

TOPBAND 拓邦

Shenzhen Topband Co., Ltd.

Annual Report 2023



Topband Investor Relations Applet

March 2024

Annual Report 2023

Section I Important Notes, Contents and Interpretations

The Board of Directors, the Board of Supervisors and directors, supervisors and senior executives of the Company hereby guarantee that the content set out in the Annual Report is free from false records, misleading statements or major omissions, and undertake joint and several liabilities for the authenticity, accuracy and integrity of the report.

Wu Yongqiang, the principal of the Company, Luo Muchen, the accounting head, and Luo Muchen, the accounting department head (the accountant in charge) hereby guarantee the truth, accuracy and completeness of the financial statements in this Annual Report.

All directors have attended the Board Meeting at which this Annual Report was deliberated.

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

Topband has no material risks that affect its financial position and sustained profitability, and the possible risks in the operation of the Company are described in detail in Section III "Management Discussion and Analysis" of the Report. Investors are kindly reminded to pay attention to relevant content.

The profit distribution plan approved by the Board of Directors of the Company: cash dividends of RMB 0.6 (tax inclusive) per 10 shares are paid to all shareholders based on the 1,229,476,988 shares (excluding the repurchased shares and restricted shares to be canceled), 0 shares of bonus shares (tax inclusive), and reserves would not be converted into share capital. If the Company's total share capital changes before the implementation of the profit distribution plan due to share repurchase, cancellation of restricted shares or other reasons, the total distribution amount will be adjusted accordingly based on the principle of maintaining the same distribution ratio per share.

The Report is prepared in Chinese and translated into English. Should there be any

discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

Chairman's Statement

Dear shareholders, partners, and all friends concerning about Topband,

Thank you for your continuous attention and firm support to Topband. In 2023, we were faced with multiple challenges such as demand and industry inventory, but we remained confident in the future development prospects of the industry, increased R&D investment in key new areas and accelerated our implementation of overseas businesses, laying a solid foundation for growth in the future while realizing sound and healthy operations.

In 2023, we realized operating income of RMB 8.992 billion, up 1.32% YoY, and net profit of RMB 512 million, up 5.76% YoY. Our product competitiveness and internal efficiency were improved, with a 2.17% YoY increase in gross profit margin. In addition, we made three key advances:

I. Reduced costs and increased efficiency, with the operational efficiency and significantly improved. We clearly set out our strategy to reduce costs and increase efficiency in 2023. All departments worked together and effectively controlled the costs of raw materials and various expenses, significantly reducing the total costs. Meanwhile, the inventory dropped significantly and the inventory turnover was improved, significantly improving our health indicators and operational efficiency.

II. Technological innovation for high-value growth. In 2023, with our existing technology and product platforms, we strengthened our machine and system solution capabilities and increased the value volume of our products. We also accurately identified market demands and enhanced the value chain by self-defined products. In 2023, we increased R&D investment and business integration in the new energy business segment, and launched many new products that are autonomous and controllable, represented by DC charging piles and all-in-one industrial and commercial storage products. This will drive our future growth and become our third growth curve.

III. International layout with highlighted overseas strengths. After years of international strategy implementation and promotion, the Vietnam and India bases have achieved large-scale mass production and stable operation, with excellent profitability. The Romanian and Mexican

bases have realized mass production, marking our significant breakthroughs in overseas markets.

We always believe that the "intelligent, low-carbon and international" long-term trend remains unchanged. The Company is about to see major development opportunities in the context of the emergence of smart products, the transformation from the old economy to the new one and the increase in international market demand. In 2024, we will focus on the following three strategic priorities.

First, accelerate overseas marketing. More than half of our business comes from overseas markets. Based on the success of "manufacturing exports", we will accelerate "market expansion overseas". In 2024, we will ask the marketing team to actively expand the market overseas. We shall not only seize the opportunity of order transfer, but also develop the demand in the local market to build Topband into a truly international firm.

Second, accelerate the development of new energy business. As our growth driver, new energy business greatly relies on our technological advantages in batteries, power sources, electronic control and motors, focuses on energy storage and charging, and provides self-defined products and customized solutions. We will further concentrate our resources to create a product matrix and build a unified market platform for rapid development.

III. Accelerate the creation of competitive intelligent products and their application in emerging industries. With the rapid development of AI and humanoid robotics, the intelligent industry has ushered in unprecedented development opportunities. As an enterprise with more than 20 years of technology accumulation, Topband has built up strong capabilities in product innovation and implementation. In 2024, we will be committed to deepening our insight into the market demand, and defining and creating more autonomous and controllable core products; at the same time, we will further explore new industrial opportunities, especially in robotics and AI applications. We will accelerate the development of core technologies such as mobile robots, servo drives and control technologies to create industry-leading competitive products, and actively develop top customers in industries.

Finally, I would like to express my thanks to all shareholders and partners for their trust and support. We will continue to offer customers with excellent products and services, and to

contribute to build a more "intelligent and low-carbon" world. I believe our joint efforts will help Topband realize growth in 2024 again.

President of Shenzhen Topband Co., Ltd.

A handwritten signature in black ink, consisting of stylized Chinese characters, likely '吴勇' (Wu Yong).

March 27, 2024

Contents

Section I Important Notes, Contents and Interpretations	2
Section II Company Profile and Primary Financial Indicators	10
Section III Management Discussion and Analysis	17
Section IV Corporate Governance	66
Section V Environmental and Social Responsibility	103
Section VI Important Matters	105
Section VII Share Change and Shareholders	117
Section VIII Information on Preferred Shares	127
Section IX Relevant Information of Bonds	128
Section X Financial Report	129

Directory of documents for future reference

- I. The financial statements bearing the signature and seal of the principal of the Company, the accounting head and the accounting department head.
- II. The original audit report bearing the seal of the accounting firm and the signature and seal of the certified public accountant.
- III. 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.
- IV. The original of the Annual Report 2023 bearing the signature of the Chairman.
- V. All the above documents are complete, and are available for reference at the office of the Board of Directors of the Company.

Interpretations

Terms	Refer to	Contents
Company, the Company, Topband	Refer to	Shenzhen Topband Co., Ltd.
RMB, RMB ten thousand	Refer to	RMB, RMB ten thousand
CSRC	Refer to	China Securities Regulatory Commission
Exchange	Refer to	Shenzhen Stock Exchange
Reporting Period	Refer to	January 1, 2023 - December 31, 2023
Articles of Association	Refer to	Articles of Association of Shenzhen Topband Co., Ltd.
Huizhou Topband	Refer to	Huizhou Topband Electrical Technology Co., Ltd.
YAKO Automation	Refer to	Shenzhen YAKO Automation Technology Co., Ltd.
SZACS	Refer to	Shenzhen Allied Control System Co., Ltd.
Topband Software	Refer to	Shenzhen Topband Software Technology Co., Ltd.
ORVIBO	Refer to	Shenzhen ORVIBO Technology Co., Ltd.
Ningbo Topband	Refer to	Ningbo Topband Intelligent Control Co., Ltd.
Meanstone Intelligent	Refer to	Shenzhen Meanstone Intelligent Technology Co., Ltd.
HANSC Intelligent	Refer to	Shenzhen HANSC Intelligent Technology Co., Ltd.
Hong Kong Topband	Refer to	Topband (Hong Kong) Co., Ltd.
Topband Romania	Refer to	Topband Smart Europe Company Limited S.R.L.
Topband Mexico	Refer to	Topband Mexico Company Limited
Topband Battery	Refer to	Shenzhen Topband Battery Co., Ltd.
Ninghui Lithium Battery	Refer to	Taixing Ninghui Lithium Battery Co., Ltd.
HVAC	Refer to	Heating, Ventilation and Air Conditioning
IOT	Refer to	Internet of Things
AI	Refer to	Artificial Intelligence
BLDC Motor	Refer to	Brushless DC Motor
BG and BU	Refer to	Business Group and Business Unit
IPD	Refer to	Integrated Product Development
ISC	Refer to	Integrated Supply Chain
PLC	Refer to	Programmable Logic Controller
AIGC	Refer to	Artificial Intelligence Generated Content
1C1C3S	Refer to	Cell, cloud platform, BMS, PCS, EMS
GPT	Refer to	An Internet-based, data-trained and text-generated deep learning model (Generative Pre-Trained Transformer)
BERT	Refer to	A language representation model (Bidirectional Encoder Representations from Transformers)

Section II Company Profile and Primary Financial Indicators

I. Company information

Stock abbreviation	Topband	Stock code	002139
Listed stock exchange	Shenzhen Stock Exchange		
Chinese name of the Company	Shenzhen Topband Co., Ltd.		
Chinese abbreviation of the Company name	Topband		
Name of the Company in foreign language (if any)	Shenzhen Topband Co., Ltd.		
Abbreviation of the Company name in foreign language (if any)	Topband		
Legal representative of the Company	Wu Yongqiang		
Registered address	Address: F1, Topband Industrial Park Phase II, Keji Second Road, Tangtou Community, Shiyan Sub-district, Bao'an District, Shenzhen		
Postal code of registered address	518108		
Changes of the Company's registered address	The registered address of the Company is changed from "Room 413, Block B, Research Institute of Tsinghua University, High-tech Industrial Park, Yuehai Sub-district, Nanshan District, Shenzhen" to "F1, Topband Industrial Park Phase II, Keji Second Road, Tangtou Community, Shiyan Sub-district, Bao'an District, Shenzhen".		
Office address	Topband Industrial Park, Keji Second Road, Shiyan Sub-district, Bao'an District, Shenzhen		
Postal code of office address	518108		
Website	http://www.topband.com.cn		
Email	wenzh@topband.com.cn		

II. Contact person and contact information

	Secretary of the Board of Directors	Representative of securities affairs
Name	Wen Zhaohui	Zhang Yuhua
Address	Topband Industrial Park, Keji Second Road, Shiyan Sub-district, Bao'an District, Shenzhen	Topband Industrial Park, Keji Second Road, Shiyan Sub-district, Bao'an District, Shenzhen
Tel	0755-26957035	0755-26957035
Fax	0755-26957440	0755-26957440
Email	wenzh@topband.com.cn	zhangyuhua@topband.com.cn

III. Information disclosure and storage place

Website of the stock exchange where the Company discloses the Annual Report	http://www.cninfo.com.cn
Name and website of the media where the Company discloses the Annual Report	Securities Times and CNINFO (http://www.cninfo.com.cn)
Location where the Company's annual report is available	Office of the Board of Directors of the Company

IV. Changes in registration

Unified social credit code	91440300192413773Q
Changes in the main business of the Company since listing (if any)	No changes
Previous changes in controlling shareholders (if any)	No changes

V. Other relevant information

Accounting firm engaged by the Company

Name of accounting firm	BAKER TILLY International Accounting Firm (Special General Partnership)
Office address of accounting firm	Area A-1 and A-5, Building 68, No. 19, Chegongzhuang West Road, Haidian District, Beijing
Name of accountants	Chen Zhigang, Zhao Yang, Liu Zhaoyu

Sponsor institution engaged by the Company to perform ongoing supervisory duties during the Reporting

Period

 Applicable Not applicable

Financial consultant engaged by the Company to perform ongoing supervisory duties during the Reporting

Period

 Applicable Not applicable

VI. Main accounting data and financial indicators

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

Yes No

Reasons for retrospective adjustments or restatements

Changes in accounting policies

	2023	2022		Increase or decrease compared with the previous year After adjustment	2021	
		Before adjustment	After adjustment		Before adjustment	After adjustment
Operating income (RMB)	8,992,342,169.08	8,875,099,137.06	8,875,099,137.06	1.32%	7,767,034,835.03	7,767,034,835.03
Net profit attributable to shareholders of listed companies (RMB)	515,513,995.18	582,655,258.38	583,000,286.76	-11.58%	564,964,282.18	564,964,282.18
Net profit attributable to shareholders of listed companies after deducting non-recurring profit and loss (RMB)	511,919,208.82	483,703,060.80	484,048,089.18	5.76%	432,038,218.88	432,038,218.88
Net cash flow from operating activities (RMB)	1,465,948,499.18	491,055,076.33	491,055,076.33	198.53%	-224,562,545.86	-224,562,545.86
Basic earnings per share (RMB/share)	0.41	0.46	0.46	-10.87%	0.47	0.47
Diluted earnings per share (RMB/share)	0.41	0.46	0.46	-10.87%	0.47	0.47
Weighted return on average equity	8.54%	10.85%	10.85%	-2.31%	13.11%	13.11%
	End of 2023	End of 2022		Change at the end of the current Reporting Period compared with the end of the previous year After adjustment	End of 2021	
		Before adjustment	After adjustment		Before adjustment	After adjustment
Total assets (RMB)	11,184,119,392.80	10,364,556,848.34	10,385,326,794.56	7.69%	9,606,992,402.39	9,606,992,402.39
Net assets attributable to shareholders of	6,284,917,468.50	5,728,523,458.33	5,729,233,981.14	9.70%	5,028,315,406.63	5,028,315,406.63

listed companies (RMB)						
---------------------------	--	--	--	--	--	--

Reasons for changes in accounting policies

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

The Company's net profit before and after deducting the non-recurring profit and loss (whichever is lower) is negative in the last three fiscal years, and the audit report of the latest year shows that the uncertainty in the Company's sustainable operation ability

Yes No

The net profit before and after deducting the non-recurring profit and loss (whichever is lower) is negative

Yes No

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

(1) Differences in net profit and net assets between financial statements 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 statements 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 statements 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 statements disclosed in accordance with Overseas Accounting Standards and those disclosed in accordance with PRC GAAP during the Reporting Period.

VIII. Quarterly primary financial indicators

Unit: RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	1,995,012,860.06	2,261,108,293.66	2,105,207,153.51	2,631,013,861.85
Net profit attributable to shareholders of listed companies	96,349,704.80	161,690,987.36	118,356,317.31	139,116,985.71
Net profit attributable to shareholders of listed companies after deducting non-recurring profit and loss	91,312,201.52	162,791,653.28	125,264,407.79	132,550,946.23
Net cash flow from operating activities	175,657,147.57	352,185,323.61	474,191,217.61	463,914,810.39

Whether there are major differences between the above financial indicators or the total and the financial indicators in the quarterly report and semi-annual report disclosed by the Company

Yes No

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

Applicable Not applicable

Unit: RMB

Items	Amount of 2023	Amount of 2022	Amount of 2021	Description
Profits and losses on disposal of non-current assets (including the write-off portion of the provision for asset impairment)	-11,399,766.84	-3,145,453.49	-789,236.29	
Government subsidies included in current profits and losses (except those that are closely related to the normal business of the Company, conform to national policies and regulations, are enjoyed according to certain standards and have a lasting impact on the Company's profits and losses)	32,905,181.89	33,217,045.91	16,456,682.22	
Profits and losses due to fair value changes arising from the financial assets and liabilities held by the non-financial business, as well as the profits and losses arising from the disposal of financial assets and liabilities, except for the effective hedging business related to the normal business of the Company	-1,302,568.51	90,812,862.06	133,466,036.23	
Reversal of provision for impairment of accounts receivable that has been separately tested for impairment		120,596.48		
One-time share-based payment due to cancellation or modification of the stock incentive plan	-28,092,840.35			
Other non-operating income and expenses other than those mentioned above	21,796,444.13	373,250.06	-1,787,714.37	Including the extra deductions for input tax in other earnings reports
Other profits and losses that conform to the definition of non-recurring profit and loss	1,477,128.99	270,112.67	9,914,763.48	Including the financing income
Minus: amount affected by income tax	11,184,636.52	22,265,407.68	23,726,354.32	
Amount affected by minority shareholders' equity (after tax)	604,156.43	430,808.43	608,113.65	
Total	3,594,786.36	98,952,197.58	132,926,063.30	--

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

Applicable Not applicable

None.

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

Applicable Not applicable

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

Section III Management Discussion and Analysis

I. Industry situation of the Company during the Reporting Period

1. Basic situation of the industry

Intelligent controllers are high-tech products that integrate the automatic control technology, computer technology, sensor technology, micro-electronic and power electronic technology. They play the role of "nerve center" and "brain" in electronic products just like human nerves system. Intelligent controllers can intelligently drive and control the objects being controlled by collecting, processing and analyzing information and instructions, so as to complete various tasks. The wave of intelligent substitution has revolutionized the way we live and work. As one of the core components of intelligence, the intelligent controller has a wide range of applications, including household appliances, smart home, smart buildings, electric tools, industrial automation, automotive electronics, new energy and medical equipment.

With the continuous integration and development of new technologies such as the artificial intelligence, robotics, Internet of Things and cloud computing, the application of intelligent controllers has been further expanded. For example, intelligent controllers are now able to predict and adapt to user behavior and needs in combination with AI technology to provide more personalized services. In the field of industrial automation, intelligent controllers are capable of performing more complex tasks in combination with robotics to improve the production efficiency and safety and reduce costs. It shall be noted that humanoid robots are also beginning to walk into real life. From family assistants to operators in high-risk work environments, humanoid robots are capable of performing complex human tasks in a variety of environments, and intelligent controllers play a vital role in this.

Advances in technology not only accelerate the iteration of the products, but also indicate broader development prospects of the intelligent controller industry. We are now standing on the threshold of an intelligent technological revolution, and the convergence of intelligent controllers with AI and robotics is reshaping the way we live and work, opening up a world of possibilities. In the future, with continuous technological progress and innovation, we can expect more new products, new formats and new models, which will further promote the prosperity of the intelligent controller industry.

2. Position in industry

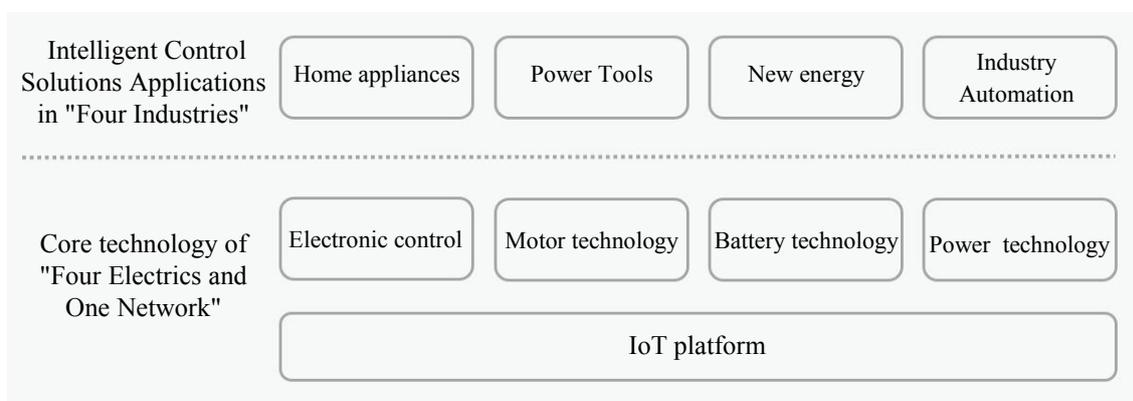
As a leader in the field of intelligent control, we are not only a pioneer in providing intelligent control solutions worldwide, but also a synonym for innovation. Our success is based on adherence to the values of

"Agile · Innovation · Partner" and our relentless drive for technological innovation. We have established the integrated technical system of "four electrics and one network" (electronic control, motor, battery, power source and IoT platform), providing customized intelligent control solutions for four industries including the home appliances, tools, new energy and industry.

Our core competence lies in the "platform-based technology innovation capability, partner-like customer service capability and systematic rapid response capability". The combination of the three capabilities not only drives our continuous improvement, but also helps us build close relationships with many industry-leading customers. Today, as a leader in providing intelligent control solutions in the field of home appliances and tools, we lead innovation in the field of new energy and industry. Our leadership is not only reflected in market share and technological innovation, but more importantly, we have become a key force driving the entire industry forward.

II. Main business engaged by the Company during the Reporting Period

During the Reporting Period, we focused on the R&D, production and sales of intelligent control system solutions. Based on the core technology system of "four electrics and one network" (electronic control, motor, battery, power source and IoT platform), our solutions are widely used in four major industries including the home appliances, tools, new energy and industry, providing customers around the world with innovative, efficient and reliable customized services. We keep strengthening us in technological innovation and improving our keen insight and rapid response to market needs. By continuously optimizing and upgrading our technology platform, we are committed to providing our customers with more intelligent and personalized control solutions so as to help them achieve technological breakthroughs and business growth in their respective fields.



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

1.1 Electronic control technology

The electrical control technology achieves intelligent control by taking the microcomputer as the core, involving many technologies such as the sensor, power electronics, signal processing, communication, interaction, power and energy conversion, electromagnetic compatibility, etc. The Company has profound accumulation in the key fields such as automatic control, human-computer interaction, embedded computing, machine vision, robotics, intelligent sensor and motion control.

We have established hundreds of electronic control technology platforms, which can meet the needs of product diversification in the field of home appliances, tools, new energy and industry, and our electronic control technology is widely used in products such as the controllers, electromechanical integration equipment, power source and smart battery.

1.2 Motor technology

Motor technology plays a key role in converting electric energy into kinetic energy in the intelligent control system. The Company has established complete technical capability from motor design and simulation, testing and verification to scale manufacturing based on continuous innovation in high efficiency, low noise, high precision and high stability of motors, forming dozens of advanced motor product platforms such as brushless DC motor (BLDC), coreless motor, stepper motor and servo motor.

The Company's motor technology has been successfully applied in many fields, such as electric tools, automation equipment, intelligent electrical apparatus, new energy vehicles and robots. Our motor technology takes the lead in the field of electric tools and automation equipment, and in terms of the application of motor technology in new energy vehicles, robots and medical care, we have achieved remarkable results, which has been widely recognized in the market.

1.3 Battery technology

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

customization, and production technology capability from cell technology (CELL) and battery management technology (BMS) to battery pack (PACK) system.

In terms of battery management system (BMS), we have achieved industry-leading accuracy and reliability. With advanced algorithms and control strategies, our BMS can monitor and manage the battery status in real time, ensuring optimal performance and safe operation of the battery system. Technological innovations in this area have made us a market leader when providing efficient and safe battery solutions for energy storage systems, power backup, power exchange and portable devices.

1.4 Power source technology

Power source technology, as the key to efficient conversion of electric energy, covers analog power, switching power and digital power. We have a wide range of technology platforms in this field and focus on providing efficient and reliable power source solutions.

With innovative energy management strategies and high-precision power quality control technology, we have optimized the charging and discharging process of the power conversion system (PCS) and improved the overall efficiency and life of the system. Our PCS technology supports a wide range of battery types and configurations and meets the needs of energy storage applications varying in scale. In terms of photovoltaic inverter technology, we have significantly improved the energy conversion efficiency of solar panels with advanced control algorithm and efficient electrical energy conversion circuit design, supporting a variety of communication protocols.

In the field of high power DC charging piles, we have achieved fast and safe charging of electric vehicles by using efficient power electronic conversion technique and intelligent charging control algorithm. Our DC charging piles are of high power density and excellent heat dissipation performance, which ensures the efficiency and stability of the charging process.

1.5 IoT platform

The IoT platform, as the key to connecting the perception layer, network layer and application layer, enables us to achieve intelligent connection of devices and efficient management of data. With complete technical capabilities from modules and smart terminals to applications (APP) and Platform as a Service (PaaS), our IoT platform can provide integrated solutions for multiple industries.

Especially in the cloud platform for household energy management, we have made remarkable achievements. By intelligently analyzing and processing the household energy consumption data, the platform helps users to optimize energy consumption and achieve the conservation and efficient use of energy. By

seamlessly integrating with smart home devices, the platform provides users with a comprehensive and easy-to-use energy management and control solution.

In the development of photovoltaic energy storage and charging cloud platform, we have achieved the intelligent collaboration of solar power generation, energy storage and charging facilities by using advanced Internet of Things. The platform not only improves the energy efficiency, but also provides users with convenient energy management and use experience, promoting the wide application of renewable energy.

In addition, our digital energy management platform provides comprehensive energy monitoring, analysis and optimization for the industrial, commercial and public facilities with big data and artificial intelligence technology. The platform helps users to reduce energy consumption and improve the sustainability of energy use, supporting the enterprises and society in achieving green development goals.

2. The Company's main products: customized system solutions for four major industries, i.e., home appliances, tools, new energy and industry.

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

2.1 Home appliances

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



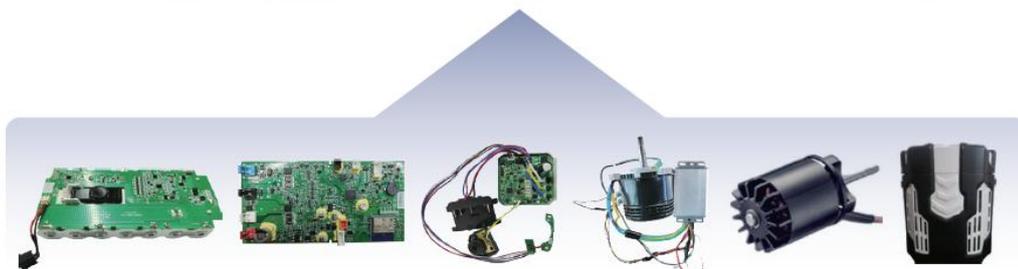
2.2 Power Tools

The tool industry mainly includes power, garden, and other professional tools. The Company provides a range of customized products and services, from product concept, design and development to manufacturing and delivery for branded customers in the tools industry. The Company's products mainly covers the four categories of components, namely controller, motor, battery and power source, as well as some intelligent products.

Application scenarios



Products



2.3 New energy

In the field of new energy, the Company has formed a complete product matrix covering core components, complete units and system solutions. In terms of core components, the Company has completed the layout of "1C1C3S" core products, including the charging module, cell, BMS, PCS and EMS. For the complete unit, the Company has developed a full range of products such as AC and DC charging piles, household energy storage, industrial and commercial energy storage, communication backup power and portable energy storage devices. At the system solution level, the Company combines the core technical capabilities of the complete unit and cloud platform and develops the complete solutions for scenarios such as PV, energy storage and charging, zero-carbon parks and household green energy.



2.4 Industry Automation

In the industrial control industry, our business covers R&D, production and sales of specialized industrial intelligent control products, mainly involving stepping, servo drive and motion control products. The Company focuses on downstream automation equipment customers and provides them with controllers, drives and motors. Downstream applications involve 3C electronics, robotics, medical equipment, semiconductor equipment, PV and lithium battery. We committed to helping automation equipment manufacturers improve design performance, reduce manufacturing costs, and speed up the development of new equipment.

Application scenarios**Products****III. Analysis of core competitiveness****1. Platform-based technology innovation capability**

The Company takes technology as the gene of enterprise development and considers innovation as the core competence of the Company. The Company has the industry-leading platform technology innovation capability, forming a complete technology platform covering various core technology areas of intelligent control integration solutions.

The Company has the ability of deep understanding of various control mechanisms, independent implementation, and continuous innovation, covering the core technologies of intelligent control algorithm, motor control, lithium battery, sodium battery, sensing, human-machine interaction, image recognition, digital power supply, embedded software, temperature control, heating, and cooling, etc.

In addition, the Company has a rich product line that forms many product platforms. Each core product platform has been verified in mass production to ensure quality and reliability. We can quickly provide customers with high-quality, differentiated custom solutions to meet their needs. In addition, the Company has the industry's unique "controller + motor + battery + power supply" total solution capability, with the ability to continuously develop innovative solutions in new categories, which can help customers innovate in the competition to win.

In addition, the Company is able to provide the "controller + motor + battery + power + cloud platform" integrated solution in the industry, and continuously develop innovative new category solutions, which can help customers in the competitive innovation to win.

2. Partnership customer service capability

The Company values long-term development, takes value co-creation and value win-win as the development concept, and develops long-term partnership with customers. Supported by platform-based technology innovation capability, the Company continues to gain insight into customer needs, creates in-depth co-creations with customers, establishes organizational customer relationships, and builds partner-based customer service capabilities.

Based on multi-region layout, the Company has established international production bases mainly covering Pearl River Delta, Yangtze River Delta, Southeast Asia, North America, and Europe. It also establishes international market platforms to improve its ability to serve nearby through management capabilities, resource allocation and other aspects. A number of overseas offices have been set up for close cooperation with customers. The Company has established close partnerships with excellent customers at home and abroad in various business areas. Based on long-term cooperation and mutual development, we have formed a good image and brand reputation in the industry, widely recognized and generally praised by our customers.

3. Systematic rapid response capability

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

IV. Analysis of main business

1. Overview

Against the backdrop of China's economy shifting from high-speed growth to high-quality development, the Company has seized the opportunity of technological upgrading to develop high-quality business, demonstrating the operational resilience of enterprises in different economic environments. The Company has always insisted on helping the world with intelligence and decarbonizing with smarter technology and greener

energy.

During the reporting period, the Company built up its comprehensive competitiveness in various aspects through continuous product innovation, enhancing the advantages of platform enterprises and accelerating internationalization, steadily improved the market share of high-value products in the primary business (home appliances and tools), increased the share of the head customers, and realized the double growth in the number of hundred million customers and ten million customers as well as the revenue; at the same time, it grasped the opportunity of accelerated conversion of the old and new kinetic energies under the background of dual-carbon, and gradually At the same time, seizing the opportunity of accelerated transformation of old and new kinetic energy under the background of double carbon, we will successively launch a series of self-developed core components and machine products to improve the capability of system solutions; accelerate the development of new energy storage, charging business, mobile robots and other businesses, and keep investing in cutting-edge technology to lead the wave of innovation in the intelligent control industry. In 2023, with the concerted efforts of all employees, the Company realized operating revenue of RMB 8.992 billion, a year-on-year increase of 1.32%, net profit attributable to shareholders of listed companies of RMB 515 million, a year-on-year decrease of 11.58%, and net profit attributable to shareholders of listed companies after deduction of non-cash dividends of RMB 512 million, a year-on-year increase of 5.76%.

Annual operating results and core operating metrics for 2023 are set forth below:

(i) Breaking the waves and oars to achieve 11 consecutive years of revenue growth.

1. Sound operation and healthy development, focusing on long-term value creation

Despite facing multiple challenges, such as demand and industry inventory, the Company still achieved 11 consecutive years of revenue growth from RMB 1 billion in 2013 to nearly RMB 9 billion in 2023, relying on its technology platform and product platform advantages. During the reporting period, the Company increased investment in vital new projects, actively explored the international market, and continued to gain customer recognition steadily; home appliances, tools, new energy and industrial segments have achieved modest growth. In 2023, the Company's number of head customers and revenue continued to double growth; the number of head customers increased to 115 and realized revenue accounted for 86% of the Company's total revenue, the Company in accordance with the strategy of the orderly expansion of the market segments, to maintain the leading edge. At the same time, it strengthens its market insight, product definition and development capabilities. It increases its investment in innovative businesses to contribute new kinetic energy to corporate development and create long-term corporate value with a sustainable business philosophy.

2. Intelligent society, the future is here

As AI, IOT, AIGC and other technologies continue to advance, they will empower the innovative development of various industries, integrate and optimize multiple application scenarios, and continue to change the way humans live and work. As a more advanced form of society following the industrial and information societies, the intelligent society will usher in broader and more profound changes. It is predicted that the global AI market scale will exceed RMB 20 trillion in 2030, and the scale of China's core AI industry will exceed RMB 4 trillion in 2030. There is still significant potential and space for development. The Company actively embraces the development opportunities in the fields of smart home, smart manufacturing, smart driving, smart kitchen, etc., and realizes the intelligent landing of more scenarios through intelligent upgrading, AI algorithms, human-computer interaction, edge AI, and robot products.

3. Operation of each business segment:

(1) Tools segment: sales revenue of RMB 3.241 billion in 2023, up 0.05% year-on-year. During the reporting period, the industry de-stocked, the growth rate slowed down, and demand gradually recovered in the fourth quarter. The Company is working with its head customers to drive product innovation, electrification, and cordless penetration. A steady increase in share and leading industry position.

