period
Total profits	266,068,595.01
Income tax expenses calculated at statutory/applicable tax rates	39,910,289.25
Impact of different tax rates applied to subsidiaries	558,510.07
Effect of income tax adjustment in previous period	-3,954,736.33
Impact of non-taxable income	41,163.30
Impact of non-deductible cost, expense and loss	4,346,251.90
Impact of deductible loss of unrecognized deferred tax assets in previous period	-15,534.79
Impact of deductible temporary differences or deductible losses of unrecognized deferred tax assets in the current period	2,029,693.10
Impact of additional deductible expenses	-17,669,497.61
Other	-7,438,817.68
Income tax expenses	17,807,321.21

Other description:

None

77. Other comprehensive income

See Note 57. Other comprehensive income for details.

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

Unit: yuan

Items	Amount incurred in the current period	Amount incurred in the previous period
Interest income	11,355,372.53	4,397,537.66
Government subsidies	18,797,067.62	8,671,130.63
Deposit and margin collection	8,088,135.22	1,058,934.03
Exercise-related individual income tax collected on an agency basis	6,379,602.34	11,047,469.30
Personal borrowings and expenditures	928,408.04	779,256.00
litigation enforcement expenses		827,707.00
Other	340,044.04	4,264,267.78
Total	45,888,629.79	31,046,302.40

Description of other cash received related to operating activities:

None

(2) Other cash paid related to operating activities

Unit: yuan

Items	Amount incurred in the current period	Amount incurred in the previous period
Service charge	1,326,317.40	1,542,403.90
Management expense paid in cash	32,070,205.47	25,252,906.57
R&D expenses paid in cash	39,623,450.95	33,505,485.16
Sales expense paid in cash	40,864,307.14	34,691,387.17
Margin and deposit expenses	5,326,178.34	3,479,392.66
Employee borrowings	3,808,623.88	3,763,609.50
Other	6,208,734.33	10,776,663.69
Total	129,227,817.51	113,011,848.65

Description of other cash paid related to operating activities:

None

(3) Other cash received related to investment activities Applicable Not applicable

Description of other cash received related to investment activities:

None

(4) Other cash paid related to investment activities Applicable Not applicable

Description of other cash paid related to investment activities:

None

(5) Other cash received related to financing activities

Unit: yuan

Items	Amount incurred in the current period	Amount incurred in the previous period
Note margin	25,597,956.24	18,039,024.44
Total	25,597,956.24	18,039,024.44

Description of other cash received related to financing activities:

None

(6) Other cash paid related to financing activities

Unit: yuan

Items	Amount incurred in the current period	Amount incurred in the previous period
Note margin	14,697,411.67	1,561,294.47

Share repurchase	40,787,803.76	
Payment of lease liabilities	9,944,478.12	6,693,452.50
Intermediary fees for non-public offerings		805,312.81
Total	65,429,693.55	9,060,059.78

Description of other cash paid related to financing activities:

None

79. Supplementary information of cash flow statement

(1) Supplementary materials of cash flow statement

Unit: yuan

Supplementary information	Amount in the current period	Amount in the previous period
1. Adjusting net profit to cash flow from operating activities:		
Net profit	248,261,273.80	436,087,293.11
Plus: impairment of assets	57,314,042.01	114,456,207.37
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	67,167,180.29	49,924,287.12
Depreciation of right-of-use assets	11,559,119.61	6,241,851.65
Amortization of intangible assets	40,518,698.61	31,069,633.99
Amortization of long-term deferred expenses	18,332,182.03	11,996,203.14
Loss from disposal of fixed assets, intangible assets and other long-term assets (income marked with "-")	284,674.88	-317,178.75
Losses on scrapping of fixed assets (income marked with "-")	353,000.78	259,335.13
Loss from fair value change (income marked with "-")	-31,603,205.99	-98,312,768.52
Financial expenses (income marked with "-")	18,329,844.69	33,018,572.00
Investment loss (income marked with "-")	1,247,660.53	-23,876,616.37
Decrease in deferred tax assets (increase marked with "-")	9,389,900.19	-21,833,194.16
Increase in deferred tax liabilities (decrease marked with "-")	2,783,979.32	14,700,279.13
Decrease in inventory (increase marked with "-")	-11,859,608.55	-794,887,074.14
Decrease in operating receivables (increase marked with "-")	-278,292,463.29	-470,369,225.23
Increase in operating payables (decrease marked with "-")	-82,499,123.52	484,777,126.41
Other	3,599,100.00	1,359,530.00
Net cash flow from operating activities	74,886,255.39	-225,705,738.12
2. Major 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	1,573,782,719.24	1,284,383,758.87
Minus: beginning balance of cash	1,736,104,958.20	1,196,835,834.93
Plus: ending balance of cash equivalents		

Minus: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	-162,322,238.96	87,547,923.94

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

Applicable Not applicable

Other descriptions: None

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

Applicable Not applicable

Other descriptions: None

(4) Composition of cash and cash equivalents

Unit: yuan

Items	Ending balance	Beginning balance
I. Cash	1,573,782,719.24	1,736,104,958.20
Including: cash in stock	966,707.91	1,015,081.13
Bank deposit available for payment at any time	1,391,833,225.22	1,337,414,181.07
Other monetary capital for payment at any time	180,982,786.11	397,675,696.00
III. Balance of cash and cash equivalents at the end of the period	1,573,782,719.24	1,736,104,958.20

Other description:

None

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

Describe the names and adjusted amounts of "other" items that adjusted the closing balance of the previous year:

None

81. Assets with limited ownership or use right

Unit: yuan

Items	Book value at the end of the period	Restricted reasons
Monetary capital	18,372,985.21	Margin, etc.
Fixed assets	250,442,431.76	Mortgage housing loan
Total	268,815,416.97	

Other description:

None

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

Unit: yuan

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			
Including: US dollars	67,927,475.60	6.7114	455,888,459.74
Euros	1,581,436.39	7.0084	11,083,338.80
Hong Kong dollars	1,825,039.76	0.8552	1,560,774.00
Indian rupee	1,036,186,080.97	0.0850	88,075,816.88
Vietnamese dong	3,933,217,964.00	0.0003	1,179,965.39
Japanese Yen	33,290,117.00	0.0491	1,634,544.74
Romanian Leu	2,265,454.06	1.4171	3,210,374.95
Mexican Peso	2,707,959.79	0.3332	902,292.20
Accounts receivable			
Including: US dollars	169,377,746.94	6.7114	1,136,761,810.81
Euros	185,968.75	7.0084	1,303,343.39
Hong Kong dollars	7,091,041.17	0.8552	6,064,258.41
Indian rupee	941,962,803.65	0.0850	80,066,838.31
Vietnamese dong	109,191,626,672.00	0.0003	32,757,488.00
Japanese Yen	44,099,511.00	0.0491	2,165,285.99
Receivables financing			
Including: US dollars	21,228,897.14	6.7114	142,475,620.27
Accounts payable			
Including: US dollars	6,768,711.66	6.7114	45,427,531.43
Hong Kong dollars	35,810.06	0.8552	30,624.41
Indian rupee	67,574,394.79	0.0850	5,743,823.56
Vietnamese dong	8,700,598,543.00	0.0003	2,610,179.56
Japanese Yen	66,891,340.00	0.0491	3,284,364.79

Other description:

None

(2) Description of overseas business entities, including for important overseas business entities, disclosure of main overseas business locations, recording currency and selection basis as well as disclosure of reasons for changes in recording currency. Applicable Not applicable

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

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

83. Hedging

The qualitative and quantitative information on hedging items, related hedging instruments, and hedged risks is disclosed according to the type of hedging:

None

84. Government subsidies

(1) Basic situation of government subsidies

Unit: yuan

Category	Amount	Items presented	Amount included in the current profits and losses
Special fund for the industrialization of high-efficiency energy-saving rare-earth permanent magnet motor	97,500.00	Deferred income	97,500.00
R&D equipment project of intelligent home management system such as IoT cloud computing technology	131,500.00	Deferred income	131,500.00
R&D project of key technology for clean energy DC system measurement	25,000.00	Deferred income	25,000.00
Nano lithium iron phosphate power battery project	125,000.00	Deferred income	125,000.00