The share of downstream customers in the tool segment is highly concentrated and mainly overseas. As a core Chinese supplier in the tool industry, the Company provides customers with one-stop solutions, including controllers, motors, battery packs and complete machines, and the Company continues to promote innovations in the industry, such as innovations in super-charging control technology in the field of power tools, intelligent control system for riding lawnmowers in the field of OPE, and four-wheel-drive mowing robots based on binocular stereo vision, and other innovations; meanwhile, it expands the application opportunities of products in the scenes surrounding the use of tools. Through years of implementation and promotion of the internationalization strategy, the bases in Vietnam and India have achieved large-scale mass production and stable operation, and the bases in Romania and Mexico have achieved mass production, making a significant breakthrough in overseas markets. During the reporting period, we built up our ability to provide global supply to head customers by taking advantage of our leading position in "going to sea" and introducing new head customers to our new bases.

(2) Home appliance segment: sales revenue of RMB 3.166 billion in 2023, up 2.41% year-on-year. The Company focuses on the development of advantageous categories in the field of home appliances. It continues to deepen its efforts in the fields of large white goods (ice-washing and air-conditioning), kitchen and bathroom appliances, and innovative small home appliances, as well as expanding the market applications of cleaning

appliances, temperature control, and commercial scenarios. During the reporting period, the Company actively seized the technological upgrading and market opportunities of its core categories to realize the rapid growth of its core categories, such as inverter air conditioners and cleaning appliances. In terms of innovation, we have realized technological innovations from heating temperature control to air conditioning, fresh air and 3-in-1 temperature control, heat pumps, etc., and have broadened our business applications from commercial air conditioning to new air conditioners, intelligent building control, etc., so as to achieve an increase in customer share.

During the reporting period, the Company actively invested in cutting-edge technologies in the field of AI+ home appliances, such as Matter intelligent gateway control system, whole-house intelligent protocol-based gateway, human-computer interaction control system and intelligent home education robots, and co-created smart home scenarios and AI+ product landing with customers.

(3) New energy segment: as the Company's growth business, it will realize revenue of RMB 2.14 billion in 2023, up 5.13% year-on-year, higher than the Company's overall growth rate. With the core technology of "one core, one cloud and 3S" (battery core, cloud platform, BMS, PCS and EMS), the Company provides customers with two categories of products: controllers and components and complete machines and systems, which are mainly used in two major fields: energy storage and new energy vehicles. In 2023, in the face of inventory and competitive pressure in the energy storage market, the Company actively responded by seizing the breakthrough of new customers, technological innovation, and perfecting the whole machine and solution capabilities to meet the scene expansion opportunities in the new energy industry due to the decline in battery costs, and profoundly applying the advantages of the control technology to the power generation side and the user side. During the reporting period, revenue from controllers and component products amounted to RMB 804 million, representing a year-on-year increase of 10.17%, while revenue from complete machines and systems amounted to RMB 1.336 billion, representing a year-on-year increase of 2.31%.

(4) Industrial segment: sales revenue of RMB 251 million in 2023, an increase of 1.22% year-on-year, of which the servo drive and motor system business increased by 26.54% year-on-year, and the servo application of the market expansion process accelerated. The Company mainly provides downstream automation equipment customers with PLC, motion control cards, stepper/servo drives, motors and other core components, as well as motion control solutions based on industry process support, widely used in 3C electronics, industrial robots, medical equipment, photovoltaic equipment, semiconductor equipment, dispensing, engraving, packaging machinery and other industries.

Industrial control industry: automation market towards maturity, the market from high-speed growth to stability. Domestic industrial control industry in the medium and long term will benefit from "industrial upgrading

+ machine replacement," domestic substitution, digitalization, intelligence, and low-carbon development. In recent years, the domestic industry has controlled customers from the efficiency of the concern to the security of supply. Domestic enterprises have the security of supply, product cost-effectiveness, fast responsive engineers and other advantages. In the industry chain security high-end manufacturing, there are more significant opportunities.

During the reporting period, through the accumulation of processes, product design, continuous improvement of product reliability, as well as the ability to respond quickly based on user needs and feedback, the Company has continued to iterate to meet the needs of differentiated applications while improving performance, to help manufacturers of automation equipment to improve the performance of equipment design, reduce the cost of equipment manufacturing, and speed up the development of new equipment, so as to accelerate the degree of automation of the manufacturing industry to improve the degree, and is committed to We are committed to becoming the "leader in efficient and easy-to-use stepper and servo drives" in the industrial control industry. During the reporting period, by focusing on key industries and key customers, the Company's revenue in 3C, photovoltaic, dispensing and other industries achieved substantial growth, the servo system business benefited from the transformation and upgrading of the manufacturing industry and the acceleration of the pace of domestic substitution, revenues to achieve rapid year-on-year growth.

Industrial robots and humanoid robot industry: China, as a large manufacturing country, has an increasing demand for industrial robots. According to Rui industrial data, 2023 industrial robot sales grew slightly, a slight increase of 0.4% year-on-year. Downstream industry demand differentiation is significant, and the photovoltaic industry is the industry's growth engine. Cobots (collaborative robots) have the highest year-on-year growth rate. The Company has realized the product application of servo drive and hollow cup motor in the field of industrial robots; according to McKinsey's prediction, in the long run, the global market space of humanoid robots can reach the level of trillions. With tremendous technological advances in general artificial intelligence, perception and power systems, the pace of innovation in the humanoid robotics industry has accelerated, with a number of companies launching humanoid robots one after another. In January 2023, the Ministry of Industry and Information Technology (MIIT) and 16 other departments issued the "Robot+" Application Action Implementation Plan. In November 2023, the Ministry of Industry and Information Technology (MIIT) issued the Guidelines for the Innovative Development of Humanoid Robots. Humanoid robots have already become an important industry at the national level. The Company has increased its investment in related fields to enhance its capabilities in the areas of control, motors, modules, and system solutions. The Company has increased its investment in associated fields, enhanced its capabilities in control, motors, modules and system solutions, and pushed forward the technological innovation of related products and industrial applications.

(ii) Increase in the proportion of innovative products, cost reduction and efficiency gains, and improvement in gross margins and profitability

In 2023, the Company achieved a consolidated gross margin of 22.31%, an increase of 2.17% year-on-year. During the reporting period, the gross profit margins of home appliances, tools, new energy, and industrial industries all increased year-on-year. On the one hand, through continuous innovation in the application of various downstream industries, we increased investment in forward-looking technologies, launched many independently controllable new products represented by DC charging piles and industrial/commercial storage all-in-one machines, and gave full play to the advantages of our technological platforms to increase the reusability and enhance the market share; on the other hand, through cost-cutting and efficiency-enhancement, lean manufacturing, and digitalization, we achieved a significant year-on-year decrease in BOM costs and manufacturing fee rates. On the other hand, through cost reduction, efficiency enhancement, lean manufacturing and digital transformation, we have achieved a year-on-year reduction in BOM cost and manufacturing fee rate and significantly improved overall operational efficiency.

(iii) Insisting on a high proportion of R&D investment, building platform-based competitive advantages and tapping the blue ocean market with innovation drive

We adhere to the concept of creating value for customers and society, always take "technological innovation" as the engine of the Company, and continue to deepen the technological leadership and build new kinetic energy for enterprise development. In 2023, the Company will continue to promote and deepen the accumulation and application of "four electrics and one network" technologies in five major industries, accelerate the integration and application of new technologies such as AI, IoT and 5G, and speed up the investment in R&D of new businesses and new technologies. The Company has continuously maintained a high proportion of R&D investment, and the ratio of R&D investment to operating income has been around 7% in the past 11 years, establishing a foundation for innovation-driven business growth. During the reporting period, the Company's total R&D investment amounted to RMB 834 million, an increase of 15.94% year-on-year, accounting for 9.28% of the operating income, and there were 2,004 R&D and technical service personnel. R&D investment in the main application directions:

① **Platform empowerment:** During the reporting period, through the establishment of device libraries and basic BOMs, the Company was able to connect the customer's demand, purchasing side and R&D side, and realize the preferential selection of devices and the improvement of R&D efficiency. ② **Introduction and**

cultivation of high-tech talents: in the new energy industry and commerce storage, optical storage, motor and other new business areas, increase the investment in talents and market expansion. ③ **Enhancement of laboratory capacity:** On the basis of the existing UL-WTDP, TUV Rheinland CTF, CNAS, SGS CTF, TUV Süd CTF laboratories, the Company has added an air conditioning enthalpy laboratory and a working condition laboratory better to meet the testing needs of air conditioning customers.

The Company creates a cultural atmosphere of innovation internally, increases the protection of independently controllable products and independent intellectual property rights externally, takes technology leadership, achievement protection and benefit enhancement as the goal, manages the patent assets effectively, guarantees the maximization of the value of intellectual property rights, and promotes the industrial transformation of innovation achievements. At the end of the reporting period, the Company and its subsidiaries formed the protection of innovations through intellectual property rights and gradually increased the contribution of patent beneficiation. The Company has applied for 3,228 patents, including 1,138 invention patents, 1,747 utility models, 344 designs, 42 foreign patents and 57 PCT patents; the Company and its subsidiaries have applied for a total of 161 software copyrights and 407 trademark applications.

(iv) A Forward-looking internationalization layout builds up barriers to going overseas and opens up room for growth.

Through years of internationalization strategy, the Company has achieved large-scale mass production and stable operation in Vietnam and India bases, with excellent profitability. The Romanian and Mexican bases have realized mass production and made significant breakthroughs in overseas markets.

(v) Strengthening risk management and control, improving capital turnover efficiency, and safeguarding the healthy and sustainable development of the Company's operations

During the reporting period, the Company strengthened risk management and control, increased the payback efforts, reduced the expenditure on provisioning, improved the efficiency of capital turnover, and realized net cash flow from operating activities of RMB 1.466 billion, an increase of 198.53% year-on-year, which guaranteed the Company's operational health and sustainable development.

(vi) Other important matters

During the reporting period, the Company actively observed the needs of its customers in terms of sustainable development, responded to its customers through the establishment of an energy management team, the layout of the "photovoltaic power generation + energy storage" green park construction, the installation of

energy-saving equipment, the shaping of green culture, and promoted the process of the Company's low-carbon consumption reduction, and continuously strengthened the in-depth integration of sustainable development and business operations, achieving steady growth in both financial operations and ESG (environmental, social, and corporate governance). The Company has achieved steady growth in both financial operations and ESG (environmental, social and corporate governance).

2. Revenue and Cost

(1) Composition of operating income

Unit: RMB

	2023		2022		YoY increase or decrease
	Amount	Proportion in operating income	Amount	Proportion in operating income	
Total operating income	8,992,342,169.08	100%	8,875,099,137.06	100%	1.32%
By industry					
Intelligent control electronics industry	8,992,342,169.08	100.00%	8,875,099,137.06	100.00%	1.32%
By product					
Tools	3,241,499,560.23	36.05%	3,240,010,210.60	36.51%	0.05%
Home appliances	3,166,494,205.15	35.21%	3,091,915,524.39	34.84%	2.41%
New energy	2,140,208,255.71	23.80%	2,035,748,139.21	22.94%	5.13%
Industry	251,380,930.79	2.80%	248,342,753.93	2.80%	1.22%
Intelligent solutions and others	192,759,217.20	2.14%	259,082,508.93	2.92%	-25.60%
By region					
Domestic	3,615,419,893.91	40.21%	3,524,383,375.76	39.71%	2.58%
Export	5,376,922,275.17	59.79%	5,350,715,761.30	60.29%	0.49%
Distribution model					
Basing production on sales prospects	8,992,342,169.08	100.00%	8,875,099,137.06	100.00%	1.32%

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

Applicable Not applicable

Unit: RMB

	Operating income	Less: 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	8,992,342,169.08	6,986,324,444.52	22.31%	1.32%	-1.42%	2.17%

electronics industry						
By product						
Tools	3,241,499,560.23	2,470,602,168.11	23.78%	0.05%	-4.05%	3.25%
Home appliances	3,166,494,205.15	2,467,953,129.60	22.06%	2.41%	-0.70%	2.45%
New energy	2,140,208,255.71	1,725,599,932.05	19.37%	5.13%	4.04%	0.85%
Industry	251,380,930.79	182,028,366.30	27.59%	1.22%	0.75%	0.34%
By region						
Domestic	3,615,419,893.91	2,917,987,490.65	19.29%	2.58%	1.56%	0.81%
Export	5,376,922,275.17	4,068,336,953.87	24.34%	0.49%	-3.46%	3.10%
Distribution model						
Intelligent control electronics industry	8,992,342,169.08	6,986,324,444.52	22.31%	1.32%	-1.42%	2.17%

(3) Whether the Company's revenue from physical sales is greater than that from services

Yes No

Industry classification	Items	Unit	2023	2022	YoY increase or decrease
Intelligent control electronics industry	Sales	pcs	143,304,884	145,345,424	-1.40%
	Production output	pcs	138,284,579	140,109,731	-1.30%
	Inventory	pcs	6,303,828	11,324,133	-44.33%

Reasons for year-on-year changes of relevant data exceeding 30%

Applicable Not applicable

The inventory decreased by 44.33% on a year-on-year basis during the Reporting Period, mainly due to the increase in unit value of the products and decrease in production and sales volume.

When the unit selling price $P > \text{RMB } 200$, the sales volume is 6,611,300 PCS, and the sales revenue is RMB 3.455 billion;

When the unit selling price $\text{RMB } 100 \leq P < \text{RMB } 200$, the sales volume is 15,919,300 PCS, and the sales revenue is RMB 2.253 billion;

When the unit selling price $\text{RMB } 50 \leq P < \text{RMB } 100$, the sales volume is 18,357,900 PCS, and the sales revenue is RMB 1.308 billion;

When the unit selling price $P < \text{RMB } 50$, the sales volume is 102,416,400 PCS, and the sales revenue is RMB 1.976 billion;

(4) Performance of major sales contracts and major procurement contracts signed by the Company as of the Reporting Period

Applicable Not applicable

(5) Composition of operating costs

Industry and product classification

Unit: RMB

Industry classification	Items	2023		2022		YoY increase or decrease
		Amount	Proportion to operating costs	Amount	Proportion to operating costs	
Intelligent control electronics industry	Operating costs	6,986,324,444.52	100.00%	7,087,226,986.88	100.00%	-1.42%

Unit: RMB

Product category	Items	2023		2022		YoY increase or decrease
		Amount	Proportion to operating costs	Amount	Proportion to operating costs	
Tools	Operating costs	2,470,602,168.11	35.36%	2,574,926,005.78	36.33%	-4.05%
Home appliances	Operating costs	2,467,953,129.60	35.33%	2,485,460,503.68	35.07%	-0.70%
New energy	Operating costs	1,725,599,932.05	24.70%	1,658,664,841.64	23.40%	4.04%
Industry	Operating costs	182,028,366.30	2.61%	180,681,718.87	2.55%	0.75%
Intelligent solutions and others	Operating costs	140,140,848.46	2.00%	187,493,916.92	2.65%	-25.26%

(6) Whether the consolidation scope has changed during the Reporting Period

Yes No

During the Reporting Period, 3 new sub-subsidiaries were incorporated into the scope of consolidation, and one sub-subsidiary was liquidated and cancelled.

(7) Major changes or adjustments of the Company's business, products or services during the Reporting Period

Applicable Not applicable

(8) Main clients and suppliers

Information on main clients of the Company

Total sales of the top five clients (RMB)	3,358,746,297.27
Proportion of total sales of the top five clients in the annual sales	37.35%
Proportion of related party sales in the total sales of the top five clients in the annual sales	0.00%

Information of the Company's top five clients

No.	Client name	Sales (RMB)	Proportion to the annual sales
1	No. 1	2,366,554,935.94	26.32%
2	No. 2	305,019,027.88	3.39%
3	No. 3	279,955,902.27	3.11%
4	No. 4	214,877,567.33	2.39%
5	No. 5	192,338,863.85	2.14%
Total	--	3,358,746,297.27	37.35%

Other information on main clients

Applicable Not applicable

Information on main suppliers of the Company

Total purchase amount of the top five suppliers (RMB)	1,803,075,727.25
Proportion of total purchase amount of the top five suppliers in the annual purchase amount	32.390%
Proportion of related party purchase amount in the total purchase amount of the top five suppliers in the annual purchase amount	0.00%

Information on top five suppliers of the Company

No.	Supplier name	Purchase amount (RMB)	Proportion to the annual purchase amount
1	No. 1	1,131,337,074.37	20.32%
2	No. 2	298,942,640.13	5.37%
3	No. 3	205,720,903.53	3.70%
4	No. 4	98,039,933.80	1.76%
5	No. 5	69,035,175.42	1.24%
Total	--	1,803,075,727.25	32.39%

Other information on main suppliers

Applicable Not applicable

3. Expenses

Unit: RMB

	2023	2022	YoY increase or decrease	Explanation of major changes
Selling expenses	322,340,584.49	260,181,170.88	23.89%	The expenses during the Reporting Period is RMB 62.16 million more than that over the same period last year, with an increase of 23.89%.It is due to the increase in the employee benefits for personnel engaged in new businesses, as well as the increase in travel expenses and exhibition expenses incurred for the development of overseas markets.
Overheads	438,361,342.66	369,502,745.36	18.64%	The expenses during the Reporting Period is RMB 68.86 million more than that over the same period last year, with an increase of 18.64%.It is due to the increase in employee benefits as a result of the increase in staffing for the construction of overseas bases, and the increase in depreciation and amortization corresponding to the increase in investment in long-term assets at overseas bases.

Finance expenses	-51,708,683.93	-123,173,262.90	58.02%	The expenses during the Reporting Period is RMB 71.46 million more than that over the same period last year, with an increase of 58.02%.It is due to decrease in exchange gain compared with the same period last year due to the increase in the exchange rate of the USD against the RMB during the Reporting Period.
R&D expenses	689,969,610.98	592,346,136.09	16.48%	The expenses during the Reporting Period is RMB 97.62 million more than that over the same period last year, with an increase of 16.48%.It is due to the increase in the investment in strategic key projects such as the inverter control system, power conversion system, charging pile, and industrial and commercial BMS.

4. R&D investment

Applicable Not applicable

Description of main R&D projects	Project purpose	Project progress	Goals to be achieved	Impact on the Company's future development
Medium and high power frequency conversion control technology	This project focuses on the difficulties in high power, high efficiency and low noise frequency conversion technique, enriches the serialized product platforms and further expands the market share.	The technology has been developed and proved on many products, and has been successively mass-produced on many products, such as high-power air conditioners, refrigerators, washing machines, and range hoods.	The energy efficiency, vibration, noise reduction and product reliability are at the industry-leading level, achieving large-scale industrial application of the technology.	Expand the Company's advantages in the field of the high-end home and commercial appliances control.
Mobile robot chassis technology	This project covers dozens of key technologies such as robot mapping, positioning, planning, navigation, movement, obstacle avoidance, multisensor fusion, machine vision and AI, so as to achieve fast development and multi-scene application of mobile robots.	The fourth generation of technology platform has been completed, and dozens of technologies have been patented, and the research and development continues; the technology has been applied in dozens of projects and takes the lead in the field of borderless robotic lawn mower.	Achieve the leading position of the mobile robot chassis technology and mass production and application of the technology and product platform in scenarios such as home, garden and industry.	Enhance the Company's core competitiveness in various mobile robot solutions.
Hall-free motor drive and electromechanical integration technology	The Project focuses on the hall-free motor control technology and electromechanical integration technology to achieve high-reliability, low-cost and small-volume tool controller solutions and expand the Company's technological superiority in tool products.	The key technologies have been tested and verified, and research and development continues; the ultra-high-speed motor and the hall-free motor drive technology have been applied in tool scenarios.	The hall-free detection and estimation algorithm is at the industry-leading level. The solution cost and reliability have been improved by more than 30%, and the electromechanical integration design performance and cost have been improved by more than 30%.Further improve the advantages of the tool controllers, such	Consolidate the Company's technological and market leadership in the field of tools.

			as the high reliability, low cost, small volume and light weight.	
New permanent magnet motor technology	This project aims to improve the performance of the permanent magnet motor in terms of noise and stationarity and minimize flux leakage, achieving the goal of cost competitiveness among the motors of the same performance.	The key technologies have been tested and verified, and will be mass produced and applied in the field of E-Blike and electric two- and three-wheelers.	The new permanent magnet motor is at the industry-leading level in performance and is cost competitive.	Further improve the Company's competitiveness in the field of high-performance motors and expand the application market in fields such as tools and new energy vehicles.
Large capacity iron lithium cell and PACK technology platform	This project has established a large capacity and high energy density cell product platform at 100Ah level by optimizing the cell packaging method, increasing the cell size and capacity and reducing the cell redundant components, so as to effectively expand the single cell capacity and energy density, improve the PACK integration efficiency and reduce the comprehensive cost of the battery system.	Breakthroughs have been achieved in high-power intelligent lithium cell technology and multilayer stacked energy storage battery technology, and the research and development continues; the products have been mass-produced and applied in the field of energy storage, UAV, etc.	Its energy density, high and low temperature discharge performance, and long cycle life are at the leading level in the industry.	Enrich the Company's cell and battery PACK product line, and help the Company expand its business in areas such as energy storage and light power.
New sodium-ion secondary cell technology platform	This project studies and solves the difficulties in using the new sodium cathode material in the cell design, application and manufacturing process, forming the sodium-ion cell technology platform and product platform to provide new produce reserve for further development of the new energy business.	Technological development and verification have been completed, and research and development continues; the technology can be mass-produced and applied in various business scenarios.	The energy density and cost level are at the industry-leading level.	New technology reserve
Smart shared battery swap system technology	This project aims at improving the intelligence level and reliability of the smart shared battery swap system by deeply studying the key technologies of the system, including the system structure and design, BMS battery management technology, intelligent charging management, data transmission and processing, safety assurance, battery tracking and cabinet fire protection, so as to provide convenient, efficient and safe services for shared travels.	The technical development and verification of the second generation of products have been completed, and the products have been delivered in bulk.	The smart shared battery swap system is at the industry-leading level in terms of intelligence level and reliability, and a large-scale industrial application of the technology has been achieved.	Further improve the Company's technical solution capability and market share in the battery swapping of two- and three-wheelers.
Key technologies such as automotive electronic	This project aims at improving the Company's technology and product level in the application of new energy vehicles by deeply	The Company has achieved technological breakthroughs and product applications in	Master the core technologies such as automotive electronic controllers, motors, and	Support the Company's new business development in

controllers, motors, and battery charging and swap equipment	studying the automotive electronic controller and new energy vehicle battery charging and swap technology, exploring the design principle and key technology, developing the key technology platform and product platform and constructing the testing and verification platform.	fields such as intelligent car cabins, thermal management, AC/DC charging piles, and motors, forming several mature product platforms and constructing relevant technology and product supporting test and verification platforms.	battery charging and swap equipment, form a mature product platform, construct and improve relevant technology and product test and verification platforms and enhance the Company's technical capability and quality assurance capability in the field of new energy vehicles.	the automotive field.
Digital power technology platform	This project aims at improving the power control, management, testing and intelligence level by studying the digital architecture under different power topologies, building relevant DSP processors and all-digital feedback technology platform and mastering the core digital power algorithm, forming the medium- and high-power digital power technology and product platform.	A mass-produced technology and product platform has been formed, and the research and development continues; the development, verification and productization of the 3KW and 5KW bidirectional inverter technology platform have been completed; the development, verification and productization of the special digital power technology platform for medical use have been completed;	The application in the conversion efficiency of large power supply ranging from several kilowatts to tens of kilowatts and in complex scenarios is at the industry-leading level.	Support the Company's business breakthroughs in the field of high-end digital power and expand the Company's market in the field of new energy.
Embedded artificial intelligence technology	This project studies the machine vision and speech recognition algorithm to achieve intelligent automatic identification and interactive operation for users, reduce the complexity of using the product, improve the user experience, and build the embedded AI algorithm and implementation platform and develop innovative products for a variety of application scenarios.	The technology platform is under continuous development, and several prototype products have been promoted in the market and applied in the field of smart home and home appliances.	The AI algorithm and performance are at the industry-leading level, and the embedded AI technology has been applied in many products.	Improve the Company's product innovation capability in artificial intelligence and consolidate the Company's leading position in intelligent control technology.
Photovoltaic inverter and power conversion system (PCS)	Photovoltaic inverter and power conversion system are the key links of energy conversion in Source-Network-Load-Storage. This project studies the photovoltaic inverter and power conversion system of different power levels to meet the needs of application in household, industrial and commercial photovoltaic energy storage and charging projects.	The key technical problems of the 60KW photovoltaic inverter and 120KW power conversion system have been solved and they are now in the stage of testing and verification, and will be gradually promoted and applied in bulk.	Products of tens of kw to hundreds of kw have been developed and the technology is at the industry-leading level, enriching the Company's products.	Supplement the Company's solutions on household, industrial and commercial photovoltaic energy storage products.
High power DC	This project studies the high power DC charging piles of	The GB 20KW-240KW products have been	Develop 20kw~720kw	Form a full range of charging pile

charging pile	different power levels to meet the needs of application in various charging stations and industrial and commercial photovoltaic energy storage and charging projects.	developed and delivered in bulk; the technical development and verification of supercharging pile 360KW-720KW have been completed.	charging piles.	products, and expand the DC fast charging, supercharging and photovoltaic energy storage and charging market.
Intelligent driving on-board radar motor	This project studies a new type of motor to meet the needs of the rotating mirror semi-solid radar products for motors. This motor especially meets the stringent environmental adaptability and reliability requirements in autonomous vehicle applications and achieves ultra-silence and other specifications.	The key technologies have been delivered in bulk to well-known enterprises in the industry.	The technical performance is at the industry-leading level and meets the quality requirements of vehicle specification level; the automated manufacturing of products has been achieved.	Improve the capability of customizing special motors and develop new markets for motor products of vehicle specification level.
Energy storage BMS	This project studies the BMS system for different strings and battery specifications to manage and optimize the operation safety and life of energy storage batteries; meet the needs of various industrial and commercial energy storage and bulk storage systems.	The technical development and verification have been completed, and the product platform continues to iterate and have been applied in bulk storage and industrial and commercial energy storage systems.	This project develops the BMS system for different strings and battery specifications and can be applied in various industrial and commercial energy storage projects.	Enrich the Company's BMS products in energy storage, attract energy storage BMS big clients and expand the market share.
Liquid cooling technology	This project studies the liquid cooling technology to effectively improve the safety and life of equipment and meet the cooling requirements of high power systems such as the energy storage systems and charging piles.	The key technical problems have been solved and the key technologies have been tested and verified in the energy storage system.	The technical performance such as the temperature control and reliability are at the industry-leading level.	Conduct technical preparation and verification for developing a new generation of liquid cooling energy storage system and charging system.
Coreless motor and dexterous hand module technology	This project develops a brushless coreless motor and its module suitable for the dexterous hands of humanoid robots.	The development of the first generation of products has been completed and the dexterous hand module is in the technical pre-research stage.	The technical performance in revolving speed, life, noise, power density and efficiency is at the industry-leading level; the development of coreless motor and module suitable for dexterous hands of humanoid robots is realized.	Conduct technical pre-research and seek opportunities for humanoid robot industry chain.
Servo drive system	As a core unit in motion control, the servo drive system can achieve high-precision drive and positioning. This project develops a servo drive system that can control the AC permanent magnet synchronous motor with high precision, which will be applied	The technology platform is under continuous development, forming a number of product series, and has been applied to the automation equipment	The technical performance is at the industry-leading level with cost competitiveness; the large-scale industrial application of the product has been achieved.	Enrich the servo production line, improve the product competitiveness and expand the market share.

	to innovative products in different scenarios.	in many industries.		
Motion control	The project develops the motion control card, PLC and encoder of high precision and high adaptability for the drive motor, which will be applied to innovative products in different scenarios.	The technology platform is under continuous development, and several prototype products have been promoted in the market and applied in the field of intelligent industrial equipment and home appliances.	The technical performance is at the industry-leading level with cost competitiveness; the large-scale industrial application of the product has been achieved.	Improve the Company's market competitiveness in industrial motor control system and robot motor control system.
Stepper driver	This project develops a five-phase stepper driver for stepping motors, with uniform motion, strong load capacity and high precision and applied to innovative products in different scenarios.	The development and mass production of the five-phase stepper driver have been completed.	The technical performance is at the industry-leading level with cost competitiveness; the large-scale industrial application of the product has been achieved.	Expand the market share of high-end stepper drivers.
Digital energy management cloud platform	This project studies and develops a digital energy management platform to conduct digital management of the Company's new energy equipment and forms a cloud-device-APP integrated system solution.	The iterative development continues and the product is already available for commercial use.	This project studies a cloud platform system suitable for equipment and energy management to achieve equipment monitoring and management, data analysis, storage and statistics, planning and implementation, satisfying the enterprises' needs for equipment and energy management and the users' and customers' needs for operation and maintenance.	Form a device-cloud-APP integrated solution in the field of new energy, and explore new business models on operation and maintenance.
Smart lithium battery for RV and ship-borne electrical appliances	This project aims at developing the anti-collision, waterproof and anti-falling smart lithium battery for RV and ship-borne electrical appliances.	Mass production has been completed and the product platform is being upgraded and iterated.	The product is suitable for the application scenarios, and the technical performance is at the industry-leading level with cost competitiveness; the large-scale industrial application of the product has been achieved.	Consolidate the Company's leading position in the market segments such as RV, golf cart and ship-borne smart lithium battery.

R&D personnel of the Company

	2023	2022	Variable proportion
Number of R&D personnel (person)	2,004	1,776	12.84%
Proportion of R&D personnel	21.50%	21.20%	0.30%
Educational background of R&D personnel			
Bachelor	1,317	1,186	11.05%
Master	158	125	26.40%
Doctor and above	3	3	0.00%

Junior college degree and below	526	462	13.85%
Age composition of R&D personnel			
Below 30	834	797	4.64%
30-40	936	797	17.44%
Above 40	234	182	28.57%

R&D investment of the Company

	2023	2022	Variable proportion
R&D investment (RMB)	834,406,343.71	719,662,208.72	15.94%
Proportion of R&D investment in operating income	9.28%	8.11%	1.17%
Capitalized amount of R&D investment (RMB)	144,436,732.73	127,316,072.63	13.45%
Proportion of capitalized amount in R&D investment	17.31%	17.69%	-0.38%

Reasons for and impacts of major changes in the composition of the Company's R&D personnel

Applicable Not applicable

Reasons for the significant change in the proportion of total R&D investment to the operating income compared with that of the previous year

Applicable Not applicable

Reasons for significant changes in the capitalization rate of R&D investment and explanation

Applicable Not applicable

5. Cash flow

Unit: RMB

Items	2023	2022	YoY increase or decrease
Subtotal of cash inflow from operating activities	9,742,654,137.01	9,194,212,756.21	5.97%
Subtotal of cash outflow from operating activities	8,276,705,637.83	8,703,157,679.88	-4.90%
Net cash flow from operating activities	1,465,948,499.18	491,055,076.33	198.53%
Subtotal of cash inflow from investment activities	39,243,483.78	63,633,384.24	-38.33%
Subtotal of cash outflow from investment activities	1,187,630,073.16	840,702,901.36	41.27%
Net cash flow from investment activities	-1,148,386,589.38	-777,069,517.12	-47.78%
Subtotal of cash inflow from financing activities	985,342,992.26	1,118,783,953.99	-11.93%
Subtotal of cash outflow from financing activities	1,218,525,834.63	1,243,705,863.29	-2.02%
Net cash flow from financing activities	-233,182,842.37	-124,921,909.30	-86.66%
Net increase in cash and cash equivalents	120,462,012.53	-361,823,264.97	133.29%

Main influencing factors of the significant year-on-year changes in relevant data

Applicable Not applicable

1. Net cash flow from operating activities: It is due to the excessive sales outstanding, the inventory

destocking and procurement scale control, the misallocation of sales collection and purchase payment period, and the increase in the net cash flow from operating activities.

2. Net cash flow from investment activities: It is due to the increase in the purchase of financial products during the Reporting Period compared with that over the same period of last year.

3. Net cash flow from financing activities: It is due to the termination of the stock incentive plan, repurchase of restricted stocks and repurchase of shares during the Reporting Period.

Reasons for the significant difference between the net cash flow from operating activities during the Reporting Period and the net profit for the year

Applicable Not applicable

V. Analysis of non-main business

Applicable Not applicable

Unit: RMB

	Amount	Proportion in total profit	Explanation of reasons	Is it sustainable
Investment income	-11,234,586.49	-2.13%	Actual profits and losses from forward exchange and profits and losses from equity investments during the Reporting Period.	No
Profit and loss from changes in fair value	12,535,503.26	2.37%	Changes in fair value arising from equity investments held	No
Impairment of assets	-73,727,329.86	-13.95%	Provision for inventory falling price reserves and credit impairment losses	No
Non-operating income	6,779,756.94	1.28%		No
Non-operating expenditure	21,281,506.27	4.03%		No

VI. Analysis of assets and liabilities

1. Significant changes in asset composition

Unit: RMB

	End of 2023		Beginning of 2023		Increase or decrease in proportion	Explanation of major changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary capital	1,550,450,889.82	13.86%	1,403,026,071.34	13.51%	0.35%	No significant changes
Accounts receivable	2,431,773,877.56	21.74%	2,549,734,039.66	24.55%	-2.81%	No significant changes
Contract assets						No significant changes
Inventory	1,653,816,715.51	14.79%	1,992,952,212.53	19.19%	-4.40%	The amount at the end of the Reporting Period is RMB 339.14 million less

						than that at the beginning of the period, with a decrease of 17.02%.It was caused mainly by inventory reduction and supply-side efficiency increase during the Reporting Period.
Investment property	103,404,402.85	0.92%	106,242,777.85	1.02%	-0.10%	No significant changes
Long-term equity investment	37,748,179.30	0.34%	23,550,658.91	0.23%	0.11%	The amount at the end of the Reporting Period is RMB 14.2 million more than that at the beginning of the period, with an increase of 60.29%.It was caused mainly by new equity investments during the Reporting Period.
Fixed assets	2,102,862,886.72	18.80%	1,840,358,093.74	17.72%	1.08%	No significant changes
Construction in progress	568,107,950.65	5.08%	234,775,312.11	2.26%	2.82%	The amount at the end of the Reporting Period is RMB 333.33 million more than that at the beginning of the period, with an increase of 141.98%.The main reason is the increase in investment in the construction of Huizhou YAKO Automation Plant and Nantong Industrial Park during the Reporting Period.
Right-of-use assets	101,446,985.74	0.91%	106,196,901.87	1.02%	-0.11%	No significant changes
Short-term loans	279,348,750.00	2.50%	283,351,495.57	2.73%	-0.23%	No significant changes
Contractual liabilities	168,681,571.89	1.51%	138,281,929.17	1.33%	0.18%	No significant changes
Long-term loans	437,747,877.47	3.91%	581,500,000.00	5.60%	-1.69%	No significant changes
Lease liabilities	61,429,811.03	0.55%	73,610,791.09	0.71%	-0.16%	No significant changes

High proportion of overseas assets

 Applicable Not applicable

Asset details	Reasons of formation	Asset size	Location	Operation mode	Control measures to ensure the safety of assets	Earning position	Proportion of foreign assets to net assets of the Company	Is there a significant risk of impairment
Operation Center in India	Investment and establishment	473,502,563.91	Pune, India	R&D, production and sales	Financial supervision and external audit	43,049,031.37	7.53%	No
Dong Nai Operation Center in Vietnam	Investment and establishment	825,183,505.15	Dong Nai, Vietnam	R&D, production and sales	Financial supervision and external audit	202,974,764.93	13.13%	No

Explanation of other situations	None
---------------------------------	------

2. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: RMB

Items	Opening balance	Profits and losses from changes in fair value in the current period	Changes in cumulative fair value included in equity	Impairment accrued in the current period	Amount of purchase in the current period	Amount of sale in the current period	Other changes	Closing balance
Financial assets								
1. Tradable financial assets (excluding derivative financial assets)	342,959,450.31	12,535,503.26	248,096,517.73		1,633,399,461.43	1,332,190,327.84		656,704,087.16
4. Other equity instrument investments					41,192,950.00			41,192,950.00
Subtotal of financial assets	342,959,450.31	12,535,503.26	248,096,517.73		1,674,592,411.43	1,332,190,327.84		697,897,037.16
Total of the above	342,959,450.31	12,535,503.26	248,096,517.73		1,674,592,411.43	1,332,190,327.84		697,897,037.16
Financial liabilities	0.00							0.00

Contents of other changes

None.

Are there significant changes in the measurement attributes of the Company's main assets during the Reporting Period

Yes No

3. Restricted asset rights by the end of the Reporting Period

Items	Book value at the end of the period	Reasons for restriction
Monetary capital	39,587,800.49	Apply to the bank for the issuance of bills and guarantee deposits; amount of freezing of property; financial subscription during the subscription period
Fixed assets	119,899,873.68	Mortgage loans for buildings
Construction in progress	112,992,616.66	Mortgage loans for projects under construction
Intangible assets	59,492,901.97	Mortgage loans for land use rights
Total	331,973,192.80	

VII. Investment analysis

1. General situation

Applicable Not applicable

Investment in the Reporting Period (RMB)	Investment amount in the same period of last year (RMB)	Range of change
61,192,950.00	42,352,940.00	44.48%

2. Major equity investment obtained during the Reporting Period

Applicable Not applicable

3. Major non-equity investment obtained during the Reporting Period

Applicable Not applicable

4. Investment in financial assets

(1) Securities investment

Applicable Not applicable

There was no securities investment during the Reporting Period.

(2) Derivatives investment

Applicable Not applicable

1) Derivatives investment for the purpose of hedging during the Reporting Period

Applicable Not applicable

Unit: RMB ten thousand

Types of derivatives investment	Initial investment amount	Beginning amount	Profits and losses from changes in fair value in the current period	Changes in cumulative fair value included in equity	Amount of purchase during the Reporting Period	Amount of sale during the Reporting Period	Ending amount	Proportion of investment amount at the end of the period in net assets of the Company at the end of the Reporting Period
Trading of foreign exchange derivatives	147,320.36	0	137	0	147,320.36	137,403.08	9,917.28	1.58%
Total	147,320.36	0	137	0	147,320.36	137,403.08	9,917.28	1.58%
Explanation of accounting policies and specific accounting principles for hedging business during the Reporting Period, as	The Company has made corresponding accounting and presentation for foreign-exchange derivative transaction to be done according to Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 24 - Hedge Accounting, Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments issued by Ministry of Finance, and other regulations and guides. Foreign exchange							

well as whether there have been significant changes compared to the last Reporting Period	derivative contracts were initially and subsequently measured using tradable financial assets, which fair value is priced by financial institutions based on open market trading data, and there has been no significant change compared to the last Reporting Period.
Explanation of actual profits and losses in the Reporting Period	The amount included in current profits and losses from foreign-exchange derivative transactions conducted during the Reporting Period was approximately RMB -1.5385 million.
Explanation of hedging effect	The Company conducted forward exchange transaction, effectively reducing the risk of exchange fluctuations through reasonable RMB forward exchange transaction, focusing on future transaction costs and incomes, and achieving asset hedging with the aim of avoiding risks.
Capital sources of derivatives investment	Self-own capitals
Risk analysis and control measures of derivatives positions in the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	<p>I. Risk analysis of forward exchange transaction</p> <p>The forward exchange transaction business carried out by the Company and its subsidiaries followed the principle of locking in exchange rate risk and not engaging in speculative or arbitrage trading operations. However, there were still certain risks in forward exchange transaction operations:</p> <ol style="list-style-type: none"> 1. Exchange rate fluctuation risk: In the event of significant fluctuations in exchange rates, if the forward settlement exchange rate stipulated in the confirmation letter for forward exchange transactions was lower than the real-time exchange rate on the settlement day, it will cause exchange losses. 2. Internal control risk: Because forward exchange transactions are highly specialized, risks may arise due to inadequate internal control systems. 3. Customer default risk: If the customer's accounts receivable are overdue and the payment cannot be collected within the predicted payment period, it will cause a delay in forward exchange settlement and result in losses for the Company. 4. Risk of payment collection prediction: In general, the Sales Department of the Company predicts payment collection based on customer orders and expected orders. Nonetheless, during the actual execution process, customers may adjust their own orders and the Company may make an inaccurate payment prediction, leading to the risk of delayed delivery of forward exchange settlement. 5. Legal risk: Changes in relevant laws or violations of relevant legal systems by counterparties may result in contracts being unable to be executed normally and cause losses to the Company. <p>II. Risk control measures</p> <ol style="list-style-type: none"> 1. The Company has formulated the Internal Control System for Forward Exchange Transactions, which provides clear regulations on the Company's foreign exchange transaction operating principles, approval authority, internal operating procedures, responsible departments and individuals, information isolation measures, and risk management for forward exchange transaction, and can meet the needs of practical operations, and its internal control and risk management measures formulated are practical and effective. 2. The finance center and audit department of the Company, as relevant responsible departments, have clear management positioning and responsibilities, and responsibilities are assigned to their positions. Through this hierarchical management, the risks of single person or individual department operations are fundamentally eliminated, and the speed of risk response is also improved while effectively controlling risks. 3. To prevent delayed delivery of forward exchange transactions, the Company attaches great importance to the management of accounts receivable and actively collects accounts receivable to avoid the phenomenon of overdue accounts receivable. 4. The Company engages in financial derivative transaction business with large commercial banks with legal qualifications, closely monitors relevant laws and regulations in the field, avoiding potential legal risks. 5. The Company's forward exchange transactions must be based on a cautious prediction for foreign currency receipts (payments) of the Company, and the foreign currency amount of the foreign exchange transaction contract must not exceed 90% of the annual planned total amount of foreign currency receipts (payments). The delivery period of forward exchange transactions needs to match the Company's predicted foreign currency collection time.
Changes in market price or fair value of products of the invested derivatives during the Reporting Period, and the disclosure of specific methods used and relevant assumptions and parameters set in the analysis of the fair value of derivatives	Determine changes in fair value based on market quotes from external financial institutions.

Litigation (if applicable)	Not applicable
Disclosure date of Board of Directors announcement for approval of derivatives investment (if any)	January 14, 2023
Special opinions of independent directors on derivatives investment and risk control of the Company	The forward exchange transactions carried out by the Company is to meet the needs of normal production and operation, not solely for profit, and the Company has also formulated the Internal Control System for Forward Exchange Transactions to avoid and prevent exchange rate fluctuation risks and strengthen risk management and control. For details, please refer to the Company's disclosure on Independent Opinions of Independent Directors on Related Matters on CNINFO (http://www.cninfo.com.cn) on January 14, 2023

2) Derivatives investment for the purpose of speculation during the Reporting Period.

Applicable Not applicable

The Company did not have any derivatives investment for the purpose of speculation during the Reporting Period.

5. Usage of raised capitals

Applicable Not applicable

(1) General use of raised capitals

Applicable Not applicable

Unit: RMB ten thousand

Year of raising capitals	Way of raising capitals	Total amount of raised capitals	Net 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	56,543.65	3,233.42	47,801.67	0	0	0.00%	8,741.98	Temporary replenishment and deposit in the special account for raised capitals	0
2021	Non-public offering of shares	103,684.71	103,684.71	46,698.69	87,334.01	0	69,144.83	66.69%	16,350.70	Temporary replenishment and deposit in the special account for raised capitals	0
Total	--	160,228.36	160,228.36	49,932.11	135,135.68	0	69,144.83	43.15%	25,092.68	--	0

General use of raised capitals										
1. Actual amount and time of arrival of capitals raised										
(1) Public offering of convertible corporate bonds to raise funds in 2019										
<p>The Company publicly issued 5.73 million convertible corporate bonds on March 7, 2019, each with a par value of RMB 100, with a total amount of RMB 573 million, with the approval in the Reply of China Securities Regulatory Commission on the Approval of Public Offering of Convertible Corporate Bonds by Shenzhen Topband Co., Ltd. (ZJXK [2018] No. 1842). The issuance method was priority placement to original shareholders, and the balance after priority placement to original shareholders (including the part for which the original shareholders gave up priority placement) was issued to public investors online through the trading system of Shenzhen Stock Exchange, with stand-by underwriting of the part with the subscription amount less than RMB 573 million by the lead underwriter. Capitals with a total amount of RMB 573,000,000.00 were raised, and the net capitals raised were RMB 565,436,509.42 after deduction of all the issuance costs amounting to RMB 7,563,490.58.</p> <p>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).</p>										
(2) Non-public offering of shares to raise capitals in 2021										
<p>Shenzhen Topband Co., Ltd. issued 92,105,263 A shares to specific targets in private at the price of RMB 11.40 per stock, with a par value of RMB 1 per stock, with the approval in the Reply of China Securities Regulatory Commission on the Approval of Non-public Offering of Shares by Shenzhen Topband Co., Ltd. (ZJXK [2020] No. 1865). The total amount of funds raised was RMB 1,049,999,998.20, and the net funds actually available for use were RMB 1,036,847,068.71 after deduction of all the issuance costs amounting to RMB 13,152,929.49 (tax-exclusive).</p> <p>The funds were transferred to the Company's special account for raising funds on May 10, 2021. Baker Tilly China Certified Public Accountants (Special General Partnership) verified the arrival and issued the Capital Verification Report (TZYZ [2021] No. 29460) for the capitals.</p>										
2. Usage amount and balance of funds raised in 2023										
(1) Use of capitals raised by public issuing of convertible bonds in 2019										
<p>As of December 31, 2023, the Company has invested RMB 478.0167 million in capital-raising projects. Among them, RMB 451.7819 million was directly invested in the capital-raising projects, and RMB 26.2348 million was returned before the raised capitals were put in place. On December 31, 2023, RMB 90 million idle raised capitals was used to temporarily supplement the working capital; as of December 31, 2023, the balance of the raised capitals account was RMB 4.0609 million (including interest income).</p>										
(2) Non-public offering of shares to raise capitals in 2022										
<p>As of December 31, 2023, the Company had invested RMB 873.3401 million in capital-raising projects. Among others, RMB 696.0206 million was directly invested in capital-raising projects, RMB 45.3987 million was returned before the raised capitals were put in place, and RMB 131.9208 million was used to pay for the capital-raising projects using bankers' acceptance bills and invested in the capital-raising projects with the capital raised in equal replacement. On December 31, 2023, RMB 130 million idle raised capitals were used to temporarily supplement the working capital, and the amount of idle raised capitals under cash management was RMB 19.6425 million; as of December 31, 2023, the balance of the capital-raising account was RMB 15.1367 million (including interest income).</p>										

(2) Situation of projects with capital-raising commitments

Applicable Not applicable

Unit: RMB ten thousand

Projects with investment commitments and investment direction of over raised capitals	Whether the project has been changed (including some changes)	Total committed investment of raised capitals	Total investment after adjustment (1)	Amount invested during the Reporting Period	Accumulated investment by the end of the period (2)	Investment progress by the end of the period (3) = (2)/(1)	The date when the project is ready for use	Benefits achieved during the Reporting Period	Whether the expected benefits are achieved	Where there is any significant change in the feasibility of the project
Committed investment projects										
Construction project of Topband East China Operation Center	No	56,543.65	56,543.65	3,233.42	47,801.67	84.54%	Some are in use, and the rest are still under construction	- 3,192.87	Not applicable	No
Topband Huizhou No.	Yes	73,684.71	4,539.87	0	4,539.87	100.00%	Not applicable		Not applicable	No

2 Industrial Park Project									e	
Topband Nantong Industrial Park Phase-I Stage-I Project (Lithium Battery)	Yes		61,000	38,553.86	44,649.31	73.20%			Not applicable	No
Replenish the Company's working capital	No	30,000.00	38,144.83	8,144.83	38,144.83	100.00%			Not applicable	No
Subtotal of committed investment projects	--	160,228.36	160,228.36	49,932.11	135,135.68	--	--	3,192.87	--	--
Investment direction of over raised capitals										
None										
Total	--	160,228.36	160,228.36	49,932.11	135,135.68	--	--	3,192.87	--	--
Explanation of the situation and reasons of failing to reach the planned progress or expected income (by specific project) (including the reason for selecting "Not applicable" for "whether the expected income has been achieved")	None									
Explanation of major changes in project feasibility	None									
Amount, use and progress of over raised capitals	Not applicable									
Change of implementation location of investment projects with raised capitals	Applicable									
	Changes occurred in previous years									
	<p>1. On January 8, 2022, the Company held the 18th Meeting of the 7th Board of Directors, deliberated and passed the Proposal on the Implementation Mode, Subject and Location of Changes in Some Capital-raising Projects, and agreed that the Company would change the implementation subject, location and mode of the lithium battery business in the planned project. Specifically, the implementation place was changed from Huizhou, Guangdong Province to Nantong, Jiangsu Province.</p> <p>2. On August 18, 2022, the Company held the 27th (Extraordinary) Meeting of the 7th Board of Directors, deliberated and passed the Proposal on Changing the Implementation Mode and Location Again in Some Capital-raising Projects, and agreed to changes in the implementation mode and location of "Topband Nantong Industrial</p>									

	Park Phase-I Stage-1 Project (Lithium Battery)", where the location was changed from "Area A, Nantong Free Trade Zone, Jiangsu" to "Nantong Economic Technological Development Area, Jiangsu".
Adjustment of implementation mode of investment projects with raised capitals	Applicable
	Changes occurred in previous years
	<p>1. On January 8, 2022, the Company held the 18th Meeting of the 7th Board of Directors, deliberated and passed the Proposal on the Implementation Mode, Subject and Location of Changes in Some Capital-raising Projects, and agreed that the Company would change the implementation subject, location and mode of the lithium battery business in the planned project. Specifically, the implementation mode was changed from the land acquisition for building construction to the direct purchasing of buildings with infrastructure constructed.</p> <p>2. On August 18, 2022, the Company held the 27th (Extraordinary) Meeting of the 7th Board of Directors, deliberated and passed the Proposal on Changing the Implementation Mode and Location Again in Some Capital-raising Projects, and agreed to changes in the implementation mode and location of "Topband Nantong Industrial Park Phase-I Stage-1 Project (Lithium Battery)", where the mode was changed from "the direct purchasing of buildings with infrastructure constructed" to "the land acquisition for building construction".</p> <p>Changes occurred during the Reporting Period:</p> <p>On September 7, 2023, the Company held the 37th Meeting of the 7th Board of Directors and the 30th meeting of the 7th Board of Supervisors, deliberated and passed the Proposal on Changing the Use of Part of the Raised Funds and Permanently Supplementing Working Capital, and agreed that the use of the remaining raised funds for the Topband Huizhou No. 2 Industrial Park Project (Motor) for which the Company issued shares in the non-public manner in 2021 would be changed to permanently supplementing working capital, and the remaining RMB 81.4483 million (excluding interest income) would be used to permanently supplement working capital for the Company's daily operating activities.</p> <p>The above changes were deliberated and passed by the General Meeting of Shareholders.</p>
Upfront investment and replacement of investment projects with raised capitals	Applicable
	<p>1. The Company invested RMB 26.2348 million in advance in the operation center project of Topband East China with self-raised capitals. Ruihua Certified Public Accountants (Special General Partnership) conducts a special audit on the above matters, and issues the Authentication Report on the Report of Shenzhen Topband Co., Ltd. on the Investment Projects with Self-raised Capitals in Advance (RHHZ [2019] No. 48250027). On July 25, 2019, the 25th Meeting of the 5th Board of Directors of the Company deliberated and passed the Proposal on Using Raised Capitals to Replace Self-raised Capitals Invested in Advance. The Company had replaced the pre-invested self-raised funds as of August 1, 2019.</p> <p>2. The Company invested RMB 45.3987 million in Topband Huizhou No. 2 Industrial Park Project with self-raised funds in advance. Baker Tilly China Certified Public Accountants (Special General Partnership) conducted a special audit on the matter above, and issued the Authentication Report of Pre-investment of Shenzhen Topband Co., Ltd. in the Investment Project of Funds Raised with Self-raised Funds (TZYZ [2021] No. 31911). The 10th Meeting of the 7th Board of Directors was held to review and approve the Proposal on Replacement of Pre-invested Self-raised Funds with Funds Raised on June 8, 2021. The Company had replaced the pre-invested self-raised funds as of June 10, 2021.</p> <p>The Board of Supervisors, Independent Directors and Sponsor Institutions of the Company all expressed their clear consent on the matter.</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 December 1, 2023, the Company held the 30th Meeting of the 7th Board of Directors, deliberated and passed the Proposal on Temporarily Replenishing Working Capital with Some Idle Raised Capitals, and agreed that the Company would temporarily replenish working capital with no more than RMB 220 million idle capitals raised, with a period of not more than 12 months. As of December 31, 2023, RMB 220 million temporary supplementary current assets had 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 December 1, 2023, the Company held the 30th Meeting of the 7th Board of Directors, deliberated and passed the Proposal on Temporarily Replenishing Working Capital with Some Idle Raised Capitals, and agreed that the Company would temporarily replenish working capital with no more than RMB 220 million idle capitals raised, with a period of not more than 12 months. As of December 31, 2023, RMB 220 million temporary supplementary current assets had been used.</p> <p>The Board of Supervisors, Independent Directors and Sponsor Institutions of the Company all expressed their clear</p>

	<p>consent on the matter.</p> <p>2. On March 29, 2023, the Company held the 32nd Meeting of the 7th Board of Directors, deliberated and passed the Proposal on Cash Management with Some Idle Raised Capitals and Self-own Funds, and agreed that the Company would purchase short-term principal-protected bank financial products with no more than RMB 100 million idle raised capitals and no more than RMB 600 million self-own funds. The capitals can be used on a rolling basis within the amount above. As of December 31, 2023, the Company had used RMB 19.6425 million idle capitals raised for cash management.</p> <p>The Board of Supervisors, Independent Directors and Sponsor Institutions of the Company all expressed their clear consent on the matter.</p> <p>3. The remaining unused raised capitals are deposited in the Company's special account for raising funds.</p>
Problems or other situations in the usage and disclosure of raised capitals	None

(3) Change of projects with raised capitals

Applicable Not applicable

Unit: RMB ten thousand

Project after change	Corresponding originally promised project	Total amount of raised funds to be invested in the project after change (1)	Actual investment during the Reporting Period	Actual cumulative 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	Is there any significant change in the feasibility of the project after change
Topband Nantong Industrial Park Phase-I Stage-I Project (Lithium Battery)	Topband Huizhou No. 2 Industrial Park Project (Lithium Battery)	61,000.00	38,553.86	44,649.31	73.20%		0	Not applicable	No
Replenish the Company's working capital	Topband Huizhou No. 2 Industrial Park Project (Motor)	38,144.83	8,144.83	38,144.83	100.00%		0	Not applicable	No
Total	--	99,144.83	46,698.69	82,794.14	--	--	0	--	--
Explanation of reason for change, decision-making procedure, and information disclosure (by specific project)		<p>(1) In January 2022, the downstream market demand was strong due to the rapid development of the Company's lithium battery business in recent years. The Company originally planned to purchase land and construct factory buildings to promote the lithium battery project, with a construction period of 2 years. In the Company's Nantong lithium battery project, the infrastructure of the existing factory buildings purchased was already completed, so the construction period of the project will be greatly shortened. In order to promote the expansion of lithium battery business as soon as possible, fully seize market opportunities in the lithium battery industry and new energy industry, enhance the Company's market competitiveness and business performance and utilize raised funds more efficiently, the Company plans to change the implementation subject, location and mode of the lithium battery business in the original fund-raising project after a comprehensive evaluation.</p> <p>The Company held the 18th (Extraordinary) Meeting of the 7th Board of Directors, the 15th (Extraordinary) Meeting of the 7th Board of Supervisors and the 1st Extraordinary General Meeting of Shareholders in 2022, deliberated and passed the Proposal on the Implementation Mode, Subject and Location of Changes in Some Capital-raising Projects, and agreed that the Company would change the implementation subject, location and mode of the lithium battery business in the planned project.</p> <p>(2) In August 2022, due to the change in the overall plan of the Management</p>							

	<p>Committee of the Nantong Economic and Technological Development Zone for the implementation location of the Company's Topband Nantong Industrial Park Phase-I Stage-1 Project and in view of the utilization efficiency of the Company's raised funds, the speed of promoting the fund-raising project and the Company's business development needs, the Company decided, after friendly consultation with the Management Committee of the Nantong Economic and Technological Development Zone, to give up the right to purchase the use of relevant assets, change the implementation mode and location of the fund-raising project, use the raised funds and its own funds to purchase the land use rights of approximately 250 mu in the Nantong Economic and Technological Development Zone, and implement the Topband Nantong Industrial Park Phase-I Stage-1 Project (Lithium Battery) through self-construction.</p> <p>The Company held the 27th (Extraordinary) Meeting of the 7th Board of Directors, the 22th (Extraordinary) Meeting of the 7th Board of Supervisors, the 2nd Extraordinary General Meeting of Shareholders in 2022, deliberated and passed the Proposal on Changing the Implementation Mode and Location Again of Some Capital-raising Projects, and changed the implementation mode and location of the lithium battery business in the planned capital-raising project with the non-public offering of shares in 2021.</p> <p>(3) In September 2023, the Company continued to implement the motor project in Topband Huizhou No. 2 Industrial Park based on the overall plan for and construction period of Topband Huizhou No. 2 Industrial Park and the market demand for the motor project. The input of funds estimated at the initial stage of the project is already difficult to cover the overall project needs of Topband Huizhou No. 2 Industrial Park, and it is difficult to meet the requirements for the construction period of the motor project. At the same time, extending the construction period will make it difficult to meet the market demand for the motor project in the future. In order to cope with the complex and ever-changing market environment, the Company realized a production capacity of 3.5 million sets of high-efficiency motors per year in mature industrial parks in Shenzhen, Vietnam, etc. simultaneously with its own supplementary funds, in order to quickly seize market opportunities. Subsequently, the Company will continue to pay attention to the market environment, dynamically adjust its layout, and continue to use its own funds to invest in the construction of the project, in order to ensure the Company's market competitiveness in the motor field. Therefore, the Company changed the use of funds raised for Topband Huizhou No. 2 Industrial Park (Motor), and used the raised funds and corresponding interest income to permanently supplement working capital.</p> <p>On September 7, 2023, the Company held the 37th Meeting of the 7th Board of Directors, the 30th Meeting of the 7th Board of Supervisors and the 2nd Extraordinary General Meeting of Shareholders in 2023, and deliberated and passed the Proposal on Changing the Use of Part of the Raised Funds and Permanently Supplementing Working Capital.</p> <p>(4) The Company disclosed the above information in strict accordance with the information disclosure requirements.</p>
Explanation of the situation and reasons of failing to reach the planned progress or expected income (by specific project)	Not applicable
Explanation of major changes in the feasibility of the project after change	Not applicable

VIII. 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

IX. Analysis of major holding and equity participating companies Applicable Not applicable

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

Unit: RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Huizhou Topband Electrical Technology Co., Ltd.	Subsidiary	R&D, production, sales, import and export of electronic components	RMB 30,000	4,127,523,628.15	1,954,519,634.67	5,987,503,467.89	329,563,046.59	297,238,314.09
Topband SMART DONG NAI (VIETNAM) COMPANY LIMITED	Sub-subsidiary	R&D, production, sales, import and export of electronic components	USD 33.5 million	825,183,505.15	465,452,939.58	865,603,001.00	204,103,659.17	202,974,764.93

Situation of acquisition and disposal of subsidiaries during the Reporting Period

 Applicable Not applicable

Company name	Method of acquisition and disposal of subsidiaries during the Reporting Period	Impact on overall production and operations and results
Yolaness Technology (HK) Co., Limited	Newly established and acquired	No significant impact on the results of the Report
Huizhou Jiuwan Lvyuan Agriculture Co., Ltd.	Newly established and acquired	No significant impact on the results of the Report
YOLANESSAFRICA(PTY)LTD	Newly established and acquired	No significant impact on the results of the Report
Topband (Vietnam)Co.,Ltd	Liquidated and deregistered	No significant impact on the results of the Report

Explanation of major shareholding companies

None.

X. Situation of structured entity controlled by the Company Applicable Not applicable**XI. Prospects for the future development of the Company****(I) Social development trend and 2030 vision****1. Intelligence development**

The development and application expansion of new technologies such as IOT, 5G and AI will open up growth space and continuously accelerate the process of social intelligence. It is expected that the economic value affected by technologies will exceed USD 60 trillion by 2030. The Company will continue to explore

innovative technologies in the future world and expand new opportunities for industry intelligence in various application scenarios such as clothing, food, housing and transportation, enterprises, and cities.

With the rapid development of artificial intelligence (AI) technology and especially breakthroughs in large models and robotics, we are standing on the threshold of a new era of intelligence. Large AI models such as GPT and BERT have demonstrated amazing language understanding and generation capabilities, which will not only greatly enhance the intelligence level of our products and services, but also provide us with new opportunities to deeply explore data value, optimize business processes and innovate user interaction methods.

Especially in the field of robotics, we foresee that with the further optimization of AI algorithms and the in-depth application of machine learning technology, future robots will be more intelligent and autonomous. These robots can not only perform complex physical tasks, but also carry out advanced decision-making and learning. They will be widely used in manufacturing, service, household and medical fields to greatly improve the efficiency of production and the quality of life.

The Company will keep pace with this trend of intelligence development and increase R&D investments in AI, big models and robotics. We are committed to integrating these cutting-edge technologies into our products and solutions, not only to improve the level of intelligence of existing products, but also to explore new business models and market opportunities. Through technological innovation, we will provide customers with more intelligent, efficient and personalized services, and promote the Company's continued growth and development in the era of intelligence.

2. Low-carbon development

The climate crisis caused by greenhouse gases is deepening year by year, driving energy conservation and carbon reduction in countries around the world. It is expected that by 2050, China's cumulative investment in various aspects such as energy production, energy use and ecology will reach RMB 300 trillion. The Company will use the technology of "four electrics and one network" and seize the market opportunities brought by the "carbon peaking and carbon neutrality" policy, helping with the global low-carbon development.

On a global scale, low-carbon development has become an irreversible trend. Faced with the challenges brought by climate change, the Company is actively embracing a low-carbon future with unprecedented determination. We believe that through technological innovation, we can not only address environmental challenges, but also create a new era of green energy and sustainable development.

We are engaged in in-depth R&D and promotion of green energy technologies centered on power electronics, electrochemistry and digital technology. The application of these technologies will greatly improve

energy utilization efficiency, reduce carbon emissions, and promote the green transformation of the energy industry. In particular, our integrated solutions for solar power generation, energy storage and charging provide strong support for energy systems with zero carbon emissions by integrating solar power generation, energy storage and intelligent charging technologies.

In the future, we will continue to explore and develop more innovative low-carbon technologies and solutions. We are committed to becoming a leader in low-carbon transformation and helping global customers achieve greener and more sustainable development through our technologies and solutions. We believe that through unremitting efforts, we can make significant contributions to the global low-carbon goals and jointly create a cleaner and better future.

3. Internationalization

As the global supply chain fluctuates more tempestuously, its safety risks are increasing, and the supply chain is developing towards multilateralization, internationalization and multiregional localization. On the one hand, with the increasing complexity, personalization, and differentiation of terminal products, the product R&D and delivery are required to be fast, and the quality be reliable and stable. China's industrial clusters and engineer dividends have promoted the transfer of industries to China. On the other hand, with the impact of international trade conflicts, geopolitical factors, and other factors, the risk of a single Chinese industrial chain has significantly increased. With a combination of the two factors, the industry will gradually show a trend of mainly focusing on China and developing towards multiple regions such as Southeast Asia and North America. The Company will actively respond to new challenges in the supply chain, expand new opportunities in multiple regions, and accelerate the pace of internationalization.