Key technology R&D of 18650-2.8A.h high power battery	102,000.00	Deferred income	102,000.00
Intelligent grid connected project of distributed photovoltaic power station	30,000.00	Deferred income	30,000.00
R&D project of 60A solar charging controller with peak power tracking technology	60,000.00	Deferred income	60,000.00
R&D project of unmanned robot cleaner	300,000.00	Deferred income	300,000.00
Key technology R&D project of rare-earth permanent magnet brushless DC motor and controller with high speed ratio and variable frequency	2,000,000.00	Deferred income	2,000,000.00
Monthly Acceptance Amortization of Huizhou Anti-epidemic National Debt Technical Transformation Project (2006) for 5 Years	416,030.00	Deferred income	416,030.00
Monthly Acceptance Amortization of Technical Transformation Project of Intelligent Controller in Huizhou Province and Technical Transformation of Lithium Battery Automation Production Line in 2006 for 5 Years	312,070.00	Deferred income	312,070.00
Monthly acceptance amortization of provincial-level enterprise technology transformation fund (2106) special for promoting high-quality economic development for 5 years in 2022	1,148,800.00	Deferred income	1,148,800.00
Received from Shenzhen Science and Technology Innovation Commission: the first batch of funds for the cultivation of high-tech enterprises in 2022	1,000,000.00	Other income	1,000,000.00
Received from the Industry and Information Technology Bureau of Shenzhen Municipality: Chen Weibo applied for the single champion award program and funding plan in manufacturing industry in 2022	2,000,000.00	Other income	2,000,000.00
Received from Shenzhen Administration for Industry and Commerce: Foreign Trade Office - Export credit insurance premium subsidy program from July to December 2022	951,719.00	Other income	951,719.00
Received from Shenzhen Science and Technology Innovation Commission: Major Special Projects Office - technical breakthrough projects in 2022 ("2022014 important 3D objects based on SLAM")	500,000.00	Other income	500,000.00
Received from the Human Resources Bureau of Shenzhen Nanshan District: One-time social security subsidy and support program for affected enterprises in sealed and controlled areas	5,100.00	Other income	5,100.00
Received from Shenzhen Patent Office of China National Intellectual Property Administration: the second reimbursement (64-252) of Shenzhen trademark registration funding in 2021	1,000.00	Other income	1,000.00
Received from the Science and Technology Innovation Bureau of Shenzhen Nanshan District: Enterprise R&D investment subsidy and support plan	240,200.00	Other income	240,200.00
Received from Shenzhen Science and Technology Innovation Commission: the subsidy for the cultivation of high-tech enterprises in 2022	200,000.00	Other income	200,000.00
Received from Shenzhen Science and Technology Innovation Commission: the first batch of assisting funds for the cultivation of high-tech enterprises in 2022	200,000.00	Other income	200,000.00
Received from the Commerce Bureau of Shenzhen Municipality: Foreign Trade Office - Export credit insurance premium subsidy program from July to December 2020	407,806.00	Other income	407,806.00
Received from the Industry and Information Technology Bureau of Bao'an District: the incentive funds for steady growth of industry and enterprises (the second batch) in 2021	268,512.72	Other income	268,512.72
Received from the Science and Technology Bureau: 20220613 high quality award and subsidy in 2021	40,710.00	Other income	40,710.00
Received from the Huizhou Zhongkai Science and Technology Innovation Bureau: the first batch of rewards and subsidies to certificated high-tech enterprises in 2021	50,000.00	Other income	50,000.00
Received from the Zhongkai Economic Development Bureau: special funds for industry and informatization in 2022/funds for the introduction and cultivation of new-generation electronic information manufacturing enterprises in Huizhou	645,800.00	Other income	645,800.00

Received from the Municipal Science and Technology Innovation Commission: the first batch of the third subsidies for the enterprise R&D in 2021	100,000.00	Other income	100,000.00
Received from Shenzhen Science and Technology Innovation Commission: the subsidy for the R&D expenses of high-tech enterprises in 2021	200,000.00	Other income	200,000.00
Received from the Xili Sub-district Office, Nanshan District, Shenzhen: the government subsidies for social security in colleges in 2022	32,453.11	Other income	32,453.11
Received from the Xili Sub-district Office, Nanshan District, Shenzhen: the subsidy to help and support small and micro enterprises (JD)	5,000.00	Other income	5,000.00
Received from the Science and Technology Innovation Bureau of Shenzhen Nanshan District: the double subsidy for national high-tech enterprises in 2022	100,000.00	Other income	100,000.00
Received the subsidy for the cultivation of high-tech enterprises in 2022	100,000.00	Other income	100,000.00
Financial subsidies for Hangzhou Zhidong Motor Technology Co., Ltd.	8,831.09	Other income	8,831.09
Received from Shenzhen Social Security Fund Management Bureau: social insurance premium refunded to Shenzhen Topband Supply Chain Services Co., Ltd.	1,500.00	Other income	1,500.00
Received from Shenzhen Social Security Fund Management Bureau: the social security subsidies	3,475.20	Other income	3,475.20
Subsidy on retention training from the Human Resources and Social Security Bureau of Shenzhen	1,963,000.00	Other income	1,963,000.00
Position stabilization subsidy	723,938.84	Other income	723,938.84

(2) Situation of government subsidies refund

Applicable Not applicable

Unit: yuan

Items	Amount	Reason
The overpayment by the special subsidy funds for the central foreign trade and economic development was refunded (treasury deposit of Shenzhen Finance Bureau) in 2020	8,465.00	Return of overpayment

Other description:

None

85. Others

None

VIII. Changes in the scope of consolidation

1. Merger of enterprises under different control

(1) Merger of enterprise under different control occurred in the current period

Applicable Not applicable

Other descriptions: None

(2) Combined cost and business reputation

Applicable Not applicable

Other descriptions: None

(3) Identifiable assets and liabilities of the acquiree on the acquisition date

Applicable Not applicable

Other descriptions: None

(4) Gains or losses arising from re-measurement of equity held before the acquisition date at fair value

Was there a transaction that realized business combination step by step through multiple transactions and obtained control during the reporting period

Yes No

(5) Relevant explanations for the inability to reasonably determine the merger consideration or the fair value of the identifiable assets and liabilities of the acquiree on the acquisition date or at the end of the current period

Applicable Not applicable

(6) Other descriptions

Applicable Not applicable

2. Merger of enterprises under the same control

(1) Business combination under common control in the current period

Applicable Not applicable

Other descriptions: None

(2) Combined cost

Applicable Not applicable

Other descriptions: None

(3) The book value of the assets and liabilities of the merged party on the combining date

Applicable Not applicable

Other descriptions: None

3. Reverse purchase

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

None

4. Disposal of subsidiaries

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

Yes No

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

Yes No

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

Explanations for the changes in the scope of the merger caused by other reasons (e.g., establishment of new subsidiaries, or liquidation of subsidiaries, etc.) and relevant circumstances:

None

6. Others

None

IX. Interests in Other Entities

1. Equity in subsidiaries

(1) Composition of enterprise group

Name of subsidiary	Principal place of business	Registered place	Nature of business	Shareholding proportion		Acquisition method
				Direct	Indirect	
Shenzhen Topband Software Technology Co., Ltd.	Shenzhen	Shenzhen	Production and sales	100.00%		Establishment
Shenzhen Topband Automation Technology Co., Ltd.	Shenzhen	Shenzhen	Production and sales	100.00%		Establishment
Shenzhen Topband Battery Co., Ltd.	Shenzhen	Shenzhen	Production and sales	100.00%		Establishment
Chongqing Topband Industrial Co., Ltd.	Chongqing	Chongqing	Production and sales	100.00%		Establishment
Topband (Hong Kong) Co., Ltd.	Hong Kong	Hong Kong	Investment	100.00%		Establishment
Huizhou Topband Electrical Technology Co., Ltd.	Huizhou	Huizhou	Production and sales	100.00%		Establishment
TOPBAND INDIA PRIVATE LIMITED	India	India	Production and sales	100.00%		Establishment
Shenzhen YAKO Automation Technology Co., Ltd.	Shenzhen	Shenzhen	Production and sales	71.54%		Merger of enterprises under different control
Shenzhen Allied Control System Co., Ltd.	Shenzhen	Shenzhen	Production and sales	100.00%		Merger of enterprises under different control
Huizhou Topband Battery Co., Ltd.	Huizhou	Huizhou	Production and sales		100.00%	Establishment
Ningbo Topband Intelligent Control Co., Ltd.	Ningbo	Ningbo	Production and sales	100.00%		Establishment
Shenzhen Meanstone Intelligent Technology Co., Ltd.	Shenzhen	Shenzhen	Production and sales	77.25%		Merger of enterprises under different control
Shenzhen Yansheng Software Co., Ltd.	Shenzhen	Shenzhen	Production and sales		71.54%	Merger of enterprises under different control
Hangzhou Zhidong Motor Technology Co., Ltd.	Hangzhou	Hangzhou	Production and sales		53.66%	Merger of enterprises under different control
Topband (Vietnam)Co.,Ltd	Vietnam	Vietnam	Production and sales		100.00%	Establishment
TOPBAND SMART DONG NAI (VIETNAM) COMPANY LIMITED	Vietnam	Vietnam	Production and sales		100.00%	Establishment
Topband Germany GmbH	Germany	Germany	Sales		100.00%	Establishment
TOPBAND JAPAN Co.,Ltd	Japan	Japan	Sales		100.00%	Establishment
Shenzhen Topband Supply Chain Services Co., Ltd.	Shenzhen	Shenzhen	Sales	100.00%		Establishment
Shenzhen Topband Investment Co., Ltd.	Shenzhen	Shenzhen	Investment	100.00%		Establishment
Shenzhen Spark IOT Technology Co., Ltd.	Shenzhen	Shenzhen	Sales		100.00%	Establishment

Shenzhen Tunnu Innovation Co., Ltd.	Shenzhen	Shenzhen	Sales		100.00%	Establishment
Shenzhen Senxuan Technology Co., Ltd.	Shenzhen	Shenzhen	Sales	100.00%		Establishment
Topband (Qingdao) Intelligent Control Co., Ltd.	Qingdao	Qingdao	Production and sales	100.00%		Establishment
Shenzhen Tengyi Industrial Co., Ltd.	Shenzhen	Shenzhen	Sales		100.00%	Establishment
Taixing Ninghui Battery Co., Ltd.	Taixing	Taixing	Production and sales		90.48%	Merger of enterprises under different control
Shenzhen Topband Automotive Electronics Co., Ltd.	Shenzhen	Shenzhen	Sales	100.00%		Establishment
Q.B.PTE.LTD	Singapore	Singapore	Investment		100.00%	Establishment
TOPBAND MEXICO,S.DE R.L.DE C.V.	Mexico	Mexico	Production and sales		100.00%	Establishment
Tunnu Innovation HK Limited	Hong Kong	Hong Kong	Sales		100.00%	Establishment
TOPBAND SMART EUROPE COMPANY LIMITED S.R.L.	Romania	Romania	Production and sales		100.00%	Establishment
Huizhou YAKO Automation Technology Co., Ltd.	Huizhou	Huizhou	Production and sales		71.54%	Establishment
Shenzhen Zhongli Consulting Co., Ltd.	Shenzhen	Shenzhen	Sales		100.00%	Establishment
TUNNU INNOVATION, INC	The United States	The United States	Sales		100.00%	Establishment
Shenzhen Xiaoyou Aitu Innovation Technology Co., Ltd.	Shenzhen	Shenzhen	Sales		100.00%	Establishment
Shenzhen Topband Motor Co., Ltd.	Shenzhen	Shenzhen	Production and sales	100.00%		Establishment
Shenzhen Yueshang Robot Co., Ltd.	Shenzhen	Shenzhen	Production and sales		100.00%	Establishment

Explanation of the shareholding ratio in the subsidiary being different from the voting rights ratio:

None

Basis for holding half or less of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:

None

For important structured entities included in the consolidation scope, the basis for control:

None

Basis for determining whether a company is an agent or a principal:

None

Other description:

None

(2) Important non-wholly-owned subsidiaries

Unit: yuan

Name of subsidiary	Shareholding ratio of minority shareholders	Profits and losses attributable to minority shareholders during the current period	Dividends declared and distributed to minority shareholders during the current period	Ending balance of minority shareholders' equity
Shenzhen YAKO Automation Technology Co., Ltd.	28.46%	2,286,359.29	0.00	83,618,344.62

Explanation of the shareholding ratio of minority shareholder in subsidiary shareholder being different from the voting rights ratio:

None

Other description:

None

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

Unit: yuan

Name of subsidiary	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen YAKO Automation Technology Co., Ltd.	299,074,667.87	88,459,603.21	387,534,271.08	79,527,775.44	9,821,719.45	89,349,494.89	308,879,580.82	61,169,539.31	370,049,120.13	74,267,013.30	9,059,144.56	83,326,157.86

Unit: yuan

Name of subsidiary	Amount incurred in the current period				Amount incurred in the previous period			
	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
Shenzhen YAKO Automation Technology Co., Ltd.	135,322,059.03	7,794,618.45	7,794,618.45	6,317,896.59	166,417,599.85	30,329,229.86	30,329,229.86	3,857,802.79

Other description:

None

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

Applicable Not applicable

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

Applicable Not applicable

Other description:

None

2. Transactions in which the share of owners' equity in a subsidiary changes and the subsidiary is still under control

(1) Changes of the share of owner's equity in a subsidiary

Applicable Not applicable

(2) The impact of the transaction on the minority shareholders' equity and the owners' equity attributable to the parent company

Applicable Not applicable

Other description:

None

3. Interests in joint venture arrangements or associated enterprises

(1) Important joint ventures or associated enterprises

Applicable Not applicable

Explanation of the shareholding ratio in the joint ventures or associated enterprises being different from the voting rights ratio:

None

Basis for holding less than 20% of the voting rights but having significant influence, or holding 20% or more of the voting rights but having no significant influence:

None

(2) Major financial information of important joint ventures

Applicable Not applicable

(3) Major financial information of important associated enterprises

Applicable Not applicable

Other description:

None

(4) Summarized financial information of unimportant joint ventures and associated enterprises

Applicable Not applicable

Other description:

None

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

Applicable Not applicable

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

Applicable Not applicable

Other description:

None

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

Applicable Not applicable

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

Applicable Not applicable

4. Important joint operation

Applicable Not applicable

Explanation of the shareholding ratio or shares in the joint operation being different from the voting rights ratio:

None

If a joint operation is a separate entity, the basis for classified as a joint operation is as follows:

None

Other description:

None

5. Interests in structured entities not included in the scope of the consolidated financial statements

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

None

6. Others

None

X. Risks Associated with Financial Instruments

The main financial instruments of the Company include equity investment, debt investment, borrowings, accounts receivable, accounts payable, convertible bonds, etc. For details of each financial instrument, please refer to the relevant items in this report. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below. The Management of the Company manages and monitors these risk exposures to ensure that these risks are controlled within the limited scope.

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 group's financial instruments include the credit risk, liquidity risk and market risk.