2030 vision of the Company

By 2030, the Company's goal is to provide customers with intelligent solutions through deep insight into the pain points of users, scenarios and industries, making the world smarter and lower-carbon.

An intelligent 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. We will seize the historical opportunity of intelligent, scenario-based, green and low-carbon development, actively innovate business models, make transform from components to products and then to solutions, innovate home appliance business around the "four electrics and one network" technology, cultivate blue ocean market, expand tool business product categories, maintain leading market share, and accelerate the development of new energy and industrial business, achieving scale growth.

(II) Development strategies of the Company

1. Focusing on strategy for sustained and effective growth

In 2021, based on the Company's interim development goals for 2025, a vision blueprint for the next decade was formulated, and the long-term development goals for 2030 were clearly proposed. The Company will continue to focus on scale growth as its core goal, deepen the implementation of the five strategic policies of "scale growth, close customer relationship, innovation-driven development, agile operation and organizational evolution", build a pyramid profit model, enhance leading position in global intelligent control solution providers, and achieve sustained and effective growth.

The Company will provide one-stop intelligent control solutions and services for the world's leading brand customers with the advantage of the "four electrics and one network" technology, especially increasing business development in the new energy industry, focusing on four main businesses of the "home appliances + tools + new energy + industry", and make good use of the capital market platform to achieve high growth in operating income scale through a combination of endogenous and extended methods.

2. Continuously enhancing innovation-driven technology and product competitiveness

The Company will adhere to innovation-driven development, continuously maintain R&D investment, strengthen basic and cutting-edge technology research, construct technology control points, strengthen product line construction and create more high-quality product platforms, promote the protection of intellectual assets such as patents and trade secrets, build technological barriers, cultivate innovative growth engines, and strengthen the cultivation of innovative talents.

At the same time, the Company will seize development opportunities such as "intelligence" and "low-carbon", actively explore innovative businesses such as the Internet of Things and green commuting, consolidate and expand the core technical capabilities of the "four electrics and one network", enhance market and product development capabilities, and explore more high-value markets. The Company has identified key development plans for "knock-out products" in various fields, focused on strategic opportunities and strengthened innovation efforts around key categories.

3. Agile operation for improving quality, reducing costs and increasing efficiency

The Company will deepen the implementation of agile operation strategy, continuously optimize business processes such as strategy, marketing, R&D, sales, purchase and after-sales, and improve end-to-end efficiency. The Company will also increase efforts to reduce costs and increase efficiency, and comprehensively utilize

various means such as R&D and design cost reduction, purchase cost reduction, and manufacturing cost reduction to achieve effective cost reduction for mature products.

4. Organizational reform and continuous evolution of process-oriented organizations

The Company will promote organizational evolution strategy, strengthen talent team building, quickly increase the number of key positions, strengthen the capacity building of the middle office and background, better empower the iron triangle team, and create a customer-centered process-oriented organization.

5. Accelerating international layout and building global multi-base delivery capabilities

The Company will continue to strengthen its close customer relationship strategy. In order to meet the needs of customers for fast and nearby delivery, and in combination with business needs, the Company has established operation centers, production and manufacturing centers, R&D centers, and representative offices in multiple locations around the world. During the Reporting Period, the Company accelerated the process of achieving production capacity in Vietnam and India, and the construction and mass production introduction of factories in Mexico and Romania; at the same time, the Company utilized the advantages of global layout to strengthen supply chain integration and enhance local purchase capabilities.

(III) Business plan for 2024

1. Realize scale growth: Based on the core technology of "four electrics and one network", continue implementing the strategy of leading customers, leverage platform advantages and other means to achieve scale growth in various industries, and increase the proportion of high-value products and autonomous and controllable business; consolidate and expand the leading advantages in the fields of home appliances and tools, accelerate the growth of new energy business, and effectively incubate innovative business;

2. Accelerate overseas market expansion: The Company will accelerate overseas market expansion based on overseas manufacture. In 2024, the Company will expand its overseas marketing team, not only to seize the opportunity of order transfer, but also to explore the needs of the local market and enhance product definition and development capabilities.

3. Deepen the application of AI and robot products: With the rapid development of artificial intelligence (AI) and humanoid robot technology, unprecedented development opportunities have emerged in the intelligence industry. In 2024, Topband will further explore new industrial opportunities, accelerate the development of core technologies such as mobile robots, servo drives and control technologies, create industry-leading flagship products, actively develop top-level industry customers, and promote the in-depth application of AI technology in existing and emerging business fields.

(IV) Fund demand and utilization plan

The Company is in a stage of rapid development and has a significant funding demand in terms of equipment upgrades, expansion of production capacity, and overseas business development. The Company has a good credit standing, so it is able to get strong support from the bank in a timely manner. In 2024, the Company will combine its own development situation and development strategy, and make reasonable use of various capital-raising channels to raise the necessary funds for the Company's development.

(V) Risks faced by the Company and countermeasures

1. External risks such as the macro environment

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

2. Risks of technology upgrading

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

3. Exchange rate risk

The Company's revenue from export sales accounts for nearly 60% of the total revenue. In order to cope with the risk of exchange rate fluctuation, the Company will reduce and hedge foreign exchange risks by conducting RMB hedging business, international purchase and re-pricing of new product.

4. Other risks

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

XII. Reception, investigation, communication, interview and other activities during the Reporting Period

Applicable Not applicable

Time of reception	Location of reception	Method of reception	Type of reception object	Reception object	Main contents of interview and materials provided	Basic Information index for investigation
2023/1/6 2023/1/9 2023/1/12 2023/1/16	Conference room of the Company	Field survey	Organizations	TF Securities, Everbright Securities, Shanghai Ducheng Investment, Yimi Fund, Hangzhou Laixing Yuanpin Investment, Zhongrong Fund, Efunds, Western Leadbank FMC, China Merchants Securities, Deppon, Shanghai Sunsource, TF Securities, Shanghai Qushi Assets, Haitong Securities, CITIC Prudential Fund, Taikang Pension, CITIC Wealth, Shenzhen HillView Capital, Shanghai Lingze Investment, Ping An Asset Management, Temasek Holdings Consulting (Shanghai), Teng Yue Partners, LP, Sinolink Securities, Ucan Asset Management, Chengnuo (Shanghai) Investment, HSBC Jintrust Fund, AXA SPDB Investment Managers, Current VC, Guotai Junan Securities, Sino Life Asset, Shanghai Greenwoods, Shenzhen Hongding Wealth Management, Western Leadbank FMC, China Future Capital, Mingya Funds, GuoDu Securities, Rongtong Fund, China Asset Management, Parantoux Capital, Harvest Fund, Lubao Investment, Shenzhen Hongding Wealth Management, Ren Bridge Fund, Xinghua Fund, Infore Capital, Beijing Zhenke Fund, AEGON-Industrial Fund, China Merchants Fund, V Fund, CCB Life Asset Management, Jumpstart Capital, Shenzhen Shanqi Assets, Taikang Asset Management, China Merchants Securities, Blackrock, Western Securities, Truvalue Asset Management, Springs Capital, Essence Securities, UBS SDIC, Invesco Great Wall, Soochow Securities, Citibank, Blackrock, Dymon Asia Capital (Singapore), HSBC Global Asset Management USA, HelVed capital, Manulife Asset Mgmt (HK) Ltd, Millennium Capital Management, Neuberger Berman, New Silk Road Investment Pte, POLYMER CAPITAL MANAGEMENT, Templeton Global Equity, Franklin Templeton, Decent Capital, Matthews International Capital, Guosen Securities, GF Securities, Hel Ved Capital Management, Prudence Investment Management (Hong Kong), Fangyuan Fund (Hong Kong), Essence Fund, Eastern Smart Rock, ACORN Asset Management, Beijing Yutian Asset Management, Biyun Asset Management, Boseru Funds, Dajia Asset Management, Tebon Fund, Oriental Alpha Fund, Soochow Securities, GF Securities, FOUNDER Fubon Fund, FORTUNE Royal Asset, Everbright Securities, GF Qianhe, CGB, Guangzhou Ruimin Private Equity Fund, Franklin Templeton Sealand Fund, Guolian Life, Guotai Fund, Guotai Junan Securities, SDIC UBS Fund, China Reform Securities, Guosen Securities, Haifutong Fund, Hangzhou White Rhino Asset Management, Hangzhou Qinpu Private Equity Fund, True Value Partners, Sequoia Capital Equity Investment, Hotland Innovation Asset Management, HuaAn Funds, Harfor Funds, HSBC Jintrust Fund,	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn

				China Universal Asset Management, Rising Asset Management, Harvest Fund, CCB Life Asset Management, Jiangsu Ruihua Investment, BOCOM Schroders, Kaiyuan Securities, Ningbo Yuanzhen Mingzhi Investment, BNB Wealth Management, ABC Wealth Management, Lion Fund, Penghua Fund, Ping An Asset Management, SPDB AXA Fund, First Seafont Fund, Ren Bridge (Beijing) Asset Management, Rongtong Fund, Ruida AMC, Sanya Hongsheng Asset Management, Xiamen Zhonglue Investment, Shanghai Chengzhou Asset Management, Shanghai Shengmeng Asset Management, Shanghai Orient Securities, Shanghai Coastal Horn Private Equity Fund, Shanghai Hedao Asset Management, Shanghai Chaos Investment, Shanghai Mingyu Asset Management, Panjinginvest.com, Shanghai Chaser Asset Management, Shanghai RunSafe Fund, Shanghai Hawthorn Tree Zhenzhuo Asset Management, Shanghai Tuling Asset Management, Shanghai Zongyi Holding, Shenwan Hongyuan Securities, Shenzhen ELITIMES Asset Management, Shenzhen JM Investment, Shenzhen Zhongying Investment, Shenzhen Zhengyuan Investment, Weixing Asset Management, Western Securities, Tibet YuanCheng Investment, Southwest Securities, New China Asset, First State Cinda Fund, Aegon-Industrial Fund, Yimi Fund, Zhonghai Fund, Bank of Beijing Scotiabank Asset Management, BOC International, Rosefinch Fund.		
2023/2/1 2023/2/2 2023/2/3 2023/2/6 2023/2/7 2023/2/8 2023/2/9	Conference room of the Company	Field survey	Organizations	Fullgoal Fund, Shenzhen Flying Tiger Investment, SDIC UBS Funds, Rising Asset Management, Essence Fund, Foresea Life Insurance, Taikang Pension Insurance, Zoomtrend Investment, Guosen Securities, Lion Fund, Penghua Fund, Baoying Fund, Qianyou Investment, Yinhua Fund, Ping An Fund, Panze Assets, Legend Investment, Shenzhen ELITIMES Fund, Shenzhen Weihong Long-term Asset Management, China Securities, FOUNDER Fubon Fund, First Capital, Changjiang Securities, Hainan Sanhua Private Equity, Lead Horse Capital, Hua Chuang Securities, Hwabao Securities, New China Asset, BOC Asset Management, Orient Fund, Shenwan Hongyuan Securities, CMS Asset Management, Jincan Capital, Bosera Funds, Hwabao WP Fund, China Post Securities, Cao Yanmei, Zheshang Communications, Hotland Innovation Asset Management, BlackRock, China Merchants Fund, Sinolink Securities, Aegon-Industrial Fund, regents capita, ICBC Credit Suisse Fund, China Merchants Securities, CICC Securities, Foresight Fund, Harvest Fund	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2023/2/14 2023/2/16 2023/2/20 2023/2/22 2023/2/23	Conference room of the Company	Field survey	Organizations	FOUNDER Securities, Guotai Junan, Changjiang Pension, ZSAMC, Exodus Point, Brilliant Capital, Mirae Asset, Polymer Capital, Oberweis, Jefferies, China Securities, Huashang Fund, Haitong, Harvest Fund, CICC, Yude Capital, CIGNA CMB Asset Management	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn

<p>2023/2/27 2023/2/28 2023/3/1 2023/3/2 2023/3/6 2023/3/9</p>	<p>Conference room of the Company</p>	<p>Field survey</p>	<p>Organizations</p>	<p>AXA SPDB Investment Managers, TF Securities, Caitong Fund, Samsung Asset Management, Shinhan Asset Management, abrdrn, FY Investment, Library Group Capital, Haitong, Dymon Asia, Rongtong Fund, Harvest Fund, Shenzhen Qianhai Yiyang Investment, Citibank, Samsung Investment Management (Hong Kong), Hinrich Foundation, HSBC Global Asset Management (Hong Kong), Wonderland International, Wobai Business Consulting (Shanghai), Heqi Investment, FountainCap Research Investment (Hong Kong), Sumitomo Mitsui DS Asset Management (Hong Kong), Matthews Global Investors (Hong Kong), Manulife Investment (Hong Kong), CICC, Hel Ved capital, GLG Partners, Pleiad Investment, OMERS Asia, Baopurongyi Asset Management, Tiger Pacific</p>	<p>Learn about the operation of the Company; no information provided.</p>	<p>http://www.cninfo.com.cn</p>
<p>2023/3/30 2023/3/31</p>	<p>Conference room of the Company</p>	<p>Field survey</p>	<p>Organizations</p>	<p>TF Securities, CITIC Securities, Huatai Securities, Zhongtai Securities, Guosen Securities, CICC Securities, Guotai Junan Securities, Haitong Securities, China Merchants Securities, Shenwan Hongyuan Securities, Changjiang Securities, Soochow Securities, Western Securities, Everbright Securities, Jefferies Securities, China Galaxy Securities, China Life Asset Management, Greenwoods Asset Management, Sinolink Securities, TF Securities, HFT Investment Management, Korea Investment Trust Management, Fullgoal Fund Management, Shanghai Panjing Investment Center (Limited Partnership), Harvest Fund Management, Hengtai Securities, HENGJIAN INTERNATIONAL INVESTMENT HOLDING (HONG KONG), Shenzhen Hong Ding Wealth Management, Yimi Fund Management, Shanghai Xitai Investment Management, Shanghai HeDao Asset Management, Parametrica Management Limited, Neuberger Berman, First-trust Fund Management, HSBC Jintrust Fund Management, Infore Capital Management, Cyber Atlas Capital, JIAXUYINGHAI(Shanghai)FUND Management, China International Capital Corporation Limited, Shanghai Jujin Investment, Beijing Ruigu Investment, Beijing Ding Investment, Goldstate Securities, Shenzhen Gemboom Investment Management, HSBC Jintrust Fund Management, Zhejiang Rice Bank Asset Management, BOC International (China), Shanghai Stock Exchange, DH Fund Management, Beijing Yunfeng Asset Management, Sealand Securities, Pacific Asset Management, Essence Securities, Mingya Fund Management, Shanghai Chaos Investment (Group), Taiping Asset Management, Hengtai Securities, China Securities, Hotland Innovation Asset Management, Fengpei CAPITAL LLC, Shenzhen Hong Ding Wealth Management, Everbright Securities, Shanghai Tourmaline Asset Management, Shanghai Foresight Investment, Huatai-Pinebridge Fund</p>	<p>Learn about the operation of the Company; no information provided.</p>	<p>http://www.cninfo.com.cn</p>

				Management, Hang Seng Qianhai Fund Management, Sealand Securities, China Life AMP Asset Management, Western Leadbank Fund Management, Ningbo Liansheng Asset Management, Origin Asset Management, SINO LIFE ASSET, Regent Capital, ShenZhen Comein Finance and Technology, HONOUR ALLIANCE INVESTMENTS, Shengang Securities, Maxwealth Fund Management, Yude Capital, Tibet YuanCheng Investment.		
2023/4/11 2023/4/12 2023/4/13 2023/4/14	Conference room of the Company	Field survey	Organizations	Shenzhen Qianhai OnlyWin Fund Management, Deju Brothers Venture Capital, Shenzhen New Value Capital Management, HYWIN WEALTH MANAGEMENT, Mingfu Fund, Mondrian, CICC Securities, Nomura Asset Management, Capital Investment Trust Corporation, Franklin Templeton SinoAM SIM Inc., IGWT Investment, Cathay Capital Management Inc., Manulife TEDA Fund Management, Tianhong Asset Management, Bosera Fund Management, China Life Asset Management, Huachuang Securities, Sinosafe Asset Management, CICC Securities, Wellington, Neuberger Berman, CICC Securities, NanJing Double-Safeguard Asset Management, CICC Securities	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2023/4/14	Flush Roadshow Platform	On-line communication on network platforms	Organizations	Performance presentation session	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2023/4/25	Conference room of the Company	Telephone communication	Organizations	Guotai Asset Management, BlackRock Fund Management, BOC Insurance, China Future Capital Group, Guodu Securities, Beijing Longrising Asset Management, Exodus Point, China Merchants Securities, Shanghai Silver Leaf Investment, Harvest Fund Management, Beijing Ding Investment, Shanghai Everbest Investment Managers, Truvalue Asset Management, Sinolink Securities, Rosefinch Fund Management, Sinosafe Asset Management, China Life AMP Asset Management, Shanghai Chaser Asset Management, TF Securities, Penghua Fund Management, Xinyuan Asset Management, Shanghai Yude Capital Management Center (Limited Partnership), Shanghai Lingze Asset Management, Changzhou Boyan Ruixuan Venture Capital, Beijing Eastern Smart Rock Asset Management, Minya Fund Management, Shenzhen Hong Ding Wealth Management, AEGON-INDUSTRIAL Fund Management, Shanghai Panjing Investment Center (Limited Partnership), Pinpoint Investment Management, Orient Securities, Hotland Innovation Asset Management, Jt Asset Management, Beijing Ruigu Investment, BOC International (China), Shanghai Fuge Investment Management, Shanghai Qinyuan Investment Management, Dajia Asset Management, DA CHENG FUND MANAGEMENT, Guangzhou RUIMIN ASSET MANAGEMENT, Guosen Securities, Western Leadbank Fund Management, Shanghai Yingdong Private	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn

				Fund Management, Guangzhou Jinkong Asset Management, Nuode Asset Management, CCB Life Insurance Asset Management, Shanghai Lingze Asset Management, China Post Life Insurance, Chongqing Derui Hengfeng Asset Management, Zheshang Securities, Bearing No (Shanghai) Investment Management Center (L.P.), Taikang Pension Insurance, Beijing Ding Investment, Fuanda Fund Management, Shanghai Chaos Investment (Group), Neuberger Berman, Huatai Securities, Golden Eagle Asset Management, Taipei Fubon Securities, Shanghai Xitai Investment Management, CITIC Securities, ABC Wealth Management, Haojun Asset Management, Regents Capital, Shengang Securities, Guotai Junan Securities, Zheshang Securities, China Securities, Soochow Securities, Western Securities, Changjiang Securities, Shenwan Hongyuan Securities, GF Securities, Sinolink Securities, CICC Securities, Citibank, Guosen Securities, Huatai Securities, ZHONGTAI SECURITIES		
2023/5/30	Conference room of the Company	Field survey	Organizations	Citibank, Citi Private Bank, Neuberger Berman, Temasek Holdings, Summit Partners, ICBC International, Fullgoal Fund Management, Hang Seng Investment Management, Lanzhong Investment Management	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2023/7/19 2023/7/20	Conference room of the Company	Field survey	Organizations	Mondrian Investment Partners Limited, Jefferies, D. E. Shaw & Co., Jefferies Hong Kong, Lingren Investment, Goldman Sachs Asset Management, Canada Pension Plan Investment Board, Government of Singapore Investment Corporation	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn
2023/8/16 2023/8/17	Conference room of the Company	Telephone communication	Organizations	Tibet Yuancheng Investment, Shanghai Xitai Investment, Harvest Fund, Fullgoal Fund, Zheshang Securities, Nanjing Double-Safeguard Asset Management, Penghua Fund, HFT Fund, BOC International Securities, Fuanda Fund, Taiping Pension, Ren Bridge Asset Management, Guangzhou Yourong Management Consulting, Changzhou Boyan Ruixuan Venture Capital Investment, Beijing Hexin Jinchuang Investment, Bosera Fund, Nanjing Jinheng investment, Hainan Hengli Private Placement, Shanghai Kingsun Investment, Founder Securities, Rays Capital, Shanghai United Advance Private Placement, Aspex Management, Shenzhen HillView Asset Management, Shanghai Tianni Investment, V. Stone Fund, HSBC Jintrust Fund, Sinolink Securities, GH Shining Asset Management, BlackRock Fund, Aegon-Industrial Fund, Yinhuafund, Zhongtai Securities, UBS Asset Management, Bearing No (Shanghai) Investment, Shanxi Securities, Shenzhen Upright Asset Management, China Life, Shenzhen Qianhai Jumpstart Asset Management, Ren Bridge Asset Management, Hangzhou Yirong Asset Management, Shanghai Futurus Vessel Private Placement, Ji Yuan Investment, Shanghai Pertrust Investment, Mingya Fund,	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn

				China Future Asset Management, Shanghai Panjing Investment, Ningbo Wealth Management, China Post Life Insurance, Neuberger Berman, New China Asset Management, Orient Securities, Shanghai Hexi Private Placement, Huatai PineBridge Fund, Geru Asset Management, CICC, Huatai Securities, Beijing Fengpei Investment, Shanghai Silver Leaf Investment, Merchants Securities, China Securities, BOSCO Asset, CCB Life, SWS MU Fund, Shanghai Trony Asset Management, Harfor Funds, BOC Investment Management, China Wealth Management, Changjiang Securities, Dajia Asset Management, Lion Fund, Shenzhen Hongding Wealth, Chang'an International Trust, Shanghai Dazheng Asset Management, Xinghe Fund, Bank of Suzhou, Yuhe Asset Management, TF Securities, Hangzhou Honghua Investment, Nanyin Wealth Management, CUAM, Dacheng Fund, Shanghai Qushi, Industrial Securities, Essence Asset Management, Great Wall Fund, Great Wall Wealth Insurance, Shanghai Fupei investment, JT Fund, Huashang Fund, Sun Life Everbright Asset Management, C.C.F. Group, CCB Principal Asset Management, Xunyuan Asset Management, Hengtai Securities, Heng An Standard Life, Amundi BOC Wealth Management, China Life AMP Asset Management, Comein Finance, Fountain Vest, CITIC Prudential Fund, PKUFI, Exodus Point, Western Securities, Shengang Securities, Xingyin Securities, Jefferies, GF Securities, Caitong Fund, Hua Chuang Securities, Shanghai Yinsheng Asset Management, Changsheng Fund, First-Trust Fund, Efund, HZBANK Wealth Management, Xingyin Wealth Management, GAAM, Caitong Securities, Shanghai Yude Capital, Springs Capital, Harvest Fund, Merchants Securities, Southern Asset Management, China Post Life Insurance, Hwabao WP Fund, Horizon Asset Management, BOCOM Schroders, JT Fund, Jingtai Lifeng, Penghua Fund, Shanghai River Fund, BNB Wealth Management, CIB Wealth Management, Shanghai Yude Capital, Beixin Ruifeng Fund, Nuode Asset Management, China Securities, HSBC Jintrust Fund, Hang Seng Qianhai Fund, Focus Bridge, Shanghai Leaderway Investment, Hel Ved, Fuanda Fund, Foresea Life Insurance, PH Capital, Guotai Junan, Lierda, Maxwealth Fund, Oriental Alpha		
2023/10/25 2023/8/18	Conference room of the Company	Telephone communication	Organizations	TF Securities, Xingyin Fund, Pacific Securities Asset Management, China Post Life Insurance, Generali China Asset Management, Great Wall Wealth Insurance, Foresight Fund, Zhonghai Fund, Springs Capital (Beijing), Shanghai Puxing Asset Management, Hangzhou Lequ Investment, Changzhou Boyan Ruixuan Venture Capital Investment, BOC International Securities, Chengtong Fund, Zhejiang Rice Bank Asset Management, Harvest Fund, Hwabao WP Fund, BoCom-Schroders Fund, Loyal Valley	Learn about the operation of the Company; no information provided.	http://www.cninfo.com.cn

			<p>Capital, Hang Seng Qianhai Fund, Ren Bridge Asset Management, Dymon Asia Capital (HK) Limited, Shanghai Everbest Investment, Batach-Sophia Assets Management, Harfor Funds, Willing Capital Management Limited, Shenzhen Hongding Wealth, Aegon-Industrial Fund, Amundi BOC Wealth Management, BOC Investment Management, CIB Fund, Ningbo High-Flyer Quant Investment, Allianz Insurance Asset Management, Hwabao WP Fund, Guangdong Zhengyuan Investment, Hangzhou Honghua Investment, Shanghai Silver Leaf Investment, Shanghai Panjing Investment, Guangdong Huizheng Private Equity, Ping An Fund, Century Securities, Guangdong Cherami Chenyang Private Equity, Pacific Asset Management, BlackRock Fund, Taikang Asset Management, Exodus Point, Beijing Fengrui Asset Management, HFT Fund, New China Asset Management, Penghua Fund, Southern Asset Management, HFT Fund, CITIC Capital (Shenzhen) Investment, Shenzhen Qianhai Jumpstart Asset Management, Founder Securities, Beijing Chengyang Investment, Guotai Junan, Invesco Great Wall Fund, Shanghai Fosun, Beijing Hexin Jinchuang Investment, Great Wall Fund, Regents Capital, China Post Life Insurance, Harvest Fund</p>		
--	--	--	---	--	--

XIII. Implementation of the action plan for "double improvement of quality and return"

Did the Company disclose the action plan for "double improvement of quality and return"?

Yes No

Section IV Corporate Governance

I. Basic status of corporate governance

Since its listing, the Company has always adhered to standardized governance, strictly followed the requirements of relevant laws and regulations, formulated a series of internal corporate governance systems, and established a governance structure of the General Meeting of Shareholders, the Board of Directors and its special committees, the Board of Supervisors and management level in accordance with the law to respectively exercise decision-making power, executive power, supervisory power and operating responsibilities, ensuring the Company's efficient operation with a multi-level governance system with clear powers and responsibilities.

Through the implementation of the Articles of Association and various internal systems, the Company has defined the responsibilities, powers, procedures and obligations of organizations at all levels in terms of decision-making, execution and supervision.

Shareholders and the General Meeting of Shareholders: The Company strictly follows the provisions and requirements of laws and regulations such as the Company Law, the Securities Law, the Rules of Procedure for the General Meeting of Shareholders and the Rules of Procedure for the General Meeting of Shareholders of Listed Companies, and continually improves the standardized operation of the Company's General Meeting of Shareholders. During the Reporting Period, the Company held a total of 4 general meetings of shareholders (including the Annual General Meeting of Shareholders for 2022), deliberated 32 proposals, and organized votes on all of them through a combination of on-site and online voting methods; during the deliberation of each proposal, the Company separately counted votes on matters affecting the interests of minority shareholders, and specially provided dialog sessions between participating shareholders and the Company's directors, supervisors and senior executives to fully ensure that all shareholders and especially minority shareholders enjoy equal status and fully exercise their rights.

Relationship between the controlling shareholder and the listed company: The controlling shareholder regulates his behavior in strict accordance with the Securities Law, the Code of Governance for Listed Companies and other laws and regulations as well as the Articles of Association, and can exercise his rights and assume corresponding obligations in accordance with the law. The controlling shareholder of the Company is an individual who does not have other investment projects and has not directly or indirectly intervened in the Company's decision-making and operating activities beyond the Company's General Meeting of Shareholders.

The Board of Directors, Board of Supervisors and corresponding departments of the Company can operate normally and have independence.

Directors and the Board of Directors: All directors of the Company can carry out their work in accordance with laws and regulations such as the Rules of Procedure for the Board of Directors and the Management Measures for Independent Directors of Listed Companies, attend relevant meetings seriously, actively participate in training, and familiarize themselves with relevant laws and regulations. The Company's Board of Directors has set up a Strategy Committee, an Audit Committee, a Salary and Assessment Committee and a Nomination Committee as well as a mechanism of special meetings of independent directors, and each committee performs its duties in strict accordance with the relevant laws and regulations and rules of procedure, providing complementary information for the scientific decision-making of the Board of Directors. During the Reporting Period, the term of the Company's 7th Board of Directors expired. After deliberation by the General Meeting of Shareholders and the Congress of Workers and Staff, the number of members of the Board of Directors was adjusted from 9 to 7. Re-elected members of the Board of Directors consist of 3 independent directors and 4 non-independent directors, including 2 directors on behalf of workers and staff. The composition of the Board of Directors complies with the requirements of laws and regulations and the Company's Articles of Association.

Supervisors and the Board of Supervisors: The formation of the Company's Board of Supervisors strictly follows the relevant provisions of the Company Law, the Articles of Association, etc. The Board of Supervisors consists of three supervisors. During the Reporting Period, members of the 8th Board of Supervisors were re-elected after deliberation by the General Meeting of Shareholders and the Congress of Workers and Staff, including one supervisor on behalf of workers and staff. The Company's supervisors and Board of Supervisors can conscientiously perform their duties in accordance with the requirements of the Rules of Procedure for the Board of Supervisors, review the Company's regular reports, progress in the use of raised funds, connected transactions, equity incentives and other matters and provide written review opinions, supervise directors and senior executives in performing their corporate duties, and safeguard the legitimate rights and interests of the Company and shareholders.

Performance evaluation and incentive and restraint mechanism: The Company has established a series of performance evaluation and incentive and restraint mechanisms, which are open and transparent in the appointment of senior executives and in accordance with relevant laws and regulations.

Relevant stakeholders: The Company can fully respect and safeguard the legitimate rights and interests of relevant stakeholders, and actively cooperate with stakeholders to jointly promote the sustainable and healthy development of the Company.

Information disclosure and transparency: The Company conscientiously performs the obligation of information disclosure in accordance with the relevant provisions of laws and regulations such as the Articles of Association, the Stock Listing Rules of Shenzhen Stock Exchange and the Management Measures for Information Disclosure of Listed Companies. The Company has designated Securities Times and the CNINFO as the newspaper and website for its information disclosure to ensure timely and accurate disclosure of company information.

Is there any significant difference between the actual situation of corporate governance and laws, administrative regulations and the regulations on corporate governance of listed companies issued by the CSRC?

Yes No

There is no significant difference between the actual situation of corporate governance and laws, administrative regulations and the regulations on corporate governance of listed companies issued by the CSRC.

II. The independence of the Company relative to its controlling shareholder and actual controller in ensuring the Company's assets, personnel, finance, organizations, business and other aspects

The controlling shareholder of the Company is a natural person and has no other investments. The Company is completely separated from its controlling shareholder in terms of business, personnel, assets, finance, etc. The Company's production and operation are stable and can operate independently and in a standardized manner.

1. Business independence: The Company's business is independent of its controlling shareholder, and the Company has a complete and independent production, supply and sales system, without relying on shareholders or any other related party.

2. Personnel independence: The Company has an independent workforce and has established a sound personnel management system. The Chairman, President, Vice President, Secretary of the Board of Directors, Chief Financial Director and other senior executives of the Company work full-time in the Company and receive remuneration. They have not held any positions other than directors or supervisors in shareholder entities holding more than 5% of the Company's equity and their subsidiaries, nor have they held any positions in other companies with the same or similar business as the Company. Independent personnel management.

3. Asset independence: The Company has independent production and business premises, production systems, supporting facilities, land usage rights and property ownership, and does not share them with the controlling shareholder.

4. Organizational independence: The Company has established a sound organizational system that can operate independently. There is no subordinate relationship with the controlling shareholder.

5. Financial independence: The Company has set up an independent financial accounting department and established independent accounting system and financial management system, and independently carries out financial operations according to the requirements of the relevant accounting system. The Company has separate bank accounts, and conducts independent tax declaration and performs payment obligations according to law.

III. Competition in the same industry

Applicable Not applicable

IV. Information on the Annual and Extraordinary General Meeting of Shareholders held during the Reporting Period

1. Information on the General Meeting of Shareholders during the Reporting Period

Meeting session	Meeting type	Investor participation ratio	Meeting date	Date of disclosure	Meeting resolution
2022 Annual General Meeting of Shareholders	Annual General Meeting of Shareholders	25.27%	2023/04/21/	2023/04/22/	1. Deliberated and passed the Proposal on 2022 Annual Report and Abstract; 2. Deliberated and passed the Proposal on 2022 Final Financial Report; 3. Deliberated and passed the Proposal on 2022 Profit Distribution Plan; 4. Deliberated and passed the Proposal on Formulating the Shareholders' Dividend Plan for the Next Three Years (2023-2025) of Shenzhen Topband Co. Ltd.; 5. Deliberated and passed the Proposal on 2022 Work Report of the Board of Directors; 6. Deliberated and passed the Proposal on 2022 Work Report of the Board of Supervisors; 7. Deliberated and passed the Proposal on Remuneration of Company Directors in 2022; 8. Deliberated and passed the Proposal on Remuneration of Company Supervisors in 2022; 9. Deliberated and passed the Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021; 10. Deliberated and passed the Proposal on Application for Comprehensive Credit Line from Banks by the Company and Its Subsidiaries in 2023; 11. Deliberated and passed the Proposal on

					Renewing the Employment of Audit Institution in 2023.
The 1st Extraordinary General Meeting of Shareholders in 2023	Extraordinary General Meeting of Shareholders	24.12%	2023/06/21/	2023/06/22/	1. Deliberated and passed the Proposal on Increasing the Company's Business Scope and Amending the Articles of Associations.
The 2nd Extraordinary General Meeting of Shareholders in 2023	Extraordinary General Meeting of Shareholders	23.08%	2023/09/26/	2023/09/27/	<p>1. Deliberated and passed the Proposal on the General Election of Non-independent Directors for the Board of Directors;</p> <p>2. Deliberated and passed the Proposal on the General Election of Independent Directors for the Board of Directors item by item;</p> <p>2.01 Elected Mr. Li Xumeng as an independent director of the 8th Board of Directors</p> <p>2.02 Elected Mr. Chen Zhengxu as an independent director of the 8th Board of Directors</p> <p>2.03 Elected Mr. Qin Wei as an independent director of the 8th Board of Directors</p> <p>3. Deliberated and passed the Proposal on the General Election for the Corporate Board of Supervisors item by item;</p> <p>3.01 Elected Ms. Dai Huijuan as a supervisor of the 8th Board of Supervisors</p> <p>3.02 Elected Mr. Kang Weiquan as a supervisor of the 8th Board of Supervisors</p> <p>4. Deliberated and passed the Proposal on Changing the Use of Part of the Raised Funds and Permanently Supplementing Working Capital;</p> <p>5. Deliberated and passed the Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021;</p> <p>6. Deliberated and passed the Proposal on Amending the Articles of Association;</p> <p>7. Deliberated and passed the Proposal on Amending the Rules of Procedure for the General Meeting of Shareholders;</p> <p>8. Deliberated and passed the Proposal on Amending the Rules of Procedure for the Board of Directors;</p> <p>9. Deliberated and passed the Proposal on Amending the Rules of Procedure for the Board of Supervisors;</p> <p>10. Deliberated and passed the Proposal on Amending the Rules of Procedure for the Audit Committee of the Board of Directors;</p> <p>11. Deliberated and passed the Proposal on Amending the Rules of Procedure for the Nomination Committee of the Board of Directors;</p> <p>12. Deliberated and passed the Proposal on Amending the Rules of Procedure for the Salary and Assessment Committee of the Board of Directors;</p> <p>13. Deliberated and passed the Proposal on</p>

					Amending the Rules of Procedure for the Strategy Committee of the Board of Directors; 14. Deliberated and passed the Proposal on Amending the Remuneration Management System for Directors, Supervisors and Senior Executives; 15. Deliberated and passed the Proposal on Amending the Management Measures for the Shares of the Company Held by Directors, Supervisors and Senior Executives and Changes Therein; 16. Deliberated and passed the Proposal on Amending the Management Measures for Raised Funds; 17. Deliberated and passed the Proposal on Amending the External Guarantee Management System; 18. Deliberated and passed the Proposal on Amending the Related-party Transaction Management System; 19. Deliberated and passed the Proposal on Reviewing Allowances for Independent Directors;
The 3rd Extraordinary General Meeting of Shareholders in 2023	Extraordinary General Meeting of Shareholders	19.83%	2023/12/18/	2023/12/19/	1. Deliberated and passed the Proposal on Terminating the Implementation of the Restricted Stock Incentive Plan for 2021 and Repurchasing and Cancelling Restricted Stocks.

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

Applicable Not applicable

V. Directors, supervisors and senior executives

1. Basic situation

Name	Gender	Age	Position	Position status	Starting date of term of office	Ending date of term of office	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)	Other changes in increase or decrease (shares)	Number of shares held at the end of the period (shares)	Reasons for share changes in increase or decrease
Wu Yongqiang	Male	59	Chairman and President	Incumbent	2011/08/29/	2026/09/25/	212,008,715	0	0	0	212,008,715	Not applicable
Ji Shuhai	Male	62	Director	Outgoing	2011/08/29/	2023/09/26/	27,318,642	0	0	0	27,318,642	Not applicable
Zheng Sibin	Male	58	Director and Vice President	Incumbent	2011/08/29/	2026/09/25/	6,336,970	0	0	0	6,336,970	Not applicable
Ma Wei	Male	50	Director and Vice President	Incumbent	2011/08/29/	2026/09/25/	8,950,934	0	0	0	8,950,934	Not applicable
Peng Ganquan	Male	52	Director	Incumbent	2011/08/29/	2026/09/25/	5,136,900	0	0	0	5,136,900	Not applicable
Wu Hang	Male	40	Director	Outgoing	2014/09/12/	2023/09/26/	0	0	0	0	0	Not applicable

Huang Yuegang	Male	66	Independent director	Outgoing	2020/09/14/	2023/09/26/	0	0	0	0	0	Not applicable
Hua Xiuping	Female	46	Independent director	Outgoing	2017/09/09/	2023/09/26/	0	0	0	0	0	Not applicable
Li Xumeng	Male	58	Independent director	Incumbent	2021/03/31/	2026/09/25/	0	0	0	0	0	Not applicable
Wen Zhaohui	Female	50	Vice President and Secretary of the Board of Directors	Incumbent	2011/08/29/	2026/09/25/	2,771,127	0	0	0	2,771,127	Not applicable
Xiang Wei	Male	47	Chief Financial Director	Outgoing	2019/01/10/	2023/05/30/	764,500	0	238,100	0	526,400	The senior executives reduced their holding by 80,000 shares according to the disclosed holding reduction plan, and continued to reduce their holding by 30,000 shares six months after leaving office; at the same time, the Company repurchased and canceled 128,100 shares in accordance with the Management Measures for Equity Incentives of Listed Companies and the Restricted Stock Incentive Plan for 2021 (Revised Draft).
Dai Huijuan	Female	48	Supervisor	Incumbent	2011/08/29/	2026/09/25/	319,612	0	0	0	319,612	Not applicable
Kang Weiquan	Male	40	Supervisor	Incumbent	2014/08/21/	2026/09/25/	0	0	0	0	0	Not applicable
Chen Jinzhou	Male	46	Supervisor	Incumbent	2017/02/15/	2026/09/25/	0	0	0	0	0	Not applicable
Luo Muchen	Male	41	Chief Financial Director	Incumbent	2023/05/30/	2026/09/25/	50,000	0	0	0	50,000	Not applicable
Chen Zhengxu	Male	56	Independent director	Incumbent	2023/09/26/	2026/09/25/	0	0	0	0	0	Not applicable
Qin Wei	Male	45	Independent director	Incumbent	2023/09/26/	2026/09/25/	0	0	0	0	0	Not applicable
Total	--	--	--	--	--	--	263,657,400	0	238,100		263,419,300	--

Is there any resignation of directors and supervisors during their term of office and dismissal of senior executives during the Reporting Period?

Yes No

During the Reporting Period, Mr. Xiang Wei, the Chief Financial Director of the Company, applied to resign as the Chief Financial Director due to personal reasons. After his resignation, Mr. Xiang Wei no longer held any position in the Company and its subsidiaries; the directors Mr. Ji Shuhai and Mr. Wu Hang and the independent directors Mr. Huang Yuegang and Ms. Hua Xiuping left office due to the expiration of their term of office, and they no longer held other positions in the Company and its subsidiaries after their resignation.

Changes in directors, supervisors and senior executives

Applicable Not applicable

Name	Position	Type	Date	Reason
Ji Shuhai	Director	Resigned upon the expiration of the term of office	2023/09/26/	Resigned upon the expiration of the term of office
Wu Hang	Director	Resigned upon the expiration of the term of office	2023/09/26/	Resigned upon the expiration of the term of office
Huang Yuegang	Independent director	Resigned upon the expiration of the term of office	2023/09/26/	Resigned upon the expiration of the term of office
Hua Xiuping	Independent director	Resigned upon the expiration of the term of office	2023/09/26/	Resigned upon the expiration of the term of office
Xiang Wei	Chief Financial Director	Outgoing	2023/05/30/	Resigned due to personal reasons
Luo Muchen	Chief Financial Director	Appointment	2023/05/30/	Newly appointed
Wu Yongqiang	Chairman and President	Elected	2023/09/26/	General election
Peng Ganquan	Director	Elected	2023/09/26/	General election
Zheng Sibin	Director on behalf of workers and staff, Vice President	Elected	2023/09/26/	General election
Ma Wei	Director on behalf of workers and staff, Vice President	Elected	2023/09/26/	General election
Li Xumeng	Independent director	Elected	2023/09/26/	General election
Chen Zhengxu	Independent director	Elected	2023/09/26/	General election
Qin Wei	Independent director	Elected	2023/09/26/	General election

2. Employment status

Educational background, main working experience and major responsibilities of existing directors, supervisors and senior executives of the Company

(I) Members of the Board of Directors

Wu Yongqiang, male, born in 1965, holds a master's degree and has no right of permanent residency abroad. He is a local leading talent recognized by Shenzhen City. He won the honors of "Shenzhen Young Science and Technology Leader" awarded by Shenzhen Municipal Government, "One of Top Ten Outstanding

Young People" in Nanshan District, Shenzhen, and "Shenzhen Industrial Award". He successively served as a lecturer of Harbin Institute of Technology and vice Chairman of the Company. Now he serves as Chairman of the Board of Directors of the Company, Chairman of the Board of Directors of Shenzhen Topband Software Technology Co., Ltd., executive director of Shenzhen Topband Battery Co., Ltd., executive director of Shenzhen Hongru Investment Management Co., Ltd., a partner of Shenzhen Hongru Investment Enterprise (Limited Partnership), executive director and President of Shenzhen Yankai Electric Technology Co., Ltd., executive director and President of Ningbo Topband Intelligent Control Co., Ltd., executive director of Shenzhen Topband Automation Technology Co., Ltd., Chairman of the Board of Directors of Shenzhen YAKO Automation Technology Co., Ltd., and a director of Topband (Hong Kong) Co., Ltd.

Zheng Sibin, male, born in 1966, holds a master's degree and is an accountant without permanent residency abroad. He served as office director and vice factory director of Zhejiang Songyang Brewery, and finance supervisor, manager of Finance Department and Chief Financial Director of Nam Tai Electronics (Shenzhen) Co., Ltd. He is now a director, Vice President and President of business units of the Company, a supervisor of Shenzhen Topband Software Technology Co., Ltd., and a supervisor of Chongqing Topband Industrial Co., Ltd.

Ma Wei, male, born in 1974, holds a bachelor's degree without permanent residency abroad. He served as a technical development engineer and President of Shenzhen Huafa Electronics Co., Ltd. He is now a director, Vice President and President of business units of the Company.

Peng Ganquan, male, born in 1972, holds a master's degree without permanent residency abroad. He served as an engineer, development engineer of the electrical business unit, technical director and Vice President of Hunan Instrument and Meter Factory. He is now a director and President of business units of the Company, President and executive director of Shenzhen Allied Control System Co., Ltd., President of Shenzhen Topband Automotive Electronics Co., Ltd., and a director of TOPBAND INDIA PRIVATE LIMITED.

Li Xumeng, male, born in 1966, Chinese, holds a doctor's degree in business management without permanent residency abroad. He served as a consultant of Beijing Shangheng Zhiben Consulting Co., Ltd. and a consultant of Shanghai Danfu Business Consulting Center. He is now a researcher of Zhuoyuehui Innovation and Development (Shenzhen) Co., Ltd., a partner of Beijing Danfu Investment Management Center (General Partnership), and an independent director of the Company.

Chen Zhengxu, male, born in 1968, Chinese, is a PhD student without permanent residency abroad. He served as managing director of the investment banking department of Qilu Securities and Hongyuan Securities, an off-campus supervisor of master's degree programs of School of Economics, Shenzhen University and Department of Finance, Shanghai Normal University, an independent director of Shenzhen Kingdom Technology Co., Ltd., and an independent director of Shenzhen BTR New Energy and Materials Co., Ltd. Now he is executive director and President of Shenzhen Dingfeng Mingdao Asset Management Co., Ltd., a director of Beijing Smartlink Microchip Co., Ltd., executive director and President of Shenzhen Pumao Culture and Art Co., Ltd., executive partner of Shenzhen Daoxiang Investment Partnership (Limited Partnership), manager of Shenzhen Mingxin Venture Capital Investment Partnership (Limited Partnership), manager of Shenzhen Ming'ao Sensing Technology Venture Capital Investment Partnership (Limited Partnership), President of Shenzhen Mingdao Dandelion Venture Capital Investment Partnership (Limited Partnership), head of Shenzhen Daoxin Venture Capital Investment Partnership (Limited Partnership), and an independent director of the Company.

Qin Wei, male, born in 1979, Chinese, holds a bachelor's degree in engineering and a master's degree in economics without permanent residency abroad. Mr. Qin Wei is a non-practicing member of the Chinese Institute of Certified Public Accountants. He served as a senior credit analyst of Shenzhen China Chengxin Credit Management Co., Ltd., a business director of Huatai United Securities Co., Ltd., managing director of Topsperity Securities Co., Ltd., and managing director of Yingda Securities Co., Ltd. Now he is a director of Shenzhen Taotao Technology Co., Ltd., a director of Shenzhen Pallet Sharing Technology Co., Ltd., a director of Acecamel Technology (Shenzhen) Co., Ltd., a director of Shenzhen Qicai Xiangyun Information Technology Co., Ltd., a director of Shenzhen Hisham Technology Co., Ltd., a director of Yacovia (Guangdong) Optical Technology Co., Ltd., a director of Shenzhen Hainav Sensor Technology Co., Ltd., executive director and President of Shenzhen Taiya Dingfu Investment Consulting Co., Ltd., a founding partner of Xiamen Taiya Dingfu Investment Management Co., Ltd., a partner of Xiamen Taiya Innovation Equity Investment Partnership (Limited Partnership), an independent director of Shenzhen Fenda Technology Co., Ltd., and an independent director of the Company.

(II) Members of the Board of Supervisors

Dai Huijuan, female, born in 1976, holds a bachelor's degree without permanent residency abroad. She successively served as supervisor and manager of the Company's human resources department. Now she serves

as chairwoman of the Board of Supervisors and director of the human resources center of the Company, a director and President of Huizhou Topband Electrical Technology Co., Ltd., and a partner of Shenzhen Hongru Investment Enterprise (Limited Partnership).

Chen Jinzhou, male, born in 1978, a permanent resident of Hong Kong, China, holds a doctor's degree from the Chinese University of Hong Kong. He used to be an electronic engineer at Hong Kong Productivity Council, a senior researcher at Beijing Noitom Technology Ltd., and a senior chief engineer at Johnson Electric. Now he serves as Vice President of the microelectronics business unit and supervisor of the Company.

Kang Weiquan, male, born in 1984, holds a bachelor's degree without permanent residency abroad. He used to be a cost accountant at Shenzhen EVA Precision Industry Holdings Limited. Now he serves as a cost accountant and supervisor on behalf of workers and staff of the Company.

(III) Senior executives

Wu Yongqiang, the President, is detailed in the resume of members of the Board of Directors.

Zheng Sibin, the Vice President, is detailed in the resume of members of the Board of Directors.

Ma Wei, the Vice President, is detailed in the resume of members of the Board of Directors.

Wen Zhaohui, female, born in 1974, holds a bachelor's degree and is an accountant without permanent residency abroad. She used to be the head of Finance Department, manager of Finance Department and Chief Financial Director of Shenzhen Topband Co., Ltd., a director of Shenzhen Dynanonic Co., Ltd., and a director of Shenzhen Zhongzhiyingke Electrical Technology Co., Ltd. She is now the Vice President and Secretary of the Board of Directors of the Company. Ms. Wen Zhaohui was honored as "New Fortune Golden Secretary" for five consecutive years. She won the titles of "Excellent Secretary" awarded by Shenzhen Securities Regulatory Bureau and "Securities Times Top 100 Board Secretaries" in 2015, 2016 and 2017, and was selected into "New Fortune Hall of Fame of Golden Secretaries in 2019".

Luo Muchen, male, born in 1983, holds a bachelor's degree and is an accountant without permanent residency abroad. He served as an audit project manager of Shenzhen Branch of Ruihua Certified Public Accountants, and the report supervisor and financial manager of Shenzhen Topband Co., Ltd. Now he is the director of the Company's finance center.

Employment in shareholder entity

 Applicable Not applicable

Employment in other entities

 Applicable Not applicable

Incumbent's name	Name of another entity	Position taken in another entity	Starting date of term of office	Ending date of term of office	Receive remuneration and allowances from another entity?
Wu Yongqiang	Shenzhen Topband Software Technology Co., Ltd.	Executive director	2014/09/18/		No
Wu Yongqiang	Shenzhen Topband Battery Co., Ltd.	Executive director and President	2009/04/29/		No
Wu Yongqiang	Shenzhen Hongru Investment Management Co., Ltd.	Executive (managing) director	2015/08/20/		No
Wu Yongqiang	Shenzhen Hongru Investment Enterprise (Limited Partnership)	Partner	2015/09/02/		No
Wu Yongqiang	Shenzhen YAKO Automation Technology Co., Ltd.	Chairman	2022/12/24/		No
Wu Yongqiang	Shenzhen Topband Automation Technology Co., Ltd.	Executive director	2016/11/24/		No
Wu Yongqiang	Shenzhen Yankai Electric Technology Co., Ltd.	Executive director and President	2019/05/05/		No
Wu Yongqiang	Topband (Qingdao) Intelligent Control Co., Ltd.	Executive director and manager	2021/03/29/		No
Wu Yongqiang	Ningbo Topband Intelligent Control Co., Ltd.	Executive director and President	2017/08/28/		No
Peng Ganquan	Shenzhen Allied Control System Co., Ltd.	Executive director and President	2016/12/20/		No
Peng Ganquan	Shenzhen Topband Automotive Electronics Co., Ltd.	President	2021/09/07/		No
Peng Ganquan	TOPBAND INDIA PRIVATE LIMITED	Director	2015/12/11/		No
Zheng Sibin	Shenzhen Topband Software Technology Co., Ltd.	Supervisor	2004/02/26/		No
Zheng Sibin	Chongqing Topband Industrial Co., Ltd.	Supervisor	2008/03/12/		No
Li Xumeng	Zhuoyuehui Innovation and Development (Shenzhen) Co., Ltd.	Researcher	2018/06/01/		Yes
Li Xumeng	Beijing Danfu Investment Management Center (General Partnership)	Partner	2015/06/08/		No
Chen Zhengxu	Shenzhen Dingfeng Mingdao Asset Management Co., Ltd.	Executive director and President	2014/08/25/		Yes
Chen Zhengxu	Beijing Smartlink Microchip Co., Ltd.	Director	2017/12/21/		No
Chen Zhengxu	Shenzhen Puma Culture and Art Co., Ltd.	Executive director and President	2019/06/13/		No
Chen Zhengxu	Shenzhen Daoxiang Investment Partnership (Limited Partnership)	Executive partner	2019/06/14/		No
Chen Zhengxu	Shenzhen Mingxin Venture Capital Investment Partnership (Limited Partnership)	Manager	2021/12/20/		No
Chen Zhengxu	Shenzhen Ming'ao Sensing Technology Venture Capital Investment Partnership (Limited Partnership)	Manager	2023/04/07/		No

Chen Zhengxu	Shenzhen Mingdao Dandelion Venture Capital Investment Partnership (Limited Partnership)	President	2023/02/28/		No
Chen Zhengxu	Shenzhen Daoxin Venture Capital Investment Partnership (Limited Partnership)	Head	2022/06/17/		No
Qin Wei	Shenzhen Taotao Technology Co., Ltd.	Director	2021/03/29/		No
Qin Wei	Shenzhen Pallet Sharing Technology Co., Ltd.	Director	2021/01/19/		No
Qin Wei	Acecamel Technology (Shenzhen) Co., Ltd.	Director	2021/05/12/		No
Qin Wei	Shenzhen Qicai Xiangyun Information Technology Co., Ltd.	Director	2021/10/28/		No
Qin Wei	Shenzhen Hisham Technology Co., Ltd.	Director	2023/08/03/		No
Qin Wei	Yacovia (Guangdong) Optical Technology Co., Ltd.	Director	2020/08/10/		No
Qin Wei	Shenzhen Hainav Sensor Technology Co., Ltd.	Director	2020/12/23/		No
Qin Wei	Shenzhen Taiya Dingfu Investment Consulting Co., Ltd.	Executive director and President	2022/10/26/		No
Qin Wei	Xiamen Taiya Dingfu Investment Management Co., Ltd.	Founding partner	2016/05/16/		Yes
Qin Wei	Xiamen Taiya Innovation Equity Investment Partnership (Limited Partnership)	Partner	2019/12/18/		No
Qin Wei	Shenzhen Fenda Technology Co., Ltd.	Independent director	2022/08/22/		Yes
Dai Huijuan	Huizhou Topband Electrical Technology Co., Ltd.	Executive director and President	2011/11/14/		No
Dai Huijuan	Shenzhen Topband Automotive Electronics Co., Ltd.	Supervisor	2021/09/07/		No
Explanation of employment in other entities	None				

Punishment imposed by securities regulators in the past three years on the Company's directors, supervisors and senior executives currently in office and left office during the Reporting Period

Applicable Not applicable

3. Remuneration for directors, supervisors and senior executives

Decision-making procedure, confirmation basis and actual payment of remuneration for directors, supervisors and senior executives

1. Decision-making procedure and confirmation basis of remuneration: The remuneration of the Company's directors, supervisors and senior executives shall be paid according to the Remuneration Management System for Directors, Supervisors and Senior Executives deliberated and passed by the General Meeting of Shareholders. The Salary and Assessment Committee shall formulate a remuneration plan for directors and submit it to the Board of Directors for review and approval by the General Meeting of Shareholders.

2. The Remuneration Management System for Directors, Supervisors and Senior Executives revised at the 2nd Extraordinary General Meeting of Shareholders for 2023 held on September 26, 2023 and the Proposal on Reviewing Allowances for Independent Directors deliberated at the 2nd Extraordinary General Meeting of Shareholders for 2023 stipulate that, the allowance for independent directors of the Company is RMB 84,000 (before tax) per year, which will be paid according to their duration of service and relevant regulations. The Company shall be responsible for the travel expenses of the independent directors who attend the Board of Directors and the General Meeting of Shareholders and the expenses required for the exercise of their functions and powers according to the Articles of Association of the Company

Remuneration for directors, supervisors and senior executives in the Reporting Period

Unit: RMB ten thousand

Name	Gender	Age	Position	Position status	Total pre-tax remuneration received from the Company	Received remuneration from related parties of the Company
Wu Yongqiang	Male	59	Chairman and President	Incumbent	165.62	No
Ji Shuhai	Male	62	Director	Outgoing	6.3	No
Zheng Sibin	Male	58	Director and Vice President	Incumbent	285.45	No
Ma Wei	Male	50	Director and Vice President	Incumbent	267.63	No
Peng Ganquan	Male	52	Director	Incumbent	243.76	No
Wu Hang	Male	40	Director	Outgoing	6.3	No
Huang Yuegang	Male	66	Independent director	Outgoing	6.3	No
Hua Xiuping	Female	46	Independent director	Outgoing	6.3	No
Li Xumeng	Male	58	Independent director	Incumbent	8.4	No
Wen Zhaohui	Female	50	Vice President and Secretary of the Board of Directors	Incumbent	92.31	No
Xiang Wei	Male	47	Chief Financial Director	Outgoing	41.43	No
Dai Huijuan	Female	48	Supervisor	Incumbent	96.12	No
Kang Weiquan	Male	40	Supervisor	Incumbent	43.98	No
Chen Jinzhou	Male	46	Supervisor	Incumbent	93.83	No
Luo Muchen	Male	41	Chief Financial Director	Incumbent	58.43	No
Chen Zhengxu	Male	56	Independent director	Incumbent	2.1	No
Qin Wei	Male	45	Independent director	Incumbent	2.1	No
Total	--	--	--	--	1,426.36	--

Explanation of other situations

Applicable Not applicable

VI. Directors' performance of duties during the Reporting Period

1. Information on the Board of Directors during the Reporting Period

Meeting session	Meeting date	Date of disclosure	Meeting resolution
The 31st Meeting of the 7th Board of Directors	2023/01/12/	2023/01/14/	<ol style="list-style-type: none"> 1. Deliberated and passed the Proposal on Carrying out Forward Foreign Exchange Trading Business; 2. Deliberated and passed the Proposal on Signing a Procurement Framework Agreement with Shenzhen Jizhiguang Electronics Co., Ltd.
The 32nd Meeting of the 7th Board of Directors	2023/03/29/	2023/03/31/	<ol style="list-style-type: none"> 1. Deliberated and passed the Proposal on Annual Report 2022 and Its Abstract; 2. Deliberated and passed the Proposal on 2022 Work Report of the Board of Directors; 3. Deliberated and passed the Proposal on 2022 Work Report of the President; 4. Deliberated and passed the Proposal on 2022 Final Financial Report; 5. Deliberated and passed the Proposal on 2022 Profit Distribution Plan; 6. Deliberated and passed the Proposal on Formulating the Shareholders' Dividend Plan for the Next Three Years (2023-2025) of Shenzhen Topband Co. Ltd.; 7. Deliberated and passed the Proposal on 2022 Internal Control Evaluation Report; 8. Deliberated and passed the Proposal on Remuneration of Company Directors in 2022; 9. Deliberated and passed the Proposal on the Remuneration of Senior Executives of the Company in 2022; 10. Deliberated and passed the Proposal on the Special Report on the Deposit and Use of Raised Funds in 2022; 11. Deliberated and passed the Proposal on Fulfillment of Restricted Share Release Conditions for 2021 Restricted Stock Incentive Plan after the First Restricted Stock Trade Period; 12. Deliberated and passed the Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021; 13. Deliberated and passed the Proposal on Cash Management with Some Idle Raised Capitals and Self-own Funds; 14. Deliberated and passed the Proposal on Application for Comprehensive Credit Line from Banks by the Company and Its Subsidiaries in 2023; 15. Deliberated and passed the Proposal on Renewing the Employment of Audit Institution in 2023. 16. Deliberated and passed the Proposal on the 2022 ESG and Social Responsibility Report; 17. Deliberated and passed the Proposal on Provision for Asset Impairment in 2022; 18. Deliberated and passed the Proposal on Accounting Policy Changes; 19. Deliberated and passed the Proposal on Convening the 2022 Annual General Meeting of Shareholders.
The 33rd Meeting of the 7th Board of Directors	2023/04/25/	2023/04/26/	<ol style="list-style-type: none"> 1. Deliberated and passed the Proposal on the First Quarter Report in 2023; 2. Deliberated and passed the Proposal on Adjusting the Repurchase Price in the 2021 Restricted Stock Incentive Plan.
The 34th (Extraordinary) Meeting of the 7th Board of Directors	2023/05/30/	2023/05/31/	<ol style="list-style-type: none"> 1. Deliberated and passed the Proposal on the Appointment of the Company's Chief Financial Officer.
The 35th (Extraordinary) Meeting of the 7th Board of Directors	2023/06/04/	2023/06/05/	<ol style="list-style-type: none"> 1. Deliberated and passed the Proposal on Increasing the Company's Business Scope and Amending the Articles of Associations; 2. Deliberated and passed the Proposal on Convening the 1st Extraordinary General Meeting of Shareholders in 2023.

The 36th Meeting of the 7th Board of Directors	2023/08/15/	2023/08/17/	<ol style="list-style-type: none"> 1. Deliberated and passed the Proposal on Semi-annual Report 2023 and Its Abstract; 2. Deliberated and passed the Proposal on the Special Report on the Deposit and Use of Raised Funds in the Half Year of 2023;
The 37th Meeting of the 7th Board of Directors	2023/09/07/	2023/09/09/	<ol style="list-style-type: none"> 1. Deliberated and passed the Proposal on the General Election of Non-independent Directors for the Board of Directors; 2. Deliberated and passed the Proposal on the General Election of Independent Directors for the Board of Directors; 3. Deliberated and passed the Proposal on Changing the Use of Part of the Raised Funds and Permanently Supplementing Working Capital; 4. Deliberated and passed the Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021; 5. Deliberated and passed the Proposal on Amending the Articles of Association; 6. Deliberated and passed the Proposal on Amending the Rules of Procedure for the General Meeting of Shareholders; 7. Deliberated and passed the Proposal on Amending the Rules of Procedure for the Board of Directors; 8. Deliberated and passed the Proposal on Amending the Rules of Procedure for the Audit Committee of the Board of Directors; 9. Deliberated and passed the Proposal on Amending the Rules of Procedure for the Nomination Committee of the Board of Directors; 10. Deliberated and passed the Proposal on Amending the Rules of Procedure for the Salary and Assessment Committee of the Board of Directors; 11. Deliberated and passed the Proposal on Amending the Rules of Procedure for the Strategy Committee of the Board of Directors; 12. Deliberated and passed the Proposal on Amending the Remuneration Management System for Directors, Supervisors and Senior Executives; 13. Deliberated and passed the Proposal on Amending the Management Measures on the Shares of the Company Held by Directors, Supervisors and Senior Executives and the Changes of These Shares; 14. Deliberated and passed the Proposal on Formulating the Working System of the Secretary of the Board of Directors; 15. Deliberated and passed the Proposal on Amending the President's Work Rules; 16. Deliberated and passed the Proposal on Formulating the Working System for Independent Directors; 17. Deliberated and passed the Proposal on Amending the Financial Management System; 18. Deliberated and passed the Proposal on Amending the Internal Audit System; 19. Deliberated and passed the Proposal on Formulating the Management System for Providing Financial Assistance to External Parties; 20. Deliberated and passed the Proposal on Amending the Overseas Investment Management System; 21. Deliberated and passed the Proposal on Amending the Working System of the Information Disclosure Committee; 22. Deliberated and passed the Proposal on Amending the Management Measures of Raised Funds; 23. Deliberated and passed the Proposal on Amending the Public Information Disclosure Management System; 24. Deliberated and passed the Proposal on Formulating the Management System of Foreign Exchange Derivatives Trading; 25. Deliberated and passed the Proposal on Formulating the Entrusted Financial Management System; 26. Deliberated and passed the Proposal on Amending the Accountability System for Major Errors in Information Disclosure in Annual Reports; 27. Deliberated and passed the Proposal on Amending the External Guarantee Management System; 28. Deliberated and passed the Proposal on Amending the Related-party Transaction Management System; 29. Deliberated and passed the Proposal on Reviewing Independent Directors'

			Allowances; 30. Deliberated and passed the Proposal on Convening the 2nd Extraordinary General Meeting of Shareholders in 2023.
The 1st Meeting of the 8th Board of Directors	2023/09/26/	2023/09/27/	1. Deliberated and passed the Proposal on the Election of the Chairman of the 8th Board of Directors of the Company; 2. Deliberated and passed the Proposal on the Election of Members of the Special Committee of the 8th Board of Directors; 3. Deliberated and passed the Proposal on the Appointment of the Company's President; 4. Deliberated and passed the Proposal on the Appointment of the Company's Vice President; 5. Deliberated and passed the Proposal on the Appointment of the Company's Financial Leader (Chief Financial Officer); 6. Deliberated and passed the Proposal on the Appointment of the Company's Secretary of the Board of Directors; 7. Deliberated and passed the Proposal on the Appointment of the Company's Securities Affairs Representative; 8. Deliberated and passed the Proposal on the Appointment of the Head of the Company's Audit Department; 9. Deliberated and passed the Proposal on Authorizing the Chairman to Approve the Overseas Investments of the Company and Its Wholly-owned and Holding Subsidiaries.
The 2nd Meeting of the 8th Board of Directors	2023/10/25/		1. Deliberated and passed the Proposal on the Third Quarter Report in 2023 and Abstract;
The 3rd (Extraordinary) Meeting of the 8th Board of Directors	2023/10/27/	2023/10/30/	1. Deliberated and passed the Proposal on the Repurchase of the Company's Shares;
The 4th (Extraordinary) Meeting of the 8th Board of Directors	2023/12/01/	2023/12/02/	1. Deliberated and passed the Proposal on Terminating the Implementation of the Restricted Stock Incentive Plan for 2021 and Repurchasing and Cancelling Restricted Stocks; 2. Deliberated and passed the Proposal on Temporarily Replenishing Working Capital with Some Idle Raised Capitals; 3. Deliberated and passed the Proposal on Formulating the Working System for Special Meetings of Independent Directors; 4. Deliberated and passed the Proposal on Convening the 3rd Extraordinary General Meeting of Shareholders in 2023.