(I) Risk management objective and policy

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

1. Market risk

(1) Foreign exchange risk

Foreign exchange risk refers to the risk of loss due to exchange rate fluctuations. The Company's exposure to foreign exchange risks is mainly related to US dollars and Hong Kong dollars. Except for the Company and its subsidiary, Topband (HK) Co., Limited, which purchases and sells some materials and products in US dollars, Euros and Hong Kong dollars, TOPBAND INDIA PRIVATE LIMITED, the subsidiary, uses Indian rupee, Topband (Vietnam) Co., Ltd. and TOPBAND SMART DONGNAI (VIETNAM) Co., Ltd., the grandson companies, use Vietnamese dong, and Topband Germany GmbH, the grandson company, uses Euros; TOPBAND JAPAN Co., Ltd., the grandson company, uses Japanese yen, Q.B.PTE. LTD, the grandson company, uses Singapore dollars, and TOPBAND MEXICO, S.DE R.L.DE C.V., the grandson company, uses Mexican pesos; TOPBAND SMART EUROPE COMPANY LIMITED S.R.L., the grandson company, uses Romanian Leu, Tunnu Innovation HK Limited, the grandson company, uses Hong Kong dollars, and TUNNU INNOVATION, INC, the grandson company, uses US dollars; other major business activities of Topband are settled in RMB. As of June 30, 2022, the assets and liabilities of the Company are all in RMB, except for those described in this report "Foreign currency monetary items" that the assets and liabilities are in US dollars, Hong Kong dollars, Euros, Vietnamese dong and Indian rupee. The foreign exchange risks arising from the assets and liabilities of such foreign currency balances may have an impact on the Company's operating results.

The Company pays close attention to the impact of exchange rate fluctuations on the Company's foreign exchange risks. The Company currently takes no measures to avoid foreign exchange risks.

(2) Other price risks

Investments held by the Company and classified as tradable financial assets are measured at fair value on the balance sheet date. Therefore, the Company is exposed to the risk of changes in the securities market.

2. Credit risk

On June 30, 2022, the maximum credit risk exposure causing the Company's financial losses is mainly incurred from the other party's failure to fulfill obligations, which leads the Company to financial asset losses, and financial guarantee undertaken by the Company, including confirmed carrying amounts of financial assets in consolidated balance sheets; the carrying value only reflects risk exposure of financial instruments measured at fair value rather than the maximum risk exposure, that varies with the fair value in the future.

In order to reduce credit risks, the Company has set up special positions responsible for determining credit limits, conducting credit approval, and implementing other monitoring procedures to ensure that necessary measures

are taken to recover overdue claims. In addition, the Company reviews the recovery of each individual receivables 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

In managing liquidity risks, the Company maintains and monitors cash and cash equivalents deemed sufficient by the Management 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. The Management of the Company monitors the use of bank loans and ensures compliance with loan agreements.

XI. Disclosure of Fair Value

1. Ending fair value of assets and liabilities measured at fair value

Unit: yuan

Items	Ending fair value			
	The first level of fair value measurement	The second level of fair value measurement	The third level of fair value measurement	Total
I. Continuous fair value measurement	--	--	--	--
(I) Tradable financial assets			272,602,542.73	272,602,542.73
1. Financial asset at fair value and changes through current income			272,602,542.73	272,602,542.73
(2) Equity instrument investment			272,602,542.73	272,602,542.73
(II) Receivables financing			186,797,543.01	186,797,543.01
1. Financial assets measured at fair value and whose changes are included in other comprehensive income			186,797,543.01	186,797,543.01
(1) Bank acceptance bill			48,766,925.55	48,766,925.55
(2) Accounts receivable			138,030,617.46	138,030,617.46
Total assets continuously measured at fair value			459,400,085.74	459,400,085.74
II. Non-continuous fair value measurement	--	--	--	--

2. The basis for determining the market price of continuous and non-continuous first-level fair value measurement items

None

3. Continuous and non-continuous second-level fair value measurement items, valuation techniques adopted and qualitative and quantitative information of important parameters

None

4. Continuous and non-continuous third-level fair value measurement items, valuation techniques adopted and qualitative and quantitative information of important parameters

None

5. Continuous third-level fair value measurement items, adjustment information between beginning and ending book value and sensitivity analysis of unobservable parameters

None

6. For continuous fair value measurement items, if the conversion occurs among different levels in the current period, the reasons for the conversion and the policies for determining the conversion time point

None

7. Technical changes in valuation during the current period and the reasons for such changes

None

8. Fair value of financial assets and financial liabilities not measured at fair value

None

9. Others

None

XII. Related Parties and Related Transactions**1. Information on the parent company of the Enterprise**

Name of parent company	Registered place	Nature of business	Registered capital	The parent company's shareholding ratio	Proportion of the parent company's voting rights in the

				in the Enterprise	Enterprise
Wu Yongqiang	Shenzhen			16.68%	16.68%

Other description:

None

2. Information on the Company's subsidiaries

For details of the subsidiaries of the enterprise, see "1. Equity in Subsidiaries" in "Note IX. Equity in Other Entities".

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

See the notes on key joint ventures or associated enterprises of the enterprise.

Information about other joint ventures or associated enterprises which make related-party transactions with the Company in the current period or in the previous period with balance left are as follows:

Applicable Not applicable

Other description:

None

4. Other related parties

Name of other related parties	Relationship between other related parties and the Enterprise
Shenzhen Jizhiguang Electronics Co., Ltd.	A company substantially controlled by the relative of the Company's legal representative
Shenzhen Lianghui Technology Co., Ltd.	A company whose shares are held by the Company
Shenzhen ORVIBO Technology Co., Ltd.	A company whose shares are held by the Company
Shenzhen HANSC Intelligent Technology Co., Ltd.	A company whose shares are held by the Company
Guangdong Zhongchuang Zhijia Scientific Research Co., Ltd.	A company whose shares are held by the Company
Guangdong Huixin Semiconductor Co., Ltd.	A company whose shares are held by the Company
Fujian Mini Dolphin New Energy Technology Co., Ltd.	A company whose shares are held by the Company
Chengdu Senwei Technology Co., Ltd.	A company whose shares are held by the Company
Shenzhen Youbi Technology Co., Ltd.	A company whose shares are held by the Company
Shanghai Yidong Power Technology Co., Ltd.	A company whose shares are held by the Company
Pas Electronic Technology (Nanjing) Co., Ltd.	A company whose shares are held by the Company
Jiangsu Donghai Semiconductor Co., Ltd.	A company whose shares are held by the Company
Jiangxi Salltech Microelectronic Technology Co., Ltd.	A company whose shares are held by 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

Related party	Related transaction content	Amount incurred in the current period	Approved transaction limit	Is the transaction limit exceeded	Amount incurred in the previous period
Shenzhen Jizhiguang Electronics Co., Ltd.	Raw materials	8,883,560.73	27,000,000.00	No	10,416,476.86

Unit: yuan

List of goods sold/services provided

Unit: yuan

Related party	Related transaction content	Amount incurred in the current period	Amount incurred in the previous period
Shenzhen ORVIBO Technology Co., Ltd.	LED products	23,092,948.30	29,087,963.75

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

The Company's entrusted management/contracting situation:

Applicable Not applicable

Description of relevant entrusted management/contracting

Applicable Not applicable

The Company's entrusted management/outsourcing situation:

Applicable Not applicable

Description of associated management/outsourcing

Applicable Not applicable

(3) Related lease

The Company as a lessor:

Applicable Not applicable

The Company as a lessee:

Applicable Not applicable

Description of associated leasing

Applicable Not applicable

(4) Related party guarantee situation

The Company as a guarantor

Applicable Not applicable

The Company as a guaranteed party

Applicable Not applicable

Description of associated guarantee

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: yuan

Items	Amount incurred in the current period	Amount incurred in the previous period
Remuneration of key management personnel	3,352,000.00	3,310,400.00

(8) Other related transactions

For details, please refer to Section VI "Important Matters XI: Significant related transactions" 7. "Other significant related transactions".