2. Directors' attendance at board meetings and general meetings of shareholders

Directors' attendance at board meetings and general meetings of shareholders							
Name of directors	Number of board meetings during the Reporting Period	Number of on-site board meetings attended	Number of board meetings attended by correspondence	Number of board meetings attended by an authorized person	Number of absences from board meetings	Whether you have failed to attend the board meetings in person for two consecutive times	Number of the general meetings of shareholders attended
Wu Yongqiang	11	10	1	0	0	No	4
Ji Shuhai	7	5	2	0	0	No	3
Ma Wei	11	11	0	0	0	No	4
Peng Ganquan	11	11	0	0	0	No	4
Zheng Sibin	11	10	1	0	0	No	4

Wu Hang	7	6	1	0	0	No	3
Huang Yuegang	7	2	5	0	0	No	3
Hua Xiuping	7	2	5	0	0	No	3
Li Xumeng	11	6	5	0	0	No	4
Chen Zhengxu	4	1	3	0	0	No	1
Qin Wei	4	1	3	0	0	No	1

Explanation for failure to attend the board meetings in person for two consecutive times

Not applicable

3. Objections raised by Directors to the matters related to the Company

Whether Directors raise objections to matters related to the Company

Yes No

During the Reporting Period, the Directors raised no objections to relevant matters of the Company.

4. Other descriptions on directors' performance of duties

Whether the directors' proposals to the Company have been adopted

Yes No

Director's explanation on the adoption or rejection of the Company's proposals

During the Reporting Period, all directors of the Company performed their duties diligently and strictly followed the relevant regulations of the CSRC and the Shenzhen Stock Exchange as well as the Articles of Association, Rules of Procedure for the Board of Directors and other regulations to carry out their work. They paid close attention to the standardized operation and management of the Company. Based on the actual situation of the Company, they put forward professional and constructive opinions on the Company's major decisions. After sufficient communication and discussion, resolutions were formed to ensure that decisions were scientific, timely and efficient, so as to safeguard the legitimate rights and interests of the Company and its all shareholders.

VII. Status of special committees under the Board of Directors during the Reporting Period

Name of the committee	Members	Number of meetings held	Meeting date	Meeting content	Important opinions and suggestions put forward	Other performance of duties	Details of objections (if any)

The 7th Audit Committee	Huang Yuegang, Li Xumeng, Hua Xiuping		2023/01/31/	<p>1. Deliberated the Proposal on the Preliminary Review Opinion on 2022 Annual Financial Statements of the Company;</p> <p>2. Deliberated the Proposal on the Time and Arrangement of Annual Report 2022 Audit Work of the Company;</p> <p>3. Deliberated the Proposal on the Audit Department's Work Report for the Fourth Quarter of 2022 and Work Plan for the First Quarter of 2023;</p> <p>4. Deliberated the Proposal on Summary of the Audit Department's Work in 2022 and Work Plan for Next Year.</p>	The Audit Committee reviewed the matters under consideration in strict accordance with the Rules of Procedure for the Audit Committee of the Board of Directors and relevant laws and regulations, and fully communicated with the Finance Department and the Auditing Agency, and unanimously agreed to the relevant proposals.	Not applicable	Not applicable
The 7th Audit Committee	Huang Yuegang, Li Xumeng, Hua Xiuping	4	2023/03/29/	<p>1. Deliberated the Proposal on Opinions on 2022 Financial Accounting Report;</p> <p>2. Deliberated the Proposal on 2022 Internal Control Evaluation Report;</p> <p>3. Deliberated the Proposal on the Audit Opinions on the Occupation of the Company's Funds and External Guarantees by Controlling Shareholders and Other Related Parties;</p> <p>4. Deliberated the Proposal on Renewing the Employment of Baker Tilly China Certified Public Accountants as the Company's Audit Institution for 2023;</p> <p>5. Deliberated the Proposal on Provision for Asset Impairment in 2022;</p> <p>6. Deliberated the Proposal on the Special Report on the Deposit and Use of Raised Funds in 2022;</p> <p>7. Deliberated on the Proposal on Reviewing the Company's Use of Funds and Profit and Loss Situation in Forward Foreign Exchange Transactions in 2022.</p>	The Audit Committee reviewed the matters under consideration in strict accordance with the Rules of Procedure for the Audit Committee of the Board of Directors and relevant laws and regulations, and fully communicated with the Finance Department and the Auditing Agency, and unanimously agreed to the relevant proposals.	Not applicable	Not applicable
The 7th Audit Committee	Huang Yuegang, Li Xumeng, Hua Xiuping		2023/04/25/	<p>1. Deliberated the Proposals on Opinions on the Financial Accounting Statement for the First Quarter of 2023;</p> <p>2. Deliberated the Proposal on the Audit Department's Work Report for the First Quarter of 2023 and Work</p>	The Audit Committee reviewed the matters under consideration in strict accordance with the Rules of Procedure for the Audit Committee of the Board of	Not applicable	Not applicable

				<p>Plan for the Second Quarter;</p> <p>3. Deliberated the Proposal on the Occupation of the Company's Funds and External Guarantees by Controlling Shareholders and Other Related Parties for the First Quarter of 2023;</p> <p>4. Deliberated on the Proposal on Reviewing the Company's Use of Funds and Profit and Loss Situation in Forward Foreign Exchange Transactions for the First Quarter of 2023.</p>	<p>Directors and relevant laws and regulations, and fully communicated with the Finance Department and the Auditing Agency, and unanimously agreed to the relevant proposals.</p>		
The 7th Audit Committee	Huang Yuegang, Li Xumeng, Hua Xiuping		2023/08/15/	<p>1. Deliberated the Proposal on the Audit Department's Work Report for the Second Quarter of 2023 and Work Plan for the Third Quarter;</p> <p>2. Deliberated the Proposal on the Occupation of the Company's Funds and External Guarantees by Controlling Shareholders and Other Related Parties for the Second Quarter of 2023;</p> <p>3. Deliberated on the Proposal on Reviewing the Company's Use of Funds in Forward Foreign Exchange Transactions for the Second Quarter of 2023.</p> <p>4. Deliberated the Proposal on Opinions on the Company's Mid-year Financial Accounting Statement in 2023;</p>	<p>The Audit Committee reviewed the matters under consideration in strict accordance with the Rules of Procedure for the Audit Committee of the Board of Directors and relevant laws and regulations, and fully communicated with the Finance Department and the Auditing Agency, and unanimously agreed to the relevant proposals.</p>	Not applicable	Not applicable
The 7th Audit Committee	Huang Yuegang, Li Xumeng, Hua Xiuping		2023/10/25/	<p>1. Deliberated the Proposal on Opinions on the Company's Financial Accounting Statement for the Third Quarter of 2023;</p> <p>2. Deliberated the Proposal on the Audit Report on the Deposit and Use of the Company's Raised Funds for the Third Quarter of 2023.</p> <p>3. Deliberated the Proposal on the Opinions on the Occupation of the Company's Funds and External Guarantees by Controlling Shareholders and Other Related Parties for the Third Quarter of 2023;</p> <p>4. Deliberated on the Proposal on Reviewing the Company's Use of Funds and Profit and Loss</p>	<p>The Audit Committee reviewed the matters under consideration in strict accordance with the Rules of Procedure for the Audit Committee of the Board of Directors and relevant laws and regulations, and fully communicated with the Finance Department and the Auditing Agency, and unanimously agreed to the relevant proposals.</p>	Not applicable	Not applicable

				Situation in Forward Foreign Exchange Transactions for the Third Quarter of 2023.			
The 8th Audit Committee	Qin Wei, Li Xumeng, Chen Zhengxu	1	2023/10/25/	<p>1. Deliberated the Proposal on Opinions on the Company's Financial Accounting Statement for the Third Quarter of 2023;</p> <p>2. Deliberated the Proposal on the Audit Report on the Deposit and Use of the Company's Raised Funds for the Third Quarter of 2023.</p> <p>3. Deliberated the Proposal on the Opinions on the Occupation of the Company's Funds and External Guarantees by Controlling Shareholders and Other Related Parties for the Third Quarter of 2023;</p> <p>4. Deliberated on the Proposal on Reviewing the Company's Use of Funds and Profit and Loss Situation in Forward Foreign Exchange Transactions for the Third Quarter of 2023.</p>	The Audit Committee reviewed the matters under consideration in strict accordance with the Rules of Procedure for the Audit Committee of the Board of Directors and relevant laws and regulations, and fully communicated with the Finance Department and the Auditing Agency, and unanimously agreed to the relevant proposals.	Not applicable	Not applicable
The 7th Salary and Assessment Committee	Hua Xiuping, Wu Yongqiang, Huang Yuegang	2	2023/03/29/	<p>1. Proposal on Remuneration of Company Directors in 2022;</p> <p>2. Proposal on the Remuneration of the Company's Senior Executives in 2022;</p> <p>3. Proposal on Fulfillment of Restricted Share Release Conditions for 2021 Restricted Stock Incentive Plan after the First Restricted Stock Trade Period;</p> <p>4. The Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021;</p>	The Salary and Assessment Committee of the Board of Directors deliberated the matters under consideration in strict accordance with the Rules of Procedure of the Salary and Assessment Committee of the Board of Directors and relevant laws and regulations, and unanimously agreed to the relevant proposals.	Not applicable	Not applicable
The 7th Salary and Assessment Committee	Hua Xiuping, Wu Yongqiang, Huang Yuegang		2023/09/07/	<p>1. Proposal on Reviewing Independent Directors' Allowances;</p> <p>2. Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021;</p>	The Salary and Assessment Committee of the Board of Directors deliberated the matters under consideration in strict accordance with the Rules of Procedure of the Salary and Assessment Committee of the Board of Directors	Not applicable	Not applicable

					and relevant laws and regulations, and unanimously agreed to the relevant proposals.		
The 7th Nomination Committee	Li Xumeng, Wu Yongqiang, Huang Yuegang	2	2023/05/30/	1. Proposal on the Appointment of the Company's Chief Financial Officer.	The Salary and Assessment Committee of the Board of Directors deliberated the matters under consideration in strict accordance with the Rules of Procedure of the Nomination Committee of the Board of Directors and relevant laws and regulations, and unanimously agreed to the relevant proposals.	Not applicable	Not applicable
The 7th Nomination Committee	Li Xumeng, Wu Yongqiang, Huang Yuegang		2023/09/07/	1. Proposal on the General Election of the Board Of Directors.	The Salary and Assessment Committee of the Board of Directors deliberated the matters under consideration in strict accordance with the Rules of Procedure of the Nomination Committee of the Board of Directors and relevant laws and regulations, and unanimously agreed to the relevant proposals.	Not applicable	Not applicable
The 7th Strategy Committee	Wu Yongqiang Zheng Sibin Peng Ganquan Ma Wei Li Xumeng	1	2023/09/07/	1. Notice on Changing the Use of Part of the Raised Funds and Permanently Supplementing Working Capital;	The Strategy Committee of the Board of Directors deliberated the matters under consideration in strict accordance with the Rules of Procedure of the Nomination Committee of the Board of Directors and relevant laws and regulations, and unanimously agreed to the relevant proposals.	Not applicable	Not applicable

VIII. Work of the Board of Supervisors

Whether the Board of Supervisors found any risks in the Company during its supervisory activities during the Reporting Period

Yes No

The Board of Supervisors had no objection to the supervisory matters during the Reporting Period.

IX. Information on the Company's employees

1. Number of employees, specialty composition and education level

Number of employees of the parent company at the end of the Reporting Period (person)	2,373
Number of employees in major subsidiaries at the end of the Reporting Period (person)	6,950
Total number of employees at the end of the Reporting Period (person)	9,323
Total number of salaried employees in the current period (person)	9,323
Number of retired employees whose expenses need to be borne by the parent company and major subsidiaries (person)	7
Specialty composition	
Specialty composition category	Number of specialty composition (person)
Production personnel	5,224
Salesperson	629
Technician	2,004
Financial staff	111
Administrative personnel	655
Logistics personnel	700
Total	9,323
Education level	
Education level category	Number (person)
Bachelor or above	3,215
Junior college level	1,482
Below junior college level	4,626
Total	9,323

2. Remuneration policy

The Company formulates salary management regulations in accordance with relevant national labor regulations and policies and its actual situation, and assesses and pays salaries in accordance with the salary management regulations. The Company strictly complies with the Labor Law and relevant national and local labor laws and regulations, signs labor contracts with employees, and pays various employee insurance according to regulations. The Company's overall remuneration consists of the following three parts: fixed salary, performance-based salary and welfare allowances. Fixed salary includes basic salary, position salary and confidentiality salary; performance-based salary includes performance bonus, year-end bonus and special bonus; and welfare includes mandated benefits, company benefits and allowances.

3. Training plan

The Company gives a priority to the training programs, and has established a talent training system combining professional competence and leadership, including routine training, professional module training and management cadre training. Different training courses are formulated in stages for new employees, personnel in professional positions such as R&D, procurement, and sales, and middle and senior managers. An annual training plan is implemented in the areas of corporate culture, professional skills, management improvement, professional ethics, and mental health. Through the combination of internal and external training, excellent human resources support is provided for the sustainable development of the Company.

During the Reporting Period, in order to help new employees better adapt to the new work environment and positions, become familiar with the Company's relevant systems, and integrate into the corporate culture, the Company's Human Resources Center prepared courses and implemented an annual training plan in the areas of corporate culture, professional skills, management improvement, professional ethics, and mental health. Integrating internal and external training into the office environment. In the "New Employee Training" section, the training content covers company profile, benefits, corporate culture, information systems, finance and intellectual property, legal basics and commercial confidentiality knowledge, ISC core ideas and concepts, and occupational mental health, covering all the new employees. At the same time, for employees on the production line, the Company continues to provide on-site training, and provides special training in the terms of taking up posts, on-duty issues, job transfers, and special skill positions, so as to improve the professional capabilities of front-line employees in workplace safety, operating procedures, and quality control.

In addition, in order to improve the effectiveness of professional training, the module heads of departments of the Company and the Talent Development Department of the Company's Human Resources Center jointly formulated the 2023 professional training plan based on actual business needs; at the same time, the Talent Development Department of the Human Resources Center supervised and managed the implementation to ensure the feasibility of the training plan. In 2023, the Company held targeted professional training for all professional module positions from time to time, including finance, legal affairs, patents, customs, procurement, supply chain, sales, R&D, manufacturing and quality, etc. Experts from various fields were invited to regularly communicate and share on these professional modules, technologies and other topics.

The Company pays attention to the training of the current managers and management trainees, and has formulated different training plans for them at different levels. During the Reporting Period, multiple sessions of "New Goose Training Camp" (supervisor trainees) and "Flying Goose Training Camp" (management trainees)

were carried out in Shenzhen, Huizhou, Ningbo, Vietnam, Romania and other places. The "New Goose/Flying Goose Training Camp" is a professional training program for the Company's internal management trainees/current managers. The program for current managers not only allows managers to learn management knowledge and absorb others' experience in a timely manner, but also provides a learning platform for sharing and communication. The program for management trainees prepares future managers for knowledge reserve and assessment before they enter management positions, and only those who pass the assessment can successfully enter the management talent pool. In addition to basic course training, the training plan involves targeted training activities such as management case practice, management development, micro-lesson presentations, and IDP instructions by internal intermediate and senior tutors. In addition to basic course activities, the Company assigns 2-3 management tutors to each trainee, who conduct monthly face-to-face interviews to help trainees change their mindset and quickly adapt to management roles.

In order to better assist talent development, the Company continues to promote the construction of a job qualification system, and carries out job qualification sorting and job personnel certification. During the Reporting Period, the Company completed the review of qualification standards for 16 positions in the fields of manufacturing, quality, R&D, etc., and completed certification for a total of approximately 300 people. At the same time, based on the job qualification system, the Company has built 9 job learning maps in professional fields and output 29 learning map courses. The job learning map provides staff in different positions with clear and definite knowledge and skills required for personal development and improvement, and provides targeted courses on the required professional knowledge and skills for each position, effectively helping personnel in different positions improve their professional capabilities.

4. Labor outsourcing

Applicable Not applicable

X. Profit distribution and conversion of capital accumulation fund to share capital in the Reporting Period

Profit distribution policy during the Reporting Period, especially the formulation, implementation or adjustment of the cash dividend policy

Applicable Not applicable

During the Reporting Period, the Company's Board of Directors formulated the Company's 2022 Profit Distribution Plan, after detailed consultation with and listening to the opinions of the Company's shareholders, in combination with the Company's 2022 profit situation, investment situation and 2023 investment and expenditure plans. The 2022 Profit Distribution Plan was deliberated and passed at the 32nd Meeting of the 7th Board of Directors and the 2022 Annual General Meeting of Shareholders. The 2022 Profit Distribution Plan is as follows. Based on the Company's total share capital on the equity registration date, minus 1,264,354,172 shares of the repurchased shares in the Company's repurchase account, a cash dividend of RMB 0.6 (tax inclusive) for every 10 shares will be distributed to all shareholders. No accumulation fund will be converted to share capital, and no bonus shares will be issued. The above profit distribution plan was implemented on May 4, 2023. The 2022 Profit Distribution Plan is in compliance with laws, regulations, the Articles of Association and the Company's Shareholder Dividend Plan for the Next Three Years (2020-2023), and the profit distribution decision-making procedure complies with the provisions of relevant laws, regulations, rules and codes.

Special description of cash dividend policy	
Whether it complies with the provisions of the Company's Articles of Association or the requirements of the resolutions of shareholders' meeting:	Yes
Are the dividend criteria and proportion clear and explicit?	Yes
Are the relevant decision-making procedures and mechanisms complete?	Yes
Have independent directors fulfilled their duties and played their due role:	Yes
If the Company does not distribute cash dividends, it shall disclose the specific reasons and the measures it intends to take to enhance the level of investor returns:	Not applicable
Do small and medium shareholders have sufficient opportunities to express their opinions and demands, and are their legitimate rights and interests fully protected:	Yes
If the cash dividend policy is adjusted or changed, are the conditions and procedures compliant and transparent?	Not applicable

The Company is profitable during the Reporting Period and the parent company has positive profit available for distribution to shareholders, but no cash dividend distribution plan has been proposed

Applicable Not applicable

Profit distribution and conversion of capital accumulation fund to share capital in the Reporting Period

Applicable Not applicable

Number of bonus shares send for every 10 shares (shares)	0
Number of dividend paid for every 10 shares (RMB) (tax inclusive)	0.6
Equity base of the distribution plan (shares)	1,229,476,988
Cash dividends (RMB) (tax inclusive)	73,768,619.28
Amount of cash dividends distributed in other ways (such as share repurchase) (RMB)	0.00
Total cash dividends (including other methods) (RMB)	73,768,619.28

Distributable profit (RMB)	1,222,980,822.83
The proportion of total cash dividends (including other methods) to total profit distribution	100%
Distribution of cash dividends in this period	
If the Company is in the growth period and has major capital expenditures, the cash dividend shall account for at least 20% of the profit distribution.	
Detailed description of the profit distribution or capital accumulation fund conversion plan	
The Company's profit distribution plan for 2023 is as follows: Based on the Company's total share capital of 1,229,476,988 shares (excluding repurchase accounts and restricted shares to be cancelled), a cash dividend of RMB 0.6 (tax inclusive) per 10 shares will be paid to all shareholders. The Company will not convert its accumulation fund to share capital and will not issue bonus shares. The accumulated undistributed profits remaining after the implementation of the profit distribution plan shall be carried forward to subsequent years. If the Company's total share capital changes before the implementation of the profit distribution plan due to share repurchase or other reasons, the total distribution amount will be adjusted accordingly based on the principle of maintaining the same distribution ratio per share.	

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

Applicable Not applicable

1. Equity incentive

Implementation of the 2021 Restricted Stock Incentive Plan:

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

(2) The Company held the 14th Meeting of the 7th Board of Directors and the 11th Meeting of the 7th Board of Supervisors on October 13, 2021, which deliberated and passed the Proposal on the Company's 2021 Restricted Stock Incentive Plan (Draft) and Its Abstract, the Proposal on the Appraisal Management Measures for the Implementation of the 2021 Restricted Stock Incentive Plan, and the Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to the Company's 2021 Restricted Stock Incentive Plan and agreed to grant 34 million restricted stocks to 1,250 incentive objects. The 11th Meeting of the 7th Board of Supervisors of deliberated and passed relevant proposals and verified the list of incentive objects in this incentive plan. Independent directors expressed independent opinions on this matter,

and lawyers issued legal opinions.

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

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

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

(6) On December 7, 2021, the Company held the 17th (Extraordinary) Meeting of the 7th Board of

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

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

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

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

(10) On August 18, 2022, the 27th (Extraordinary) Meeting of the 7th Board of Directors and the 22nd

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

(11) On November 23, 2022, the 28th (Extraordinary) Meeting of the 7th Board of Directors and the 23rd (Extraordinary) Meeting of the 7th Board of Supervisors deliberated and passed the Proposal on Adjusting Corporate-level Performance Evaluation Indicators of 2021 Restricted Stock Incentive Plan, and agreed to adjust the corporate-level performance evaluation indicators of 2021 Restricted Stock Incentive Plan. Independent directors expressed independent opinions, the law firm issued legal opinions, and affiliated directors recused themselves from voting. The above matters had been deliberated and passed on the 3rd Extraordinary General Meeting of Shareholders in 2022.

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

(13) On March 29, 2023, the 32nd Meeting of the 7th Board of Directors and the 27th Meeting of the 7th Board of Supervisors, deliberated and passed the Proposal on Fulfillment of Restricted Share Release Conditions for 2021 Restricted Stock Incentive Plan after the First Restricted Stock Trade Period and Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021. 9,351,936 shares granted to 1,109 people under the 2021 Incentive Plan can be released after the first restricted stock trade period. Meanwhile, 39 people, including Li Chaoyi, Wang Caihui and Ding Bo, resigned and left the Company due to personal reasons, and four of the grantees, including Tang Yingjie and Shi Wenhui, of the incentive plan achieved a "Good" or "OK" level in the performance appraisal, resulted in the release of 80% of the restricted stock. It was approved to repurchase and deregister a total of 870,660 restricted shares formerly owned by the above 43 people that shall not be released. An independent director of the Company given his independent opinion for the approval, and the law firm issued the corresponding legal opinion.

(14) On April 12, 2023, the release conditions for the first release period under the Company's 2021 Restricted Stock Incentive Plan have been fulfilled. On March 29, 2023, the 32nd Meeting of the 7th Board of Directors of the Company deliberated and passed the Proposal on Fulfillment of Restricted Share Release Conditions for 2021 Restricted Stock Incentive Plan after the First Restricted Stock Trade Period. The release conditions for the first restricted stock trade period set out in the Company's 2021 Incentive Plan have been met. A total of 9,351,936 shares were released from the said period, accounting for 0.7366% of the Company's total share capital. The number of incentive recipients involved is 1,109. There is no difference between the relevant content of the 2021 Incentive Plan implemented this time and the disclosed incentive plan.

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

(16) On September 7, 2023, the 37th Meeting of the 7th Board of Directors and the 30th Meeting of the 7th Board of Supervisors deliberated and passed the Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021, and agreed to repurchase and cancel 1,062,600 restricted stocks that have been granted but not yet unlocked of 65 incentive objects, including Wang Lin and Sun Liangquan in the 2021 Restricted Stock Incentive Plan, who resigned from the Company due to personal reasons. The above matters had been deliberated and passed on the 2nd Extraordinary General Meeting of Shareholders in 2023.

(17) On November 16, 2023, after review and confirmation by the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd., the repurchase and cancellation of 1,933,260 restricted shares of 104 former employees including Li Chaoyi, Wang Caizhi, Ding Bo, and 4 employees including Tang Yingjie and Shi Wenhui (resigned) who were unable to release the restriction on sale due to the first-period performance appraisal were completed. The number of incentive objects in 2021 Restricted Stock Incentive Plan reduced from 1,148 to 1,044, and the general capital reduced from 1,269,535,372 shares to 1,267,602,112 shares.

(18) On December 1, 2023, the Company held the 4th (Extraordinary) Meeting of the 8th Board of

Directors and the 3rd (Extraordinary) Meeting of the 8th Board of Supervisors to deliberate and pass the Proposal on Terminating the Implementation of the Restricted Stock Incentive Plan for 2021 and Repurchasing and Cancelling Restricted Stocks, agreeing to repurchase and cancel 270,900 restricted shares that have been granted but not yet exercised by 20 incentive objects including Shen Haibing and Wang Sifu who have resigned for personal reasons at a price of RMB 7.12 per share; and agreeing to repurchase and cancel 20,496,224 restricted shares that have been granted but not yet released by 1,024 in-service incentive objects at a price of RMB 7.35 per share (it was rounded off, and the payment amount was subject to the actual calculation). The above matters had been deliberated and passed on the 3rd Extraordinary General Meeting of Shareholders in 2023.

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

Equity incentives received by the Company's directors and senior executives

Applicable Not applicable

Unit: Share

Name	Position	Number of stock options held at the beginning of the year	Number of new stock options granted during the Reporting Period	Number of shares exercisable during the Reporting Period	Number of shares exercised during the Reporting Period	Exercise price (RMB/share)	Number of stock options held at the end of the period	Stock market price at the end of the Reporting Period (RMB/share)	Number of restricted stocks held at the beginning of the period	The number of shares released in this period	Number of restricted stocks newly granted during the Reporting Period	Grant price of restricted stocks (RMB/share)	Number of restricted stocks held at the end of the period
Ma Wei	Director, Vice President and BG	0	0	0	0	0	0	0	616,000	184,800	0	7.23	431,200
Zheng Sibin	Director, Vice President and BG	0	0	0	0	0	0	0	533,000	159,900	0	7.23	373,100
Peng Ganquan	Director and BG President	0	0	0	0	0	0	0	400,000	120,000	0	7.23	280,000
Wen Zhaohui	Vice President and Secretary of the Board of Directors	0	0	0	0	0	0	0	183,000	54,900	0	7.23	128,100
Xiang Wei	Former Chief Financial Officer	0	0	0	0	0	0	0	183,000	54,900	0	7.23	128,100
Luo Muchen	Current Chief Financial Officer	0	0	0	0	0	0	0	50,000	15,000	0	7.23	35,000

Total	--					--	--	1,965,000	589,500	0	--	1,375,500
Remarks (if any)	During the Reporting Period, the release conditions for the first restricted stock trade period set out in the 2021 Restricted Stock Incentive Plan have been met. The proportion of release is 30%.											

Evaluation and incentives of senior executives

The performance appraisal of the Company's core management personnel is based on the Company's operating efficiency and strategic goals. It is based on the Company's annual production, operation, and management capacity building and the completion of the goals of the managers' respective work. The appraisal is conducted in the principles of combining distribution according to work with responsibilities, rights, and interests, linking income levels with the Company's performance and the goals of their respective work, giving equal weight to incentives and constraints, and combining result appraisal with process management. The remuneration distribution of senior executives is determined based on the appraisal results to promote the Company's long-term development and the achievement of its strategic goals.

The Company's senior executive remuneration is implemented on an annual salary basis, which consists of basic annual salary, performance-based annual salary and long-term equity incentives. The basic annual salary is mainly determined based on the Company's average salary level of senior executives in the previous year, with reference to factors such as industry characteristics and market salary trends. The performance-based annual salary is determined based on the year-end management level, operating efficiency and operating quality, and is submitted to the Board of Directors for review and distribution after assessment. The long-term equity incentive is formulated by the Company's regular equity incentive assessment management measures.

2. Implementation of employee stock ownership plan

Applicable Not applicable

3. Other employee incentives

Applicable Not applicable

XII. Construction and implementation of internal control system during the Reporting Period

1. Construction and implementation of internal control

During the Reporting Period, the Company continued to update and improve its internal control system based on the actual situation of the Company, in accordance with the Basic Standards for Enterprise Internal Control, Management Measures for Independent Directors of Listed Companies, Guidelines for the Application

of Enterprise Internal Control and other normative documents, combined with the Company's internal control system and evaluation methods, on the basis of daily supervision and special supervision of internal control. During the Reporting Period, the Company revised the Articles of Association, Rules of Procedure for the General Meeting of Shareholders, Rules of Procedure for the Board of Directors and other systems in accordance with the latest provisions of the latest laws, regulations and normative documents and in light of the Company's actual situation, and new internal management systems such as the Working System for Secretary of the Board of Directors, Working System for Independent Directors and Working System for Special Meetings of Independent Directors. At the same time, according to management needs, the Company set up an internal audit agency and special meetings of independent directors. These mechanisms coordinated with the audit committee and independent directors to supervise and inspect the implementation of relevant systems. This can effectively ensure the implementation of the Company's rules and regulations, reduce operating risks, and strengthen internal control. The Company continued to optimize its organizational structure, and clarified the responsibilities of each department and corresponding positions. In this way, the Company effectively controlled the implementation of internal controls involved in the entire process of business management activities, such as decision-making, execution, supervision, and feedback, effectively avoiding internal control loopholes.

The Company established a rigorous, scientific, effective internal control system suitable for its actual situation, and formulated effective internal control evaluation standards; The Company effectively prevented risks in business management and promoted the achievement of internal control objectives through the operation, analysis, and evaluation of its internal control system.