6. Payables due to related parties

(1) Item receivable

Unit: yuan

Project name	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad	Book balance	Provision for bad

			debts		debts
Accounts receivable	Shenzhen ORVIBO Technology Co., Ltd.	4,441,161.50	137,676.01	10,396,665.72	322,296.64

(2) Payables

Unit: yuan

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.	839,481.80	3,099,592.01
Notes payable	Shenzhen Jizhiguang Electronics Co., Ltd.	1,630,000.00	2,376,908.03

7. Commitment of related parties Applicable Not applicable**8. Others** Applicable Not applicable**XIII. Share-based payment****1. General situation of share-based payments** Applicable Not applicable

Unit: yuan

Total amount of equity instruments granted by the Company during the current period	0.00
Total amount of equity instruments exercised by the Company during the current period	14,049,300.00
Total amount of the Company's equity instruments that expired during the current period	227,500.00
The range of the exercise price of the Company's stock options outstanding at the end of the period and the remaining term of the contract	None
The range of the exercise price of the Company's other equity instruments outstanding at the end of the period and the remaining term of the contract	On November 2, 2021, the Company granted restricted stocks to incentive objects at a grant price of 7.23 yuan per share, including 1,224 registered objects and 33,544,320 restricted stocks in total. Topband carried out the performance appraisal for companies and the individual incentive objects once in each fiscal year, taking the performance appraisal target as the unlocking condition for restricted stocks. This incentive plan was valid from the grant date of restricted stocks to the date when all restricted stocks were unlocked or canceled, with the maximum time of 48 months. After 12 months from the

	grant date of the restricted stocks granted this time, the incentive objects that meet the unlocking conditions could be unlocked at the exercise ratio of 30%, 30% and 40% within the unlocking day.
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Other description:

Description of share-based payment:

1. Stock options in 2018

On November 27, 2018, the 9th Meeting of the 6th Board of Directors of the Company deliberated and passed the Proposal on Granting Stock Options to Incentive Objects, granting 42,887,000 stock options to 684 eligible incentive objects at a grant price of 3.80 yuan per share.

On July 26, 2019, the 15th Meeting of the 6th Board of Directors of the Company deliberated and passed the Proposal on Adjusting the Stock Option Exercise Price of the 2018 Stock Option Incentive Plan, which adjusted the exercise price of the 2018 Stock Option Incentive Plan from 3.80 yuan to 3.70 yuan due to the Company's 2018 annual equity distribution.

On March 30, 2020, the Company held the 22nd Meeting of the 6th Board of Directors, deliberating and approving the Proposal on the First Exercise Period of 2018 Stock Option Incentive Plan Meeting the Exercise Conditions and Exercisable Rights and the Proposal on Adjustment of the Incentive Objects and the Number of Stock Options of 2018 Stock Option Incentive Plan: In the first exercise period of the 2018 stock option incentive plan of the Company, a total of 606 incentive objects with 12,014,700 stock options in total were eligible for exercise. In May 2020, a total of 606 incentive objects with 12,014,700 stock options in total in the first exercise period completed exercise.

On January 16, 2021, given that 76 original incentive objects of the Company, including Huang Xinyu and Yang Shengchang, left office due to personal reasons, according to relevant provisions of the 2018 Stock Option Incentive Plan (Revised Draft), the above personnel did not meet the incentive conditions, and a total of 2,773,000 stock options that were granted to the 76 original incentive objects but were not exercised may not be exercised. The Company has completed the cancellation of this part of the stock options on January 29, 2021.

On March 5, 2021, the 6th Meeting of the 7th Board of Directors of the Company deliberated and approved the Proposal on the Second Exercise Period of 2018 Stock Option Incentive Plan Meeting the Exercise Conditions and Exercisable Rights and Proposal on Adjustment of the Incentive Objects and the Number of Stock Options of 2018 Stock Option Incentive Plan: there are 567 incentive objects in the second exercise period of the 2018 stock option incentive plan in the Company, in total of 10,950,600 stock options, that meet the exercise conditions and

can be exercised. The Company plans to adopt the independent exercise mode. Cheng Xuejing and Lin Qiao, the incentive objects, resigned from the Company due to personal reasons, and their 80,500 stock options that have been granted but not yet exercised would not be exercised and would be canceled by the Company. On August 6, 2021, 10,950,600 stock options involving 567 incentive objects that meet the exercising conditions had been exercised.

On March 18, 2022, the 21st Meeting of the 7th Board of Directors and the 17th Meeting of the 7th Board of Supervisors of the Company deliberated and approved the Proposal on the Third Exercise Period of 2018 Stock Option Incentive Plan Meeting the Exercise Conditions and Exercisable Rights and the Proposal on Adjustment of the Incentive Objects and the Number of Stock Options of 2018 Stock Option Incentive Plan: there are 543 incentive objects in the third exercise period of the 2018 stock option incentive plan in the Company, in total of 14,049,300 stock options, which meet the exercise conditions and can be exercised. The Company plans to adopt the independent exercise mode. The total number of exercisable stock options was 14,049,300.22 incentive objects, including Zhang Ran and Wu Mingli, resigned from the Company due to personal reasons, and their 324,000 stock options that have been granted but not yet exercised would not be exercised and would be canceled by the Company. On May 16, 2022, 14,049,300 stock options involving 543 incentive objects that meet the exercising conditions had been exercised.

2. Restricted stock in 2021

On October 13, 2021, the Company held the 14th Meeting of the 7th Board of Directors, and reviewed and approved the Proposal on the < Company's Restricted Stock Incentive Plan in 2021 (Draft)> and its Abstract, Proposal on the < Appraisal Management Measures for the Implementation of the Restricted Stock Incentive Plan in 2021> and Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to the Company's Restricted Stock Incentive Plan in 2021, agreeing that the company would grant 34,000,000 restricted stocks to 1,250 incentive objects.

On November 2, 2021, the Company held the 16th (Interim) Meeting of the 7th Board of Directors and the 13th (Interim) Meeting of the 7th Board of Supervisors, to review and approve the Proposal on Adjusting the Number of Granted Options and List of Incentive Objects in Restricted Stock Incentive Plan in 2021. In view of the resignation of Ou Li who is one of the incentive objects, and Wang Cheng, Shen Zhiwen and Tian Conghui who voluntarily gave up the subscription of the restricted stocks granted due to personal reasons, incentive objects were

adjusted from 1,250 to 1,246, and the total restricted stocks granted for the first time was changed from 34,000,000 to 33,951,000.

On December 7, 2021, the Company held the 17th (Interim) Meeting of the 7th Board of Directors, to review and approve the Proposal on Adjusting the Number of Granted Options and List of Incentive Objects in Restricted Stock Incentive Plan in 2021. The board of directors believed that after determining November 2, 2021 as the grant date of the restricted stock incentive plan in 2021, in the process of capital payment before the share registration, 22 incentive objects determined in this incentive plan, including Li Xiang, Yu Dingguo and Lu Yuanshan, voluntarily gave up the subscription of all the restricted stocks granted due to personal reasons, and 10 incentive objects, including Ao Xinmeng, Wang Cao, and Liu Xiaoshi, voluntarily gave up the subscription of some of the restricted stocks granted to them due to personal reasons. With the authorization of the 2nd Extraordinary General Meeting of Shareholders in 2021, the board of directors adjusted the grant objects and grant quantities of this incentive plan. After adjustment, the number of incentive objects under the 2021 Restricted Stock Incentive Plan decreased from 1,246 to 1,224, and the number of restricted stocks granted decreased from 33,951,000 to 33,544,320.

On March 30, 2022, the 23rd (Interim) Meeting of the 7th Board of Directors and the 19th (Interim) Meeting of the 7th Board of Supervisors of the Company deliberated and approved the Proposal on the Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021. 10 incentive objects, including Wu Song and Luo Qingshan in the Restricted Stock Incentive Plan in 2021, resigned from the Company due to personal reasons and no longer met conditions for becoming stock incentive objects. Therefore, their 221,000 restricted stocks that have been granted but not yet unlocked would be canceled by the Company. In the restricted stock incentive plan in 2021, the objects to be granted were reduced from 1,224 to 1,214.

2. Equity-settled share-based payments

Applicable Not applicable

Unit: yuan

Method for determining the fair value of the equity instrument on the grant date	Fair value of equity instruments = (market price on grant date - grant price) * number of shares
Basis for determining the number of exercisable equity instruments	Estimation shall be based on the latest available changes on vesting employee number and other subsequent information
Reasons for the significant difference between the estimates of the current period and that of the previous period	None
Accumulated amount of equity-settled share-based payments included in capital reserves	184,467,728.73
Total amount of expenses recognized by equity-settled share-	74,063,749.66

based payments in the current period	
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Other description:

3. Cash-settled share-based payments

Applicable Not applicable

4. Modification and termination of share-based payments

Applicable Not applicable

5. Others

None

XIV. Commitments and contingencies

1. Important commitments

Important commitments that existed on the balance sheet date

None

2. Contingencies

(1) Significant contingencies on the balance sheet date

Applicable Not applicable

(2) If the Company has no important contingencies that need to be disclosed, they shall also be explained

No signification contingencies need to be disclosed by the Company.

3. Others

None

XV. Events after the balance sheet date

1. Important non-adjusting matters

Applicable Not applicable

2. Profit distribution

Applicable Not applicable

3. Sales return

Applicable Not applicable

4. Description of other events after the balance sheet date

Applicable Not applicable

XVI. Other important matters

1. Correction of early accounting errors

(1) Retrospective restatement method

Applicable Not applicable

(2) Prospective application method

Applicable Not applicable

2. Debt restructuring

Applicable Not applicable

3. Asset replacement

(1) Exchange of non-monetary assets

Applicable Not applicable

(2) Other asset replacement

Applicable Not applicable

4. Annuity plan

Applicable Not applicable

5. Discontinued operation

Applicable Not applicable

6. Division information**(1) Basis for recognition and accounting policies of reportable divisions**

Applicable Not applicable

(2) Financial information of reportable divisions

Applicable Not applicable

(3) If the Company has no reportable divisions, or fails to disclose the total assets and liabilities of each division, the reasons shall be given.

None

(4) Other descriptions

None

7. Other important transactions and matters that have an impact on investors' decisions

None

8. Others

None

XVII. Notes on Main Items in the Financial Statements of the Parent Company**1. Accounts receivable****(1) Disclosure of accounts receivable by category**

Unit: yuan

Category	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	183,822,763.32	11.74%			183,822,763.32	231,814,138.25	15.06%			231,814,138.25

with single provision for bad debts										
Including:										
Receivables with significant individual amount and single provision for bad debts	182,576,113.53	11.66%			182,576,113.53	231,795,120.17	15.06%			231,795,120.17
Receivables with not significant amount but with single provision for bad debts	1,246,649.79	0.08%			1,246,649.79	19,018.08	0.00%			19,018.08
Accounts receivable with provision for bad debts by aging combination	1,382,518,047.60	88.26%	44,376,366.08	3.21%	1,338,141,681.52	1,306,965,149.94	84.94%	41,858,033.85	3.20%	1,265,107,116.09
Including:										
Accounts receivable with provision for bad debts by combination (aging analysis method)	1,382,518,047.60	88.26%	44,376,366.08	3.21%	1,338,141,681.52	1,306,965,149.94	84.94%	41,858,033.85	3.20%	1,265,107,116.09
Total	1,566,340,810.92	100.00%	44,376,366.08	2.83%	1,521,964,444.84	1,538,779,288.19	100.00%	41,858,033.85	2.72%	1,496,921,254.34

Single provision for bad debts: 0

Unit: yuan

Name	Ending balance			
	Book balance	Provision for bad debts	Proportion of provision	Reasons for provision
Accounts receivable with a single significant amount and single bad debt provision	182,576,113.53			

Accounts receivable with insignificant single amount but separate bad debt provision	1,246,649.79			
Total	183,822,763.32			

Single provision for bad debts: 44,376,366.08

Unit: yuan

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Accounts receivable with bad debt provision drawn by portfolio with credit risk features	1,382,518,047.60	44,376,366.08	3.21%
Total	1,382,518,047.60	44,376,366.08	

Description of the basis for determining the portfolio:

None

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

Applicable Not applicable

Disclosure by aging

Unit: yuan

Aging	Ending balance
Within 1 year (including 1 year)	1,560,963,332.58
1-2 years	540,042.66
2-3 years	2,841,066.76
Above 3 years	1,996,368.92
3-4 years	1,834,317.66
4-5 years	162,051.26
Above 5 years	0.00
Total	1,566,340,810.92

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

Provision for bad debts in the current period:

Unit: yuan

Category	Beginning balance	Amount changed in the current period				Ending balance
		Provision	Recover or reversal	Write-off	Other	
Provision for bad debts	41,858,033.85	2,538,332.23		20,000.00		44,376,366.08
Total	41,858,033.85	2,538,332.23		20,000.00		44,376,366.08

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

None

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

Unit: yuan

Items	Write-off amount
Accounts receivable actually written off	20,000.00

Of which the significant write-offs of accounts receivable:

None

Description of accounts receivable written off:

None

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

Unit: yuan

Name of unit	Ending balance of accounts receivable	Proportion to total ending balances of accounts receivable	Ending balance of provision for bad debts
No. 1	519,566,713.33	33.17%	16,106,568.11
No. 2	77,772,367.29	4.97%	2,477,780.82
No. 3	55,238,619.04	3.53%	1,712,397.19
No. 4	42,579,958.16	2.72%	1,319,978.70
No. 5	40,359,436.26	2.58%	1,251,142.52
Total	735,517,094.08	46.97%	

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

Applicable Not applicable

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

Applicable Not applicable

Other description:

None

2. Other receivables

Unit: yuan

Items	Ending balance	Beginning balance
Other receivables	254,051,041.69	141,619,648.22
Total	254,051,041.69	141,619,648.22

(1) Interest receivable**1) Classification of interest receivable**

Applicable Not applicable

2) Significant overdue interest

Applicable Not applicable

3) Provision for bad debts

Applicable Not applicable

(2) Dividends receivable**1) Classification of interest receivable**

Applicable Not applicable

2) Important dividends receivable aged over 1 year

Applicable Not applicable

3) Provision for bad debts

Applicable Not applicable

(3) Other receivables**1) Classification of other receivables by nature of amount**

Unit: yuan

Nature of payment	Book balance at the end of the period	Book balance at the beginning of the period
Employee loans	6,803,004.64	6,888,020.46
Margin, deposit	6,726,644.67	5,474,993.31
Internal related transactions	239,737,403.42	131,639,091.99
Other	3,444,215.71	7,693.46
Total	256,711,268.44	144,009,799.22

2) Provision for bad debts

Unit: yuan

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, 2022	2,390,151.00			2,390,151.00
Balance as of January 1, 2022 in the current period				
Accrual in the current period	270,075.75			270,075.75
Balance as of June 30, 2022	2,660,226.75			2,660,226.75

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

 Applicable Not applicable

Disclosure by aging

Unit: yuan

Aging	Ending balance
Within 1 year (including 1 year)	250,466,000.69
Subtotal within one year	250,466,000.69
1-2 years	2,309,843.41
2-3 years	1,197,176.00
Above 3 years	2,738,248.34
3-4 years	1,609,538.34
4-5 years	1,112,000.00
Above 5 years	16,710.00
Total	256,711,268.44

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

Provision for bad debts in the current period:

Unit: yuan

Category	Beginning balance	Amount changed in the current period				Ending balance
		Provision	Recover or reversal	Write-off	Other	
Provision for bad debts	5,250,956.42	238,528.94				5,489,485.36
Total	5,250,956.42	238,528.94				5,489,485.36

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

None

4) Other receivables actually written off in the current period Applicable Not applicable**5) Other receivables of top five ending balances grouped by debtors**

Unit: yuan

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	Intercourse funds	205,115,065.28	Within 1 year	79.90%	0.00
No. 2	Intercourse funds	15,468,332.78	Within 1 year	6.03%	0.00
No. 3	Intercourse funds	8,423,619.34	Within 1 year	3.28%	0.00
No. 4	Intercourse funds	5,114,048.33	1-2 years	1.99%	0.00
No. 5	Intercourse funds	2,908,792.00	Within 1 year	1.13%	0.00
Total		237,029,857.73		92.33%	0.00

6) Receivables involving government subsidies Applicable Not applicable**7) Other receivables derecognized due to transfer of financial assets** Applicable Not applicable**8) Amount of assets and liabilities formed by transferring other receivables and continuing to be involved** Applicable Not applicable**3. Long-term equity investment**

Unit: yuan

Items	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	3,836,195,816.61		3,836,195,816.61	2,941,581,406.04		2,941,581,406.04
Investment in associated enterprises and joint ventures	18,377,321.11	12,433,655.05	5,943,666.06	18,408,714.90	12,433,655.05	5,975,059.85
Total	3,854,573,137.72	12,433,655.05	3,842,139,482.67	2,959,990,120.94	12,433,655.05	2,947,556,465.89