2. Details of major internal control deficiencies found during the Reporting Period

Yes No

XIII. Management and control of the Company's subsidiaries during the Reporting Period

Not applicable

XIV. Internal control evaluation report or internal control audit report

1. Internal control evaluation report

Date for disclosure of the full text of the internal control evaluation report	March 27, 2024
Index for disclosure of the full text of the	CNINFO (http://www.cninfo.com.cn)

internal control evaluation report		
The proportion of total assets of the units included in the evaluation scope to the total assets of the Company's consolidated financial statements		100.00%
The proportion of operating income of the units included in the evaluation scope to the operating income of the Company's consolidated financial statements		100.00%
Defect identification criteria		
Category	Financial report	Non-financial report
Qualitative criteria	<p>Indications of major defect of financial reports include:</p> <p>(1) Fraudulent conduct by the Company's directors, supervisors and senior executives;</p> <p>(2) The Company has corrected its published financial reports;</p> <p>(3) Material misstatements in the current financial reports discovered by the certified public accountants but not identified by the Company's internal control;</p> <p>(4) The audit committee and audit department were ineffective in supervising the Company's external financial reports and internal control over financial reports.</p> <p>Indications of significant defect of financial reports include:</p> <p>(1) Failure to select and apply accounting policies in accordance with generally accepted accounting principles;</p> <p>(2) Failure to establish anti-fraud procedures and control measures;</p> <p>(3) Failure to establish corresponding control mechanisms for the accounting treatment of non-routine or special transactions or failure to implement and having no corresponding compensatory controls;</p> <p>(4) There is one or more defects in the control over the final financial reporting process and there is no reasonable assurance that the prepared financial reports are true and complete.</p> <p>General defects refer to other control defects other than the above-mentioned major and important defects.</p>	<p>The qualitative criteria for evaluating internal control defects in non-financial reports determined by the Company are as follows:</p> <p>The non-financial report defect identification is mainly based on the influence degree of the defect on the validity of the business process and the possibility of occurrence.</p> <p>If the probability of a defect is relatively low and it will reduce work efficiency or effect, or increase the uncertainty of the effect, or make it deviate from the expected goal, it is recognized as a general defect;</p> <p>If the probability of a defect is relatively high and it will significantly reduce work efficiency or effect, or significantly increase the uncertainty of the effect, or make it significantly deviate from the expected goal, it is recognized as a significant defect; If the probability of a defect is high and it will seriously reduce work efficiency or effect, or seriously increase the uncertainty of the effect, or make it seriously deviate from the expected goal, it is recognized as a major defect.</p>
Quantitative standard	<p>The quantitative standard uses consolidated operating income and total assets as measurement indicators. If the losses that may be caused or were caused by internal control defects are related to the profit statement, they are measured by the consolidated operating income indicators. If the amount of misstatement in the financial reports that may be caused by the defect alone or together with other defects is less than 0.5% of the consolidated operating income, it is considered as a general defect; if it exceeds 0.5% but less than 1% of the</p>	<p>The quantitative standard uses operating income and total assets as measurement indicators. If the losses that may be caused or were caused by internal control defects are related to the profit statement, they are measured by the consolidated operating income indicators. If the amount of misstatement in the financial reports that may be caused by the defect alone or together with other defects is less than 0.5% of the consolidated operating income, it is considered as a general defect; if it exceeds 0.5% but less than 1% of the consolidated operating income, it is</p>

	<p>consolidated operating income, it is considered as a major defect; and if it exceeds 1% of the consolidated operating income, it is considered as a material defect.</p> <p>If the losses that may be caused or were caused by internal control defects are related to asset management, they are measured by the indicator of total consolidated assets. If the amount of misstatement in the financial reports that may be caused by the defect alone or together with other defects is less than 0.5% of the total consolidated assets, it is considered as a general defect; if it exceeds 0.5% but less than 1% of the total consolidated assets, it is considered as a major defect; and if it exceeds 1% of the total consolidated assets, it is considered as a material defect.</p>	<p>considered as a major defect; and if it exceeds 1% of the consolidated operating income, it is considered as a material defect.</p> <p>If the losses that may be caused or were caused by internal control defects are related to asset management, they are measured by the indicator of total consolidated assets. If the amount of misstatement in the financial reports that may be caused by the defect alone or together with other defects is less than 0.5% of the total consolidated assets, it is considered as a general defect; if it exceeds 0.5% but less than 1% of the total consolidated assets, it is considered as a major defect; and if it exceeds 1% of the total consolidated assets, it is considered as a material defect.</p>
Number of material defects in financial reports (Nr.)		0
Number of material defects in non-financial reports (Nr.)		0
Number of major defects in financial reports (Nr.)		0
Number of major defects in non-financial reports (Nr.)		0

2. Internal control audit report

Applicable Not applicable

The deliberation opinion paragraph in the internal control audit report	
We believe that Shenzhen Topband Co., Ltd. maintained effective internal control over financial reports in all material aspects as of December 31, 2023 in accordance with the Basic Standards for Enterprise Internal Control and relevant regulations.	
Disclosure of internal control audit report	Disclosure
Date of full-text disclosure of internal audit report	March 27, 2024
Index of full-text disclosure of internal audit report	CNINFO (http://www.cninfo.com.cn)
Internal control audit report opinion types	Standard unmodified opinion
Are there material defects in the non-financial report	No

Did the accounting firm issue an internal control audit report with a non-standard opinion

Yes No

Is the internal control audit report issued by the accounting firm consistent with the self-examination report of the Board of Directors

Yes No

XV. Rectification of self-examination problems in special actions of governance of listed companies

Not applicable

Section V Environmental and Social Responsibility

I. Major environmental issues

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

Yes No

Administrative punishment for environmental problems during the Reporting Period

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

Refer to other environmental information disclosed by key pollutant discharge companies

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

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

Measures and effects taken to reduce carbon emissions during the Reporting Period

Applicable Not applicable

Reasons for not disclosing other environmental information

Not applicable

II. Social responsibility

For details, please see the full text of the Company's "2023 ESG and Social Responsibility Report" published on CNINFO (<http://www.cninfo.com.cn>) on March 27, 2024.

III. Consolidated and enhanced the achievements in poverty alleviation and rural revitalization

The Company has not carried out any targeted poverty alleviation work in the reporting year, nor does it have any subsequent targeted poverty alleviation plans.

Section VI Important Matters

I. Fulfillment of commitments

1. 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.	2006/06/12/	Long-term	Fulfill the commitment strictly
Commitments made during the initial public offering or refinancing	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.	2006/06/12/	Completion of performance	Fulfill the commitment strictly
Commitments made during the initial public offering or refinancing	All directors and senior executives of the Company	Other commitments	<p>1. I would not deliver benefits to other organizations or individuals free of charge or under unfair conditions and not damage the interests of the Company in other means.</p> <p>2. I fully supported and cooperated with the Company in regulating the duty consumption behavior of directors and senior executives. Any duty consumption behaviors would occur within the scope necessary for fulfilling my duty to the Company. I strictly accepted the supervision and management of the Company to avoid extravagance or excessive consumption.</p> <p>3. I would strictly abide by the relevant laws and regulations, the regulations and rules of the 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.</p> <p>4. I would try my best to make the Company implement the compensation demand return measures.</p> <p>5. I would work hard to link the compensation system formulated by the Board of Directors or the Compensation Committee with the implementation of the Company's compensation return measures. At the same time, I would vote in favor of</p>	2020/04/29/	On-going	Fulfill the commitment strictly

			<p>the compensation system proposal when the Board of Directors and the General Meeting of Shareholders of the Company deliberated (if I have vote/voting right).</p> <p>6. If the Company would implement the employee equity incentive in the future, I would fully support the Company to link the arrangement of exercise conditions of the employee incentive with the implementation of the Company's compensation return measures. At the same time, I would vote in favor of the employee equity incentive proposal when the Board of Directors and the General Meeting of Shareholders of the Company deliberated (if I have vote/voting right).</p> <p>7. If I violate the above commitments, I would make an explanation and apologize publicly at the General Meeting of Shareholders and the designated newspapers and magazines designated by the 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>			
Commitments made during the initial public offering or refinancing	Wu Yongqiang	Other commitments	<p>1. I would not abuse the position of the controlling shareholder/actual controller to interfere with the operation and management activities of the Company beyond my power and would not infringe the Company's interests under any circumstances.</p> <p>2. I would try my best to make the Company implement the compensation demand return measures.</p> <p>3. I would work hard to link the compensation system formulated by the Board of Directors or the Compensation Committee with the implementation of the Company's compensation return measures.</p> <p>4. I would work hard to link the exercise conditions (if any) of the corporate equity incentive to be published in the future with the implementation of the Company's compensation return measures.</p> <p>5. I would support the relevant proposals related to the implementation of the Company's compensation return measures and would vote for them (if I have voting right).</p> <p>6. After the issuance of this commitment, if there are other requirements in the relevant provisions of the regulatory institution on the compensation return measures and its commitment and the above commitments could not meet the relevant requirements of the regulatory institution, I promise that I would issue a supplementary commitment in accordance with the relevant provisions at that time.</p> <p>7. If I violate the above commitments, I would make an explanation and apologize publicly at the General Meeting of Shareholders and the designated newspapers and magazines designated by the CSRC. I</p>	2020/04/29/	On-going	Fulfill the commitment strictly

			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.			
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					

2. If there was a profit forecast for the Company's assets or projects, and the Reporting Period was still in the profit forecast period, the Company shall explain why the assets or projects reached the original profit forecast and the reasons.

Applicable 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. Explanation of the Board of Directors on the latest "non-standard audit report"

Applicable Not applicable

V. Explanation of the "non-standard audit report" of the Accounting Firm in the Reporting Period by the Board of Directors, the Board of Supervisors, and Independent Directors (if any)

Applicable Not applicable

VI. Description of changes in accounting policies, accounting estimates, or corrections of significant accounting errors compared with the previous year's financial report

Applicable Not applicable

There were no changes in accounting policies, accounting estimates or corrections of significant accounting errors during the Reporting Period.

VII. Explanation of changes in the scope of the consolidated financial reports compared with the previous year's financial report

Applicable Not applicable

During the Reporting Period, three companies were newly included in the scope of consolidation, which were newly established sub-subsidiaries, and one of which was liquidated and cancelled. For details, please see IX, Changes in the Scope of Consolidation in Section X.

VIII. Appointment and dismissal of accounting firms

Currently employed accounting firm

Name of domestic accounting firm	BAKER TILLY International Accounting Firm (Special General Partnership)
Remuneration of the domestic accounting firm (RMB ten thousand)	100
Consecutive years for domestic accounting firms to provide audit service	5
Name of the certified public accountant of the domestic accounting firm	Chen Zhigang, Zhao Yang, Liu Zhaoyu
Consecutive years for Certified Public Accountants of domestic accounting firms to provide audit service	Chen Zhigang and Zhao Yang have been providing audit services for 5 consecutive years, and Liu Zhaoyu has been providing audit services for 1 year

Whether to hire a new accounting firm during the current period

Yes No

Employment of accounting firm for audit of internal controls, financial consultant, or sponsor

Applicable Not applicable

In 2023, the Company hired Baker Tilly China Certified Public Accountants (Special General Partnership) as its

internal control audit agency.

IX. Delisting after disclosure of the annual report

Applicable Not applicable

X. Matters related to bankruptcy reorganization

Applicable Not applicable

There were no matter related to bankruptcy reorganization during the Reporting Period.

XI. Major litigation and arbitration matters

Applicable Not applicable

The Company had no major litigation and arbitration matters during the Reporting Period.

XII. Punishment and rectification

Applicable Not applicable

There were no penalties or rectifications during the Company's Reporting Period.

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

Applicable Not applicable

XIV. 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

The Company had no other material related-party transactions during the Reporting Period.

XV. 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

See "Sections X, VII, 82" of the Report for details

2. Material guarantee

Applicable Not applicable

Unit: RMB ten thousand

External guarantee of the Company and its subsidiaries (excluding guarantee for subsidiaries)										
Name of guarantee object	Date of disclosure of the relevant announcement of guarantee amount limit	Guarantee amount limit	Actual date of occurrence	Actual amount guaranteed	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Whether it was completed	Whether the guarantee objects were related parties
Guarantee of the Company to its subsidiaries										
Name of guarantee object	Date of disclosure of the relevant announcement of guarantee amount limit	Guarantee amount limit	Actual date of occurrence	Actual amount guaranteed	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Whether it was completed	Whether the guarantee objects were related parties
Ningbo Topband	2019/01/12/	19,000			Joint liability guaranty			The tentative guarantee period shall not exceed 5 years from the date of signing the formal guarantee agreement	No	No
Ningbo Topband	2020/10/20/	22,000	2020/11/05/	22,000	Joint liability guaranty			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)						
Guarantee of the subsidiary to its subsidiaries										
Name of guarantee object	Date of disclosure of the relevant announcement of guarantee amount limit	Guarantee amount limit	Actual date of occurrence	Actual amount guaranteed	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Whether it was completed	Whether the guarantee objects were related parties
Huizhou YAKO Automation	2023/01/11	20,000	2023/01/16	2,146.2	Joint liability guaranty			3 years from maturity date of debts of guaranteed parties	No	No
Huizhou YAKO Automation	2023/01/11	20,000	2023/04/24	858.48	Joint liability guaranty			3 years from maturity date of debts of guaranteed parties	No	No
Huizhou YAKO Automation	2023/01/11	20,000	2023/06/29	1,430.8	Joint liability guaranty			3 years from maturity date of debts of guaranteed	No	No

								parties		
Huizhou YAKO Automation	2023/01/11	20,000	2023/07/31	858.48	Joint liability guaranty			3 years from maturity date of debts of guaranteed parties	No	No
Huizhou YAKO Automation	2023/01/11	20,000	2023/08/29	1,273.22	Joint liability guaranty			3 years from maturity date of debts of guaranteed parties	No	No
Total amount of guarantee for subsidiaries approved during the Reporting Period (C1)			20,000	Total actual amount of guarantee for subsidiaries during the Reporting Period (C2)						6,567.18
Total amount of approved guarantee for subsidiaries at the end of the Reporting Period (C3)			20,000	Total actual balance of guarantee for subsidiaries at the end of the Reporting Period (C4)						6,567.18
Total amount of the corporate guarantee (i.e. the sum of the first three items)										
Total amount of guarantees approved in the Reporting Period (A1+B1+C1)			20,000	Total incurred amount of actual guarantees provided in the Reporting Period (A2+B2+C2)						6,567.18
Total amount of guarantee approved at the end of the Reporting Period (A3+B3+C3)			61,000	Total actual balance of guarantee at the end of the Reporting Period (A4+B4+C4)						6,567.18
The proportion of the total actual amount of guarantee (A4+B4+C4) in the Company's net assets										1.04%

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

2. According to relevant provisions in "3. Significant guarantees under III. Requirements for information disclosure in regular reports (V)" of Disclosure of Significant Events in the Self-regulatory Guide for the Companies Listed on the Shenzhen Stock Exchange No. 1 - Business Processing, Part IV: 4.1 Issues Concerning Disclosures in Regular Reports (Revised in 2023), the "Actual amount guaranteed" in the "Guarantee of the subsidiary to its subsidiaries" shall be filled with the product of the amount a subsidiary guaranteed for the guaranteed subsidiary multiplied by the share proportion of the listed company in the subsidiary.

Explanation of details of complex guarantee

None.

3. Entrusting others to manage cash assets**(1) Entrusted financial management**

Applicable Not applicable

Overview of entrusted financial management during the Reporting Period

Unit: RMB ten thousand

Specific types	Capital source of entrusted financing	Amount of entrusted financial management	Unexpired balance	Overdue amount not recovered	Accrued impairment amount of overdue and unrecovered wealth management
Bank financial products	Self-own capitals	139,339.95	30,300.00	0	0
Bank financial products	Raised capitals	24,000.00	0	0	0
Total		163,339.95	30,300.00	0	0

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

Applicable Not applicable

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

Applicable Not applicable

(2) Entrusted loans

Applicable Not applicable

The Company had no entrusted loans during the Reporting Period.

4. Others major contracts

Applicable Not applicable

There were no other significant contracts in the Reporting Period of the Company.

XVI. Explanation of other major matters

Applicable Not applicable

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

On March 29, 2023, the 32nd Meeting of the 7th Board of Directors and the 27th Meeting of the 7th Board of Supervisors of the Company deliberated and passed the Proposal on Fulfillment of Restricted Share Release Conditions for 2021 Restricted Stock Incentive Plan after the First Restricted Stock Trade Period. 9,351,936

shares granted to 1,109 people under the 2021 Incentive Plan can be released after the first restricted stock trade period, and the shares released have been listed and circulated on April 12, 2023.

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

2. Repurchase of the Company shares

On October 27, 2023, the 3rd (Extraordinary) Meeting of the 8th Board of Directors of the Company deliberated and passed the Proposal on the Plan to Repurchase the Company's Shares. The Company intended to use its own funds to repurchase the Company's shares through centralized bidding transactions. The total repurchase amount was not less than RMB 40 million and not more than RMB 60 million. The repurchase price did not exceed RMB 15.00 per share (inclusive), and the Share Repurchase Report was disclosed on October 30, 2023.

During the Reporting Period, the Company accumulatively repurchased 6,266,600 shares through centralized bidding with RMB 59,969,998.65 in total (excluding the transaction charge), accounting to 0.49% of the current total share capital of the Company, with the highest transaction price at RMB 10.19/share and the lowest transaction price at RMB 8.88/share. The repurchase plan was completed.

For details, please refer to the relevant announcements published by the Company on Securities Times and CNINFO (<http://www.cninfo.com.cn>) on October 29, 2023, October 31, 2023, November 2, 2023, December 1, 2023 and December 28, 2023.

XVII. Major matters of subsidiaries of the Company

Applicable Not applicable

1. In February 2023, Huizhou Topband Electrical Technology Co., Ltd., a wholly-owned subsidiary of the Company, participated in the competitive auction for the use right of a state-owned construction land organized via the on-line land and mining trading system of Huizhou Public Resources Trading Center, successfully acquired the use right of the land lot concerned, and signed an Acknowledgment of Public Trading Transaction and a Sales Contract for State-owned Construction Land Use Right with Huizhou Bureau of Natural Resources for the land use right of total 19,590 m² state-owned construction land, amounting to RMB 18.57 million. 2. In March 2023, Nantong Topband, a wholly-owned sub-subsidiary of the Company, participated in the competitive auction for the use right of a state-owned construction land organized by Nantong Bureau of

Natural Resources and Planning, successfully acquired the use right of the land lot concerned, signed an Acknowledgment of On-line Transaction of State-owned Construction Land and a Nantong Economic and Technological Development Area Investment and Development Supervision Agreement and then entered into a Sales Contract for State-owned Construction Land Use Right with Nantong Bureau of Natural Resources and Planning within the specified time for the land use right of total 80,017.05 m² state-owned construction land, amounting to RMB 30.7265 million. 3. In July 2023, Shenzhen Topband Battery Co., Ltd., a wholly-owned subsidiary of the Company, invested in the establishment of a wholly-owned sub-subsidiary, Yolanness Technology (HK) Co., Limited, with a registered capital of USD 500,000; in October 2023, Youneng Technology (HK) Co., Ltd. invested in the establishment of a wholly-owned sub-subsidiary, YOLANESS AFRICA (PTY) LTD.

Section VII Share Change and Shareholders

I. Share change

1. Share change

Unit: Share

	Before change		Increase or decrease of change this time (+, -)					After change	
	Number	Proportion	Issuance of new shares	Stock dividend	Conversion of accumulation fund into shares	Others	Subtotal	Number	Proportion
I. Shares with non-tradable conditions	229,172,867	18.05%				-5,236,510	-5,236,510	223,936,357	17.67%
1. Shares held by the state		0.00%							0.00%
2. Shares held by state-owned legal persons		0.00%							0.00%
3. Shares held by other domestic capital	229,061,867	18.04%				-5,203,210	-5,203,210	223,858,657	17.66%
Including: shares held by domestic legal persons		0.00%							0.00%
Shares held by domestic natural person	229,061,867	18.04%				-5,203,210	-5,203,210	223,858,657	17.66%
4. Shares held by foreign investment	111,000	0.01%				-33,300	-33,300	77,700	0.01%
Including: shares held by overseas legal persons		0.00%							0.00%
Shares held by overseas natural persons	111,000	0.01%				-33,300	-33,300	77,700	0.01%
II. Shares with unlimited tradable conditions	1,040,362,505	81.95%				3,303,250	3,303,250	1,043,665,755	82.33%
1. A shares	1,040,362,505	81.95%				3,303,250	3,303,250	1,043,665,755	82.33%
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	1,269,535,372	100.00%				-1,933,260	-1,933,260	1,267,602,112	100.00%

Note: The total number of shares at the end of the Reporting Period includes restricted shares that were already deliberated for repurchase and cancellation but were not repurchased and cancelled yet.

Reasons for share change

Applicable Not applicable

The change in the Company's share capital during the Reporting Period was caused by the repurchase and cancellation of 1,933,260 restricted shares.

Approval of share change

Applicable Not applicable

The Company performed the following decision-making procedures on the repurchase and cancellation of restricted shares:

On March 29, 2023, the 32nd Meeting of the 7th Board of Directors and the 27th Meeting of the 7th Board of Supervisors, deliberated and passed the Proposal on Fulfillment of Restricted Share Release Conditions for 2021 Restricted Stock Incentive Plan after the First Restricted Stock Trade Period and Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan in 2021. 9,351,936 shares granted to 1,109 people under the 2021 Incentive Plan can be released after the first restricted stock trade period. According to the examination and confirmation of Shenzhen Branch of China Securities Depository and Clearing Co., Ltd., the shares were listed and circulated on April 12, 2023. Meanwhile, 39 people, including Li Chaoyi, Wang Caihui and Ding Bo, resigned and left the Company due to personal reasons, and four of the grantees, including Tang Yingjie and Shi Wenhui, of the incentive plan achieved a "Good" or "OK" level in the performance appraisal, resulted in the release of 80% of the restricted stock. It was approved to repurchase and deregister a total of 870,660 restricted shares formerly owned by the above 43 people that shall not be released. An independent director of the Company given his independent opinion for the approval, and the law firm issued the corresponding legal opinion.

On April 25, 2023, the Company held the 33rd Meeting of the 7th Board of Directors and the 28th Meeting of the 7th Board of Supervisors, and deliberated and passed the Proposal on Adjusting the Repurchase Price in the Restricted Stock Incentive Plan for 2021. The Company implemented the annual equity distribution in 2022. The repurchase price was adjusted from RMB 7.18 per share to RMB 7.12 per share accordingly.

On September 7, 2023, the Company held the 37th (Extraordinary) Meeting of the 7th Board of Directors and the 30th Meeting of the 7th Board of Supervisors, deliberated and passed the Proposal on the Proposal on Repurchase and Cancellation of Some Restricted Stocks from Restricted Stock Incentive Plan for 2021, and agreed to repurchase and cancel 1,062,600 restricted stocks that had been granted but not yet unlocked of 65 incentive objects, including Wang Lin and Sun Liangquan in the restricted stock incentive plan for 2021, who resigned from the Company due to personal reasons. The above matters had been deliberated and passed by the 2nd Extraordinary General Meeting of Shareholders in 2023.

As of November 16, 2023, after review and confirmation by the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd., the repurchase and cancellation of 1,933,260 restricted shares of 104 former employees including Li Chaoyi, Wang Caizhi, Ding Bo, and 4 employees including Tang Yingjie and Shi Wenhui (resigned) who were unable to release the restriction on sale due to the first-period performance appraisal were completed. The number of incentive objects in 2021 Restricted Stock Incentive Plan reduced from 1,148 to 1,044, and the general capital reduced from 1,269,535,372 shares to 1,267,602,112 shares.

On December 1, 2023, the Company held the 4th (Extraordinary) Meeting of the 8th Board of Directors and the 3rd (Extraordinary) Meeting of the 8th Board of Supervisors, deliberated and passed the Proposal on Terminating the Implementation of the Restricted Stock Incentive Plan for 2021 and Repurchasing and Cancelling Restricted Stocks, and agreed to repurchase and cancel 270,900 restricted shares which had been granted to 20 incentive objects (including Shen Haibing and Wang Sifu) resigned due to personal reasons but whose rights had not been exercised by them at a price of RMB 7.12 per share; and agreed to repurchase and cancel 20,496,224 restricted shares which had been granted to 1,024 in-service incentive objects but whose sales restriction had not been lifted at a price of RMB 7.35 per share (generated after rounding, with the payment subject to actual calculation). The above matters had been deliberated and passed on the 3rd Extraordinary General Meeting of Shareholders in 2023. As of the end of the Reporting Period, the shares to be repurchased and cancelled had not been deregistered yet at Shenzhen Branch of China Securities Depository and Clearing Co., Ltd.

Transfer of share change

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 – XX. 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 the period	Increase number of non-tradable shares in the current period	Desterilization number of non-tradable shares in the current period	Number of non-tradable shares at the end of the period	Reasons for non-trading	Date of lifting sales restriction
Wu Yongqiang	160,336,536	0	1,330,000	159,006,536	Executives lock-in shares	Not applicable
Ji Shuhai	20,488,981	6,829,661		27,318,642	Executives lock-in shares	Not applicable
Ma Wei	6,713,200	184,800	184,800	6,713,200	Executives lock-in shares	Not applicable
Peng Ganquan	3,852,674	120,000	120,000	3,852,674	Executives lock-in shares	Not applicable
Zheng Sibin	4,752,727	159,900	159,900	4,752,727	Executives lock-in shares	Not applicable
Wen Zhaohui	2,078,345	54,900	54,900	2,078,345	Executives lock-in shares	Not applicable
Dai Huijuan	239,709	0		239,709	Executives lock-in shares	Not applicable
Xiang Wei	573,375	54,900	210,975	417,300	Executives lock-in shares	Not applicable
Luo Muchen	50,000	2,500	15,000	37,500	Executives lock-in shares	Not applicable
Incentive objects of restricted stock incentive plan	30,087,320	0	10,567,596	19,519,724	Stock-option-incentive restricted stocks	The ratio at which the sales restriction is lifted is 30% for 2023, 30% for 2024 and 40% for 2025; the shares whose sales restriction was lifted in this period are the restricted shares which were unlocked and which were repurchased from former employees and cancelled in 2023.
Total	229,172,867	7,406,661	12,643,171	223,936,357	--	--

Note: The sales restriction on Mr. Wu Yongqiang's 1.33 million shares was lifted in this period, which was caused by the fact that the transferable quota was not transferred out simultaneously during the transfer of shares custody in 2022 and the sales restriction was lifted automatically after the transferable quota of the account was recalculated in 2023.

II. Issuance and listing of securities

1. Issuance of securities (excluding preferred shares) during the Reporting Period

Applicable Not applicable

2. Explanation of changes in the Company's total number of shares and shareholder structure and changes in the Company's structure of assets and liabilities

Applicable Not applicable

1. Changes in the total number of shares and shareholder structure:

During the Reporting Period, 1,933,260 restricted shares were repurchased and cancelled, resulting in a decrease of 1,933,260 shares in the Company's total share capital, from 1,269,535,372 shares to 1,267,602,112 shares.

2. Changes in the Company's structure of assets and liabilities

As of the end of the period, the total share capital of the Company was 1,267,602,112 shares, and the total corporate assets at the end of 2023 were RMB 11,184,119,392.80, with an assets-liabilities ratio of 43.05%.

3. Existing internal employee shares

Applicable Not applicable

III. Shareholders and actual controllers

1. Number of shareholders and shareholding situation of the Company

Unit: Share

Total number of ordinary shareholders at the end of the Reporting Period	94,836	Total number of ordinary shareholders at the end of the previous month before the disclosure date of the annual report	95,338	Total number of preferred shareholders with voting rights restored at the end of the Reporting Period (if any) (see Note 8)	0	The total number of preferred shareholders whose voting rights were restored at the end of the previous month before the disclosure date of the annual report (if any) (see Note 8)	0
--	--------	--	--------	---	---	---	---

Shareholding situation of shareholders holding more than 5% of the shares or top 10 shareholders (excluding shares lent through refinancing)								
Name of shareholder	Nature of shareholders	Proportion of shareholding	Number of shares held at the end of the Reporting Period	Changes in increase or decrease in the Reporting Period	Number of shares with limited tradable conditions	Number of shares with unlimited tradable conditions	Pledge, marking or freezing	
							Share status	Number
Wu Yongqiang	Domestic natural person	16.73%	212,008,715	0	159,006,536	53,002,179	Pledge	38,860,000
Ji Shuhai	Domestic natural person	2.16%	27,318,642	0	27,318,642	0	Not applicable	
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	0.02%	23,439,401	-15,496,542	0	23,439,401	Not applicable	
Xie Renguo	Domestic natural person	1.66%	21,100,988	-1,877,400	0	21,100,988	Not applicable	
AMCM - self-own funds	Overseas legal person	1.42%	18,039,806	10,337,380	0	18,039,806	Not applicable	
Kuwait Investment Authority	Overseas legal person	1.34%	17,038,293	12,871,643	0	17,038,293	Not applicable	
Dajia Life Insurance Co., Ltd. - Universal Product	Others	0.77%	9,736,600	-3,191,200	0	9,736,600	Not applicable	
Ma Wei	Domestic natural person	0.71%	8,950,934	0	6,713,200	2,237,734	Not applicable	
Dongguan Helios Industry Co., Ltd.	Domestic non-state-owned legal person	0.66%	8,376,400	5,402,600	0	8,376,400	Not applicable	
Industrial Bank Co., Ltd. - Fullgoal Xingyuan Select 12-month Period Hybrid Securities Investment Fund	Others	0.66%	8,356,273	8,356,273	0	8,356,273	Not applicable	
The top 10 shareholders of strategic investors or general legal persons due to placement of new shares (if any) (see Note 3)	Not applicable							
Explanation of the above shareholders' relationship or concerted action	Not applicable							
Explanation of the above shareholders' entrusting/entrusted voting rights and waiver of voting rights	Not applicable							

Special explanations for the existence of special repurchase accounts among the top 10 shareholders (if any) (see Note 10)	The Company's special repurchase account is the special securities repurchase account of Shenzhen Topband Co., Ltd. The Company repurchased a total of 11,447,800 shares by centralized bid trading through the special securities repurchase account, accounting for 0.90% of the Company's current total issued share capital.			
Shareholding of the top 10 shareholders with unlimited tradable conditions				
Name of shareholder	Number of shares held with unlimited tradable conditions at the end of the Reporting Period		Type of shares	
			Type of shares	Number
Wu Yongqiang	53,002,179		A shares	53,002,179
Hong Kong Securities Clearing Company Ltd.	23,439,401		A shares	23,439,401
Xie Renguo	21,100,988		A shares	21,100,988
AMCM - self-own funds	18,039,806		A shares	18,039,806
Kuwait Investment Authority	17,038,293		A shares	17,038,293
Dajia Life Insurance Co., Ltd. - Universal Product	9,736,600		A shares	9,736,600
Dongguan Helios Industry Co., Ltd.	8,376,400		A shares	8,376,400
Industrial Bank Co., Ltd. - Fullgoal Xingyuan Select 12-month Period Hybrid Securities Investment Fund	8,356,273		A shares	8,356,273
Zhong Mingyu	8,020,857		A shares	8,020,857
New China Life Insurance Co., Ltd. - Traditional - General Insurance Product - 018L - CT001 Shenzhen	7,348,000		A shares	7,348,000
Explanation of the relationship or concerted action between the top 10 shareholders with unlimited tradable conditions and between the top 10 shareholders with unlimited tradable conditions and the top 10 shareholders	Not applicable			
Explanation of the participation of the top 10 ordinary shareholders in securities margin trading (if any) (see Note 4)	Shareholder Mr. Xie Renguo holds 15,268,703 shares through the credit securities account.			