(1) Investment in subsidiaries

Unit: yuan

Investee	Beginning balance (book value)	Changes in increase or decrease in the current period				Ending balance (book value)	Ending balance of provision for impairment
		Additional investment	Decrease in investment	Provision for impairment	Other		
Shenzhen Topband Software Technology Co., Ltd.	18,699,450.44	3,232,708.50				21,932,158.94	
Shenzhen Topband Battery Co., Ltd.	5,963,808.90	613,985,204.71				619,949,013.61	
Shenzhen Topband Automation Technology Co., Ltd.	34,634,741.13	606,281.66				35,241,022.79	
Chongqing Topband Industrial Co., Ltd.	210,330,745.87	483,102.08				210,813,847.95	
Topband (Hong Kong) Co., Ltd.	364,511,500.00	63,418,000.00				427,929,500.00	
Huizhou Topband Electrical Technology Co., Ltd.	1,007,281,720.35	10,109,177.83				1,017,390,898.18	
Ningbo Topband Intelligent Control Co., Ltd.	519,868,835.07	150,318,633.70				670,187,468.77	
Shenzhen Allied Control System Co., Ltd.	122,145,544.81	2,345,296.53				124,490,841.34	
Shenzhen Meanstone Intelligent Technology Co., Ltd.	10,000,000.00	0.00				10,000,000.00	
TOPBAND INDIA PRIVATE LIMITED	195,026,748.97	0.00				195,026,748.97	
Shenzhen YAKO Automation Technology Co., Ltd.	350,014,659.96	0.00				350,014,659.96	
Shenzhen Topband Investment Co., Ltd.	60,092,202.62	40,081,661.80				100,173,864.42	
Shenzhen Topband Supply Chain Services Co., Ltd.	5,000,000.00	0.00				5,000,000.00	
Shenzhen Senxuan Technology Co., Ltd.	8,011,447.92	34,343.76				8,045,791.68	
Topband (Qingdao)	30,000,000.00	0.00				30,000,000.00	

Intelligent Control Co., Ltd.							
Shenzhen Topband Motor Co., Ltd.		10,000,000.00				10,000,000.00	
Total	2,941,581,406.04	894,614,410.57				3,836,195,816.61	

(2) Investment in associated enterprises and joint ventures

Unit: yuan

Investment unit	Beginning balance (book value)	Changes in increase or decrease in the current period								Ending balance (book value)	Ending balance of provision for impairment
		Additional investment	Decrease in investment	Profits and losses on investment recognized under equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration of distribution for cash dividends or profits	Provision for impairment	Other		
I. Joint venture											
II. Associated enterprises											
Shenzhen Daka Optoelectronics Co., Ltd.	5,975,059.85			-31,393.79						5,943,666.06	
Shenzhen Yuchengxin Power Technology Co., Ltd.										0.00	12,433,655.05
Subtotal	5,975,059.85			-31,393.79						5,943,666.06	12,433,655.05
Total	5,975,059.85			-31,393.79						5,943,666.06	12,433,655.05

(3) Other descriptions**4. Operating income and operating cost**

Unit: yuan

Items	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Main business	2,387,700,802.78	2,029,249,076.26	2,108,115,155.95	1,747,449,569.91
Other business	72,146,674.17	64,311,335.67	53,820,075.36	47,592,448.41
Total	2,459,847,476.95	2,093,560,411.93	2,161,935,231.31	1,795,042,018.32

Information related to performance obligations:

Not applicable

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

The amount of income corresponding to the performance obligations that have signed contracts but have not been performed or completed at the end of this reporting period is 0.00 yuan, and 0.00 yuan is expected to be recognized within one year.

Other description:

None

5. Return on investment

Unit: yuan

Items	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income accounted by the cost method	-31,393.79	-495,808.80
Investment revenue from disposal of tradable financial assets		24,066,351.32
Subsidiary dividend income		14,053,405.97
Total	-31,393.79	37,623,948.49

6. Others

None

XVIII. Supplementary Information

1. Schedule of current non-recurring profits and losses

Applicable Not applicable

Unit: yuan

Items	Amount	Description
Disposal of profits and losses of non-current assets	-378,109.64	
Government subsidies included in the current profits and losses (except those that are closely related to the normal business of the Company, conform to national policies and regulations and are continuously enjoyed in a fixed or quantitative manner according to certain standards)	14,625,339.37	
Profits and losses due to fair value changes arising from the holding of tradable financial assets and liabilities, as well as the investment income from the disposal of tradable financial assets and liabilities and available-for-sale financial assets, except for the effective hedging business related to the normal business of the Company	31,603,205.99	
Other non-operating income and expenses other than those mentioned above	-1,217,111.70	
Other items of profits and losses that meet the definition of non-recurring profits and losses	241,902.47	Financing income
Minus: amount affected by income tax	2,794,910.05	
Impact amount of minority shareholders' equity	228,101.16	
Total	41,852,215.28	--

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

Applicable Not applicable

None.

Explanation of defining the items of non-recurring profits and losses listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profits and Losses as recurring items of profits and losses

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 (yuan/share)	Diluted earnings per share (yuan/share)
Net income attributable to the ordinary shareholders of the Company	4.77%	0.20	0.20
Net profit attributable to the ordinary shareholders of the Company after deduction of non-recurring profits and losses	3.96%	0.16	0.16

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

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

Applicable Not applicable

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

Applicable Not applicable

(3) Reasons for differences in accounting data under domestic and foreign accounting standards. If the data audited by an overseas audit institution is adjusted for differences, the name of the overseas audit institution shall be indicated

4. Others

Section XI Other Reported Data

I. Other major social security issues

Whether there were major social security issues in the listed company and its subsidiaries

Yes No N/A

Existing problems and rectification

Whether administrative penalty was imposed during the reporting period

Yes No N/A

Punishment items, punishment measures and rectification

II. Registration form for reception and 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
2022/1/18 2022/1/20 2022/1/21	Conference room of the Company	Field survey	Organizations	Ruiyuan Fund, Bank of Communications Schroder Fund, China Orient Asset Management, E Fund Management and UBS AM (US)	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2022/1/24	Conference room of the Company	Telephone communication	Organizations	Citibank、ABRDN、Allianz Asia、CHINA RE ASSET MGMT CO LTD、Eurizon Capital SGR SPA、Fountaincap Res & Inv (HK) Co、Fullgoal Fund Management、Hang Seng Investment Management、Lazard Freres、Mackenzie Financial Corp、Manulife Asset Mgmt (HK) Ltd、Millennium Capital Management、Neuberger & Berman、New Silk Road Investment Pte、Orchid China Management Limited、Oscar & Partners Capital Ltd、Pinpoint Asset Management Ltd、Point72 Asset Management、Power Corporation of Canada、Principal Global Investors、Schonfeld Strategic Adv HK Ltd、Schroder Invest	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn

				Management UK、Schroders IM Singapore、UBS AM (US)、UBS AM London、Value Partners、Wellington Management Company。		
2022/2/27 2022/3/1	Conference room of the Company	Telephone communication	Organizations	Neuberger Berman, Vontobel Asset Management, Allianz Global Investors, Essence Securities, Essence Asset Management, Beijing Zundao Asset Management, BlackRock Fund, Truvalue Asset Management, Dacheng Innovation Capital Management, Topsperity Fund, Topsperity Securities, Orient Securities Asset Management, Shanghai Fusheng Assets Management, Fullgoal Fund Management, Fortune & Royal Fund, Everbright Securities, Everbright Securities Asset Management, Guangdong Hengsheng Fund Management, Guangdong Development Fund, Guotai Asset Management, Guotai Junan Securities, Guosen Securities, HFT Investment Management, Hua An Fund Management, Hwabao WP Fund Management, Huachuang Securities, Huashang Fund Management, Huatai Baoxing Fund Management, Huatai Securities, China Asset Management, China Universal Asset Management, Harvest Fund, CCB Principal Asset Management, Bank Of Communications Schroder Fund Management, Greenwoods Asset Management, JT Asset Management, Minsheng Royal Fund Management, Mingya Fund, China Southern Asset Management, ABC Wealth Management, Ping An Fund, Ping An Annuity Insurance Company of China, Pingyang Jiuyan Asset Management, SPDB-AXA Fund, First Seafront Fund, Rongtong Fund Management, Foresight Fund, Three Gorges Capital Holdings, Fosun Capital, Shanghai Fosun High Technology, Shanghai Yinsheng Asset Management, Shenzhen Orient Ruizhe Asset Management, Pacific Investment Management, Taikang Asset, Teng Yue Partners Master Fund, TF Securities, Xizang Yuancheng Investment Management, First State Cinda Fund Management, CIB Fund Management, Industrial Securities, E Fund Management, Yinhua Fund Management, Maxwealth Fund Management, Shenzhen Yuanjing Changqing Investment Management, Changjiang Securities, China Merchants Asset Management,	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn

				Zheshang Securities, Zhonggeng Fund Management, CICC, Lombarda China Fund Management, Citic-prudential Fund Management, China Securities, CITIC Securities, Bank of China Investment Management, EXC Capital Management, TF Securities, Wells Fargo Funds Management.		
2022/3/21 2022/3/22 2022/3/23	Conference room of the Company	Telephone communication	Organizations	TF Securities, China Securities, Zhongtai Securities, Guosen Securities, CITIC Securities, CICC Securities, Huachuang Securities, Guotai Junan Securities, Shenwan Hongyuan Securities, Changjiang Securities, Guosheng Securities, Southwest Securities and Haitong Securities. CHAIRPERSON、SPEAKER、CITI、OASIS、POINT 72、BLACKROCK、NEW SILK ROAD、HANG SENG INV、XIN DA NEUBERGER BERMAN、VALUE PARTNERS、AXA、PUTNAM、KADENSA CPT、HANG SENG INV、MARSHALL WACE。TF Securities, Shenzhen Zhicheng Haiwei Asset Management, Sinosafe Assets, China Asset Management, BlackRock Fund, AEGON-INDUSTRIAL Fund Management, Guotai Asset Management, SDIC Fund, China Universal Asset Management, Foresight Fund, Shanghai Silver Leaf Investment, Rongtong Fund Management, CITIC Securities Asset Management, Shanghai South Land Investment Management, Shenzhen Qin Tao Capital Management, Guotai Junan Securities Asset Management, Chaos Investment, China Merchants Fund, Vontobel Asset Management Asia Pacific Limited, Xintai Life Insurance, Shanghai Chunda Investment, Hunan Yuancheng Investment, BOSCA Asset, Zhongtai Securities Proprietary, EXC Capital Management, Yongde Ruixuan (Qingdao) Private Equity Fund, Ningbo Liansheng Investment, Shenzhen Qianhai Dengcheng Asset Management, Essence Securities Asset Management, Hangzhou Qianlu Investment, Shenzhen Shangdao Investment Fund, Beijing Ding Investment, Infore Capital, DIB Asset Management (Zhuhai) Co., Ltd., Rays Capital, Yinhua Fund Management, Value Investment Management, Shanghai EverFortune Investment & Management, Pioneer Fund,	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn

				Dongfanghong Fund, Huarong Fund, Tianchong Asset Management, Guhe Asset Management, CITIC Industrial Fund, Silver Leaf Investment, Dongxing Securities. Teng Yue Partners Master Fund.		
2022/3/31	Flush Roadshow Platform	Others	Organizations	Performance presentation session	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2022/4/20 2022/4/21 2022/4/22	Conference room of the Company	Telephone communication	Organizations	TF Securities, China Securities, Zhongtai Securities, Guosen Securities, CITIC Securities, CICC Securities, Huachuang Securities, Guotai Junan Securities, Shenwan Hongyuan Securities, Changjiang Securities, Guosheng Securities, Southwest Securities, Sinolink Securities, Citi Medium- and Small-cap Stock, Haitong Securities, Great Wall Securities, Everbright Securities, Huatai Securities, Minsheng Securities, Pacific Securities, Dongxing Securities, Wanlian Securities and Soochow Securities. TF Securities, Yinhuafund Management, China Universal Asset Management, Shenzhen Qianhai Dengcheng Asset Management, Foresight Fund, Genharmony Capital, Shenzhen Zhicheng Haiwei Asset Management, Penghua Fund, Rays Capital, Guotai Asset Management, Western Leadbank FMC, Vontobel Asset Management Asia Pacific Limited, Sinosafe Assets, First-Trust Fund Management, BOSCO Asset, BOCI Securities, SPDB-AXA Fund, Fosun Asset Management, Neuberger Berman Fund, Jinfu Anda, Ping An Fund, Shanghai Silver Leaf Investment, Huatai Securities Proprietary Securities Investment, Changjun Capital Investment, AEGON-INDUSTRIAL Fund Management, ABC Wealth Management, BlackRock Fund, Beijing Yihejiufu Investment Management, Tangrong Capital, Shanghai Yinsheng Asset Management, First-Trust Fund Management, Rongtong Fund Management, CCB Pension Asset Management, Purekind Fund Management, Tianchong Asset Management, Oriental Alpha Fund, Shanghai Tongben Investment Management Center, Asset Management Department of Essence Securities, Millennium	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn

				Capital, Shanghai Feima Investment and Management, Infore Capital, Pacific Investment Management, Asset Management Department of GF Securities, Changjiang Securities. CICC Securities, CCB Principal Asset Management.		
2022/4/25 2022/4/27 2022/4/28	Conference room of the Company	Field survey	Organizations	CHAIRPERSON, SPEAKER, OP CAP, FULLGOAL, Great Wall Fund, Rongtong Fund Management, Chuangfu Business Investment Management, Valuebed Capital, Sinolink Securities, CITIC Securities, NORDEA	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2022/5/6	Conference room of the Company	Telephone communication	Organizations	ABERDEEN, BARING, MANULIFE, FULLGOAL, SUN BRIDGE CAPITAL, MIGHTY DIVINE, PINPOINT, OASIS, CITI, BlackRock Asset Management, T. Rowe Price Group, Guosen Securities, Mondrian Investment Partners Ltd, CICC Securities.	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2022/5/16 2022/5/17 2022/5/18 2022/5/19	Conference room of the Company	Field survey	Organizations	CICC Asset Management, Greenwoods Asset Management, Teng Yue Partners Master Fund, CICC Securities, Perseverance Asset Management, Yinhua Fund Management, TF Securities, GF Securities.	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2022/5/23 2022/5/24 2022/5/25 2022/5/26 2022/5/27	Conference room of the Company	Field survey	Organizations	AEGON-INDUSTRIAL Fund Management, TF Securities; Industrial Securities, HFT Investment Management, CITIC Securities, CITIC Asset Management; Shenwan Hongyuan Securities, Ping An Fund, Dacheng Fund, Baoying Fund, TF Securities, E Fund Management; Penghua Fund; Bank Of Communications Schroder Fund Management; Citibank, TAIKANG, SPRING CAPITAL, OP CAPITAL, AMUNDI, SAMSUNG, OASIS, NIGHTY ONE, PRINCIPAL, ABERDEEN, LAZARD, NEW SILK ROAD; May 26: Lombarda China Fund Management, TF Securities; Lion Fund Management; Hengyue Asset Management, Lingzhan Capital, Shenzhen ZHAOTU Investment and Management Corporation, Guangdong Juzhou Investment, Harvest Fund, TF Securities; China Universal Asset Management; Guotai Asset Management.	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2022/5/30 2022/5/31 2022/6/1	Conference room of the Company	Field survey	Organizations	TF Securities, Hua An Fund Management; Huatai Baoxing Fund Management; Penghua Fund; Taikang Asset; Perseverance Asset Management; First State Cinda Fund Management, Baoying Fund.	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn

2022/6/14 2022/6/16	Conference room of the Company	Field survey	Organizations	BlackRock Fund, Fidelity Investments	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
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III. Capital transactions between the listed company and its controlling shareholder and related parties

Applicable Not applicable