Participation of top ten shareholders in lending of shares through refinancing business

 Applicable Not applicable

Unit: Share

Participation of top ten shareholders in lending of shares through refinancing								
Name of shareholder (full name)	Shares held through the ordinary account and credit account at the beginning of the period		Shares lent through refinancing but not returned at the beginning of the period		Shares held through the ordinary account and credit account at the end of the period		Shares lent through refinancing but not returned at the end of the period	
	Total	Proportion in the total share capital	Total	Proportion in the total share capital	Total	Proportion in the total share capital	Total	Proportion in the total share capital

AMCM self-own funds	7,702,426	0.74%	0	0.00%	18,039,806	1.73%	876,200	0.08%
---------------------	-----------	-------	---	-------	------------	-------	---------	-------

Changes in top ten shareholders compared with the previous period

Applicable Not applicable

Unit: Share

Changes in top ten shareholders compared with the end of the previous period					
Name of shareholder (full name)	Newly added/removed shareholders during the Reporting Period	Number of shares lent through refinancing but not returned at the end of the period		Number of shares held through shareholder's ordinary account and credit account and shares lent through refinancing and not returned at the end of the period	
		Total	Proportion in the total share capital	Total	Proportion in the total share capital
Orient Securities Co., Ltd. - Zhonggeng Value Pioneer Stock Securities Investment Fund	Removed	0	0.00%	0	0.00%
Basic Endowment Insurance Fund 1206 Portfolio	Removed	0	0.00%	0	0.00%
China International Capital Corporation Limited - China Construction Bank - CICC Emerging Equity Collective Asset Management Plan	Removed	0	0.00%	0	0.00%
Kuwait Investment Authority	Newly added	0	0.00%	17,038,293	1.34%
Dongguan Helios Industry Co., Ltd.	Newly added	0	0.00%	8,376,400	0.66%
Industrial Bank Co., Ltd. - Fullgoal Xingyuan Select 12-month Period Hybrid Securities Investment Fund	Newly added	0	0.00%	8,356,273	0.66%

Did the top 10 ordinary shareholders and the top 10 ordinary shareholders with unlimited sales conditions conduct the agreed repurchase transactions during the Reporting Period

Yes No

The top 10 ordinary shareholders and the top 10 ordinary shareholders with unlimited sales conditions did not conduct the agreed repurchase transactions during the Reporting Period

2. Controlling shareholder of the Company

Nature of controlling shareholder: controlled by natural person

Type of controlling shareholder: natural person

Name of controlling shareholder	Nationality	Obtained the right of residence in another country or region
Wu Yongqiang	China	No
Main occupation and position	Served as the Chairman and President of Shenzhen Topband Co., Ltd. since 2009	
Equity information on other domestic and foreign listed companies controlled or invested	None	

in by him during the Reporting Period	
---------------------------------------	--

Change of controlling shareholders during the Reporting Period

Applicable Not applicable

The controlling shareholder of the Company did not change during the Reporting Period.

3. The Company's actual controller and its person acting in concert

Nature of actual controller: domestic natural person

Type of actual controller: natural person

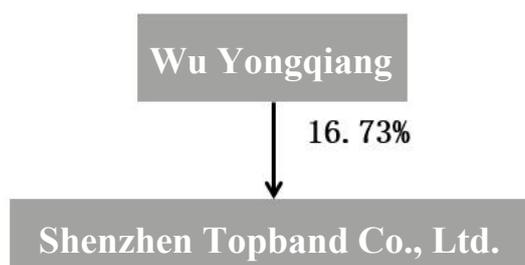
Name of actual controller	Relationship with actual controller	Nationality	Obtained the right of residence in another country or region
Wu Yongqiang	In person	China	No
Main occupation and position	Served as the Chairman and President of Shenzhen Topband Co., Ltd. since 2009		
Information on domestic and foreign listed companies controlled by him in the past 10 years	None		

Change of actual controller during the Reporting Period

Applicable Not applicable

The actual controller of the Company did not change during the Reporting Period.

Block Diagram of Property Rights and Control Relationship between the Company and the Actual Controller



The actual controller controls the Company by means of trust or other ways of assets management

Applicable Not applicable

4. The cumulative number of pledged shares held by the controlling shareholder or the largest shareholder and its persons acting in concert accounts for 80% of the total number of shares held by them in the Company

Applicable Not applicable

5. Other institutional shareholders holding over 10% of the shares

Applicable Not applicable

6. Restrictions on the reduction of shares held by the controlling shareholder, the actual controller, the reorganizer and other commitment entities

Applicable Not applicable

IV. Specific implementation of share repurchase during the Reporting Period

Implementation progress of share repurchase

Applicable Not applicable

Scheme disclosure time	Number of shares to be repurchased (shares)	Proportion in the total share capital	Amount of shares to be repurchased (RMB ten thousand)	Proposed repurchase period	Repurchase purpose	Number of shares repurchased (shares)	Proportion of repurchased shares to underlying stocks involved in the equity incentive plan (if any)
2023/10/30/	2,666,700-4,000,000	0.2121%-0.3151%	4,000-6,000	2023/10/27 - 2024/10/26	The repurchased company shares are all used to implement equity incentives or employee stock ownership plans for core employees. If the Company fails to implement the aforementioned purposes within 36 months after the completion of the share repurchase, or if the repurchased shares are not fully used for the aforementioned purposes, the unused portion will be canceled in accordance with the law.	6,266,600	0.00%

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

Applicable Not applicable

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

Type of audit opinion	Standard unqualified opinion
Date of signing the audit report	March 25, 2024
Name of audit institution	BAKER TILLY International Accounting Firm (Special General Partnership)
Document number of audit report	TZYZ [2024] No. 11572
Name of certified public accountant	Chen Zhigang, Zhao Yang, Liu Zhaoyu

Text of audit report

TZYZ [2024] No. 11572

All shareholders of Shenzhen Topband Co., Ltd.:

I. Audit Opinion

We have audited the financial statements of Shenzhen Topband Co., Ltd. (hereinafter referred to as "Topband"), including the consolidated and parent company balance sheet as of December 31, 2023, and the consolidated and parent company income statement, the consolidated and parent company cash flow statement, and the consolidated and parent company statement of change in shareholder equity of 2023, as well as related notes to the financial statements.

In our opinions, the attached financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises in all significant aspects, and given fair views on the consolidated and parent company financial positions of Topband as of December 31, 2023, and the consolidated and parent company operating results as well as cash flow of 2023.

II. Basis for the formation of audit opinions

We have carried out audit in compliance with Auditing Standards for Certified Public Accountants of China. Our responsibility under these standards is further described in "Certified Public Accountants' Responsibility for the Financial Statements" in the audit report. In accordance with the China Code of Ethics for Certified Public Accountants, we are independent of Topband and have performed other responsibilities in professional ethics. We believe that the audit evidence obtained by us is sufficient and appropriate and has provided a basis for the expression of our audit opinion.

III. Key Audit Matters

The key items for audit are items that we consider the most important for the audit of the financial statements of the current period according to the professional judgment. The response of these items is based on an audit of the overall financial statements and the formation of audit opinions, and we do not individually express views on these items.

Key Audit Matter	How is the matter handled in the audit
1. Revenue recognition	
<p>In 2023, the operating income of Topband was RMB 8,992.3422 million. Considering that operating income is a key operating indicator of Topband, there may be potential misstatements in whether the sales revenue of products is included in the appropriate accounting period. Therefore, we take the recognition of operating income as a key audit matter.</p> <p>Please refer to the notes to the financial statements: "(XXVIII) Revenue" of "III. Important accounting policies and estimates", "(XLI) Operating income and cost" of "VI. Notes to main items of consolidated financial statements", and "(IV) Operating income and cost" of "XVIII. Notes to items of financial statements of the parent company".</p>	<p>The main audit procedures we have carried out for revenue recognition include, but are not limited to the following:</p> <p>(1) Understand, evaluate and test the effectiveness of internal control design and operation related to sales and collection of Topband;</p> <p>(2) Understand revenue recognition policies through interviews with management, examine relevant clauses of major customer contracts, analyze and evaluate whether the actual revenue recognition policies are appropriate, and review whether relevant accounting policies are consistently applied;</p> <p>(3) Query and understand the background information of major customers or new customers through public channels, such as business registration materials, and confirm whether there are potential unrecognized related party relationships between major customers and Topband and related parties;</p> <p>(4) Analyze the rationality of changes in the sales structure of main products, and the gross profit margin changes of main products and customers compared with the gross profit margin of the same period in history and the same industry, and review the rationality of sales revenue;</p> <p>(5) Audit and confirm the balance of accounts receivable of major customers by letter according to accounts receivable, and perform alternative tests on customers who have not responded to the letter;</p> <p>(6) Select samples, check the relevant documents of sales revenue transactions, such as sales contracts (orders), delivery notes, receipts (warehouse receipts), customs declarations, account statements, and sales invoices, and verify whether the confirmed sales revenue is true;</p> <p>(7) Select samples from the sales revenue transactions recorded before and after the balance sheet date, check supporting vouchers for revenue recognition under each model, and assess whether the sales revenue is recorded in an appropriate accounting period.</p>
2. Impairment of accounts receivable	

Key Audit Matter	How is the matter handled in the audit
<p>At the end of 2023, the book value of accounts receivable of Topband was RMB 2,431.7739 million. Due to the large book value of accounts receivable, the evaluation of bad debt reserves involves significant accounting estimates and judgments by management. Therefore, we take bad debt reserves for accounts receivable as a key audit matter.</p> <p>Please refer to the notes to the financial statements: "(XII) Accounts receivable" of "III. Important accounting policies and estimates", "(IV) Accounts receivable" of "VI. Notes to main items of consolidated financial statements", and "(I) Accounts receivable" of "XVIII. Notes to items of financial statements of the parent company".</p>	<p>The main audit procedures we have carried out for the impairment of accounts receivable include, but are not limited to the following:</p> <p>(1) Understand, evaluate and test the effectiveness of internal control design and operation related to Topband credit policy and accounts receivable management;</p> <p>(2) Analyze the rationality of the accounting policies for accrual of bad debt reserves for accounts receivable, including the basis for determining the portfolio of accounts receivable, expected credit loss rate, judgment of significant individual amounts, judgment of individual accrual of bad debt reserves, and review whether they comply with relevant accounting policies;</p> <p>(3) Obtain accounts receivable aging analysis table and bad debt provision table, analyze and check the rationality and accuracy of accounts receivable aging division and bad debt provision;</p> <p>(4) Analyze and calculate the ratio between the amount of bad debt reserves on the balance sheet date and the balance of accounts receivable, compare the amount of bad debt reserves accrued in the previous period with the actual amount incurred, and analyze whether the accrual of bad debt reserves for accounts receivable is sufficient;</p> <p>(5) Analyze the rationality of the scale of accounts receivable for major customers based on the credit period of accounts receivable, understand the reasonable reasons for accounts receivable beyond the credit period, and identify whether there are any situations that affect the evaluation results of bad debt reserves for accounts receivable of Topband.</p>

IV. Other information

Topband's management (hereinafter referred to as "management") is responsible for other information. Other information includes the information covered in the annual report for 2023, but does not include financial statements and our audit reports.

We do not cover other information in the audit opinions issued for the financial statements, nor do we have any form of attestation conclusions on other information.

In conjunction with our audit of the financial statements, our responsibility is to read other information, and in this process, consider whether other information is materially inconsistent with the financial statements or what we have learned in the audit process or it appears to be significant misstatement.

Based on the work we have carried out, we shall report the fact if we determine the existence of a significant misstatement in other information. We have nothing to report in this regard.

V. Responsibility of the management and the governance to the financial statements

The management is responsible for preparing the financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises to make it fair reflection, then designing, implementing and maintaining the necessary internal controls so that the financial statements do not have any significant misstatement resulting from fraud or error.

When the financial statements were prepared, the management was responsible for assessing Topband's ability to continue as a going concern, disclosing the matters related to the going concern (if applicable) and applying the going concern assumption unless the management planned to conduct liquidation, terminated operation or had no other practical option.

The governance level is responsible for overseeing the financial reporting process of Topband.

VI. Certified public accountant's responsibility for audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the audits standards, we exercise professional judgment and maintain professional scepticism throughout the audit. Meanwhile, we also execute the following works:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Since fraud may involve collusion, forgery, intentional omission, false representation or not be subject to internal control, the risk of failure to find the significant misstatement due to fraud is higher than the risk of failure to find a major misstatement due to errors.

(2) Understand internal controls related to the audit in order to design appropriate audit procedures.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) Conclude on the appropriateness of using the going concern assumption by management. At the same time, on the basis of the acquired audit evidence, make a conclusion whether there is a significant uncertainty in

matters or circumstances that cause significant doubts about constant operational capacity of Topband. If we come to the conclusion that there are significant uncertainties, the audit guidelines require that we draw the attention of the report users to the relevant disclosures in the financial statements in the audit report; if the disclosure is not sufficient, we shall issue a modified audit report. Our conclusion is based on the information that was available as of the date of the audit report. However, future events or conditions may cause Topband to discontinue operation.

(5) Evaluate the overall presentation, structure and content of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient and appropriate audit evidence on the financial information of entities or business activities under Topband to make an audit opinion on the financial statements. We are responsible for guiding, supervising and implementing the Company's audit and bear full responsibility for the audit opinion.

We communicate with the governance regarding the planned scope and timing of the audit, significant audit findings and other matters, including any notable deficiencies in internal control that we identify during audit.

We also provide a statement to the governance level regarding compliance with the independence-related professional ethics requirements and communicate with the governance level on all the relationships and other matters that may reasonably be considered to affect our independence, as well as relevant preventive measures.

Among items discussed with the governance level, we determine those items most important to the audit of the financial statements of the current period and constitute a key item for audit. We describe these items in the audit report unless laws and regulations prohibit the disclosure of these items, or in rare cases, the negative consequences of communicating an item in the audit report are beyond the benefits of public interest, we determine that the item shall not be communicated in the audit report.

II. Financial Statements

The unit of statements in the financial notes is: RMB

1. Consolidated Balance Sheet

Prepared by: Shenzhen Topband Co., Ltd.

December 31, 2023

Unit: RMB

Items	December 31, 2023	January 1, 2023
Current assets:		
Monetary capital	1,550,450,889.82	1,403,026,071.34
Settlement of provisions		
Lending funds		
Tradable financial assets	656,704,087.16	342,959,450.31
Derivative financial assets		
Notes receivable	54,198,392.53	51,791,758.90
Accounts receivable	2,431,773,877.56	2,549,734,039.66
Financing of accounts receivable	278,520,642.22	254,988,202.60
Prepayments	44,088,068.53	53,005,656.95
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	36,524,343.36	77,743,150.98
Including: interest receivable		
Dividends receivable		
Repurchase of financial assets for resale		
Inventory	1,653,816,715.51	1,992,952,212.53
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	213,212,927.49	155,126,777.31
Total current assets	6,919,289,944.18	6,881,327,320.58
Non-current assets:		
Loans and advances granted		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investment	37,748,179.30	23,550,658.91
Other equity instrument investments	41,192,950.00	
Other non-current financial assets		
Investment property	103,404,402.85	106,242,777.85
Fixed assets	2,102,862,886.72	1,840,358,093.74
Construction in progress	568,107,950.65	234,775,312.11

Productive biological assets		
Oil and gas assets		
Right-of-use assets	101,446,985.74	106,196,901.87
Intangible assets	607,110,895.95	547,316,314.57
Development expenditure	134,191,614.89	100,947,313.14
Goodwill	110,732,042.84	110,732,042.84
Long-term deferred expenses	182,804,408.10	132,221,565.23
Deferred tax assets	155,039,996.53	129,287,204.92
Other non-current assets	120,187,135.05	172,371,288.80
Total non-current assets	4,264,829,448.62	3,503,999,473.98
Total assets	11,184,119,392.80	10,385,326,794.56
Current liabilities:		
Short-term loans	279,348,750.00	283,351,495.57
Loan from the Central Bank		
Borrowed funds		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	927,833,178.70	1,065,652,340.80
Accounts payable	1,957,626,396.34	1,606,446,204.02
Accounts collected in advance	2,808,227.54	1,130,165.23
Contractual liabilities	168,681,571.89	138,281,929.17
Financial assets sold for repurchase		
Deposit absorption and interbank deposit		
Acting trading securities		
Acting underwriting securities		
Employee compensation payable	243,267,783.13	206,979,773.15
Taxes payable	92,374,605.57	88,405,514.65
Other account payable	151,341,029.40	335,047,520.52
Including: interest payable		
Dividends payable		
Service charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	370,623,598.03	75,356,303.72
Other current liabilities	32,561,693.03	22,476,430.74
Total current liabilities	4,226,466,833.63	3,823,127,677.57
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	437,747,877.47	581,500,000.00
Bonds payable		
Including: preferred shares		
Perpetual capital securities		
Lease liabilities	61,429,811.03	73,610,791.09

Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	11,146,292.42	13,370,250.14
Deferred tax liabilities	77,730,856.81	71,091,882.65
Other non-current liabilities		
Total non-current liabilities	588,054,837.73	739,572,923.88
Total liabilities	4,814,521,671.36	4,562,700,601.45
Owner's equity:		
Share capital	1,246,834,988.00	1,269,535,372.00
Other equity instruments		
Including: preferred shares		
Perpetual capital securities		
Capital reserves	2,212,629,919.51	2,266,142,198.44
Minus: treasury shares	112,426,101.24	284,257,854.91
Other comprehensive income	11,932,029.41	-8,479,622.35
Special reserves		
Surplus reserves	219,446,936.59	214,764,194.14
General risk provision		
Retained earnings	2,706,499,696.23	2,271,529,693.82
Total owners' equity attributable to the parent company	6,284,917,468.50	5,729,233,981.14
Minority shareholders' equity	84,680,252.94	93,392,211.97
Total owners' equity	6,369,597,721.44	5,822,626,193.11
Total liabilities and owners' equity	11,184,119,392.80	10,385,326,794.56

Legal Representative: Wu Yongqiang

Accounting Head: Luo Muchen

Accounting Department Head: Luo Muchen

2. Balance Sheet of Parent Company

Unit: RMB

Items	December 31, 2023	January 1, 2023
Current assets:		
Monetary capital	564,655,392.19	417,402,306.51
Tradable financial assets	449,502,886.74	243,989,473.48
Derivative financial assets		
Notes receivable	21,283,544.89	15,799,157.89
Accounts receivable	1,255,501,213.69	1,746,854,951.82
Financing of accounts receivable	187,096,121.14	188,468,485.11
Prepayments	9,934,227.02	40,076,367.47
Other receivables	359,906,911.54	902,544,005.07
Including: interest receivable		
Dividends receivable		
Inventory	144,733,773.21	182,264,664.43

Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	6,508,120.43	
Total current assets	2,999,122,190.85	3,737,399,411.78
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investment	3,987,403,182.73	3,958,403,119.94
Other equity instrument investments		
Other non-current financial assets		
Investment property		
Fixed assets	168,610,949.25	137,310,278.44
Construction in progress	12,393,132.55	22,775,996.65
Productive biological assets		
Oil and gas assets		
Right-of-use assets	9,098,366.55	14,765,367.57
Intangible assets	160,674,130.76	164,654,805.95
Development expenditure	83,523,254.86	53,698,954.16
Goodwill		
Long-term deferred expenses	15,656,340.48	16,270,648.51
Deferred tax assets	44,367,498.96	33,648,975.07
Other non-current assets	9,641,839.34	8,686,283.92
Total non-current assets	4,491,368,695.48	4,410,214,430.21
Total assets	7,490,490,886.33	8,147,613,841.99
Current liabilities:		
Short-term loans	204,133,333.33	10,000.00
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	1,136,576,558.75	968,645,962.43
Accounts payable	242,320,060.42	610,163,494.08
Accounts collected in advance	0.00	0.00
Contractual liabilities	95,017,210.64	50,483,032.75
Employee compensation payable	134,992,084.62	107,895,045.76
Taxes payable	17,927,120.33	23,225,286.94
Other account payable	470,481,715.23	1,258,071,297.67
Including: interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	307,665,202.21	6,896,279.13
Other current liabilities	11,806,507.10	5,163,830.86
Total current liabilities	2,620,919,792.63	3,030,554,229.62

Non-current liabilities:		
Long-term loans		300,000,000.00
Bonds payable		
Including: preferred shares		
Perpetual capital securities		
Lease liabilities	1,591,379.57	7,788,265.09
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	3,806,112.42	5,583,950.14
Deferred tax liabilities	32,635,559.80	32,610,663.86
Other non-current liabilities		
Total non-current liabilities	38,033,051.79	345,982,879.09
Total liabilities	2,658,952,844.42	3,376,537,108.71
Owner's equity:		
Share capital	1,246,834,988.00	1,269,535,372.00
Other equity instruments		
Including: preferred shares		
Perpetual capital securities		
Capital reserves	2,254,729,914.19	2,314,366,149.44
Minus: treasury shares	112,426,101.24	284,257,854.91
Other comprehensive income		
Special reserves		
Surplus reserves	219,418,418.13	214,735,675.68
Retained earnings	1,222,980,822.83	1,256,697,391.07
Total owners' equity	4,831,538,041.91	4,771,076,733.28
Total liabilities and owners' equity	7,490,490,886.33	8,147,613,841.99

3. Consolidated income statement

Unit: RMB

Items	In 2023,	2022
I. Total operating income	8,992,342,169.08	8,875,099,137.06
Including: operating income	8,992,342,169.08	8,875,099,137.06
Interest income		
Premium earned		
Service charge and commission income		
II. Total operating cost	8,440,752,000.64	8,245,478,544.66
Including: operating cost	6,986,324,444.52	7,087,226,986.88
Interest expense		
Service charge and commission payment		
Surrender value		
Net compensation expenditure		

Net reserve amount set aside for insurance liability contracts		
Policy dividend payment		
Reinsurance expenses		
Taxes and surcharges	55,464,701.92	59,394,768.35
Selling expenses	322,340,584.49	260,181,170.88
Overheads	438,361,342.66	369,502,745.36
R&D expenses	689,969,610.98	592,346,136.09
Finance expenses	-51,708,683.93	-123,173,262.90
Including: interest expenses	38,085,866.07	35,262,744.35
Interest income	36,588,417.62	22,969,451.22
Plus: other income	65,448,854.90	39,182,827.95
Investment income (loss marked with "-")	-11,234,586.49	564,908.47
Including: income from investment in associated enterprises and joint ventures	1,126,356.29	-2,568,468.91
Derecognized gains from financial assets measured at amortized cost		
Exchange gains (loss marked with "-")	0.00	0.00
Net exposure hedging income (loss marked with "-")	0.00	0.00
Loss from changes in fair value (loss marked with "-")	12,535,503.26	87,818,625.99
Credit impairment losses (loss marked with "-")	-3,019,928.48	-49,371,999.14
Asset impairment loss (loss marked with "-")	-70,707,401.38	-69,957,962.94
Assets disposal revenue (loss marked with "-")	-1,426,087.98	-1,612,652.02
III. Operating profits (loss marked with "-")	543,186,522.27	636,244,340.71
Plus: non-operating income	6,779,756.94	6,343,380.95
Minus: non-operating expenses	21,281,506.27	9,310,001.33
IV. Total profit (total loss marked with "-")	528,684,772.94	633,277,720.33
Minus: income tax expense	16,736,134.41	51,082,029.49
V. Net profit (net loss marked with "-")	511,948,638.53	582,195,690.84
(I) Classification according to business continuity		
1. Net profit from continuing operations (net loss marked with "-")	511,948,638.53	582,195,690.84
2. Net profit of discontinued operation (net loss marked with "-")		
(II) Classification according to ownership		
1. Net income attributable to the shareholders of the parent company	515,513,995.18	583,000,286.76
2. Profits and losses of minority shareholders	-3,565,356.65	-804,595.92
VI. Net after-tax amount of other comprehensive income	20,411,651.76	83,351,874.53
Net after-tax amount of other comprehensive income attributable to the owner of the parent company	20,411,651.76	83,351,874.53
(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	20,411,651.76	83,351,874.53
1. Other comprehensive income that can be transferred into profits or losses under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provisions for credit impairment of other debt investment		
5. Cash flow hedging reserve		
6. Difference in translation of foreign currency financial statements	20,411,651.76	83,721,983.94
7. Others		-370,109.41
Net after-tax amount of other comprehensive income attributed to the minority of shareholders		
VII. Total comprehensive income	532,360,290.29	665,547,565.37
Total consolidated income attributable to the owners of the parent company	535,925,646.94	666,352,161.29
Total consolidated income attributable to minority shareholders	-3,565,356.65	-804,595.92
VIII. Earnings per share		
(I) Basic earnings per share	0.41	0.46
(II) Diluted earnings per share	0.41	0.46

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

Legal Representative: Wu Yongqiang Accounting Head: Luo Muchen Accounting Department Head: Luo Muchen

4. Parent company income statement

Unit: RMB

Items	In 2023,	2022
I. Operating income	4,556,604,247.89	5,202,648,644.72
Minus: operating cost	3,771,059,615.43	4,377,885,965.16
Taxes and surcharges	12,815,647.25	27,844,377.41
Selling expenses	203,292,991.91	161,446,390.50
Overheads	208,265,939.19	199,330,817.89
R&D expenses	354,899,847.25	288,197,868.48
Finance expenses	-28,182,271.87	-97,593,261.74

Including: interest expenses	18,633,033.66	14,742,345.29
Interest income	17,407,950.27	12,642,025.47
Plus: other income	13,658,581.00	18,196,376.76
Investment income (loss marked with "-")	-13,309,330.46	2,905,522.38
Including: income from investment in associated enterprises and joint ventures	-47,053.31	-88,713.69
Derecognized gains from financial assets measured at amortized cost (loss marked with "-")		
Net exposure hedging income (loss marked with "-")		
Loss from changes in fair value (loss marked with "-")	5,513,413.26	56,977,636.74
Credit impairment losses (loss marked with "-")	5,038,682.32	-7,750,950.30
Asset impairment loss (loss marked with "-")	-4,422,995.84	-4,062,161.66
Assets disposal revenue (loss marked with "-")	90,933.75	73,024.55
II. Operating profit (loss marked with "-")	41,021,762.76	311,875,935.49
Plus: non-operating income	656,080.49	3,353,859.66
Minus: non-operating expenses	9,348,080.91	3,072,574.72
III. Total profit (total loss marked with "-")	32,329,762.34	312,157,220.43
Minus: income tax expense	-14,497,662.19	28,491,596.65
IV. Net profit (net loss marked with "-")	46,827,424.53	283,665,623.78
(I) Net profit from continuing operation (net loss marked with "-")	46,827,424.53	283,665,623.78
(II) Net profit from termination of operation (net loss marked with "-")		
V. Net after-tax amount of other comprehensive income		-370,109.41
(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		-370,109.41
1. Other comprehensive income that can be transferred into profits or losses under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provisions for credit impairment of other debt investment		
5. Cash flow hedging reserve		
6. Difference in translation of foreign currency financial statements		
7. Others		-370,109.41
VI. Total comprehensive income	46,827,424.53	283,295,514.37
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Cash Flow Statement

Unit: RMB

Items	In 2023,	2022
I. Cash flow from operating activities:		
Cash received from sales of goods or rendering of services	9,179,548,776.38	8,626,949,263.26
Net increase in deposits with other banks		
Net increase in borrowing from the central bank		
Net increase in funds borrowed from other financial institutions		
Cash from receipt of original insurance contract premiums		
Receipt of net cash for reinsurance operations		
Net increase in savings and investment funds of the insured		
Cash from receipt of interest, service charges and commissions		
Net increase in borrowed funds		
Net increase in funds from repurchase operations		
Net cash received for acting trading securities		
Refund of tax and levies	434,533,452.30	438,361,600.33
Other cash received related to operating activities	128,571,908.33	128,901,892.62
Subtotal of cash inflow from operating activities	9,742,654,137.01	9,194,212,756.21
Cash paid for purchasing goods and accepting labor services	6,199,684,459.33	6,729,462,234.98
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 paid to and for employees	1,524,104,853.03	1,486,982,071.31
Tax payments	224,407,012.95	223,823,801.46
Other cash paid in connection with operating activities	328,509,312.52	262,889,572.13
Subtotal of cash outflow from operating activities	8,276,705,637.83	8,703,157,679.88
Net cash flow from operating activities	1,465,948,499.18	491,055,076.33
II. Cash flow from investing activities:		
Cash received from investment recovery	21,000,265.52	57,000,000.00
Cash received as return on an investment	10,790,963.35	3,133,377.38
Net cash recouped from disposal of fixed assets, intangible assets, and other long-term assets	7,452,254.91	3,500,006.86
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investment activities		
Subtotal of cash inflow from investment activities	39,243,483.78	63,633,384.24
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	796,916,014.71	734,670,701.34
Cash paid for investment	380,124,141.64	97,032,200.02
Net increase in pledged loans		

Net cash obtained from subsidiaries and other business units		
Other cash paid related to investment activities	10,589,916.81	9,000,000.00
Subtotal of cash outflow from investment activities	1,187,630,073.16	840,702,901.36
Net cash flow from investment activities	-1,148,386,589.38	-777,069,517.12
III. Cash flow from financing activities:		
Cash received from absorbing investment	0.00	49,875,015.00
Including: cash received by subsidiaries' absorption of minority shareholders' investment		
Cash received from loan	975,297,372.48	1,048,010,000.00
Other cash received relating to financing activities	10,045,619.78	20,898,938.99
Subtotal of cash inflow from financing activities	985,342,992.26	1,118,783,953.99
Cash paid for repayments of debts	832,250,000.01	1,054,629,259.95
Cash paid to distribute dividends, profits or pay interest	104,646,124.41	92,131,933.80
Including: dividends and profits paid by subsidiaries to minority shareholders		
Other cash paid related to financing activities	281,629,710.21	96,944,669.54
Subtotal of cash outflow from financing activities	1,218,525,834.63	1,243,705,863.29
Net cash flow from financing activities	-233,182,842.37	-124,921,909.30
IV. Impact of exchange rate fluctuations on cash and cash equivalents	36,082,945.10	49,113,085.12
V. Net increase in cash and cash equivalents	120,462,012.53	-361,823,264.97
Plus: balance of cash and cash equivalents at the beginning of the period	1,374,281,693.23	1,736,104,958.20
VI. Balance of cash and cash equivalents at the end of the period	1,494,743,705.76	1,374,281,693.23

6. Cash flow statement of the parent company

Unit: RMB

Items	In 2023,	2022
I. Cash flow from operating activities:		
Cash received from sales of goods or rendering of services	5,146,532,349.10	4,734,306,171.71
Refund of tax and levies	215,907,016.90	227,237,393.79
Other cash received related to operating activities	1,924,186,614.04	3,336,116,773.24
Subtotal of cash inflow from operating activities	7,286,625,980.04	8,297,660,338.74
Cash paid for purchasing goods and accepting labor services	4,086,653,994.37	3,894,502,672.61
Cash paid to and for employees	580,575,688.20	625,644,473.84
Tax payments	24,471,056.32	47,969,809.00
Other cash paid in connection with operating activities	1,993,324,411.74	3,442,743,241.93
Subtotal of cash outflow from operating activities	6,685,025,150.63	8,010,860,197.38
Net cash flow from operating activities	601,600,829.41	286,800,141.36
II. Cash flow from investing activities:		
Cash received from investment recovery	0.00	0.00
Cash received as return on an investment	6,844,619.62	2,994,236.07
Net cash recouped from disposal of fixed assets, intangible assets, and other long-term assets	315,914.28	2,707,761.44

Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investment activities		
Subtotal of cash inflow from investment activities	7,160,533.90	5,701,997.51
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	125,616,454.72	113,986,390.44
Cash paid for investment	205,000,000.00	975,275,000.00
Net cash obtained from subsidiaries and other business units		
Other cash paid related to investment activities	43,224,116.81	0.00
Subtotal of cash outflow from investment activities	373,840,571.53	1,089,261,390.44
Net cash flow from investment activities	-366,680,037.63	-1,083,559,392.93
III. Cash flow from financing activities:		
Cash received from absorbing investment	0.00	49,875,015.00
Cash received from loan	230,000,000.00	718,010,000.00
Other cash received relating to financing activities	4,508,032.15	16,164,446.24
Subtotal of cash inflow from financing activities	234,508,032.15	784,049,461.24
Cash paid for repayments of debts	30,010,000.00	568,000,000.00
Cash paid to distribute dividends, profits or pay interest	87,648,051.70	74,343,060.81
Other cash paid related to financing activities	229,250,301.23	64,028,921.16
Subtotal of cash outflow from financing activities	346,908,352.93	706,371,981.97
Net cash flow from financing activities	-112,400,320.78	77,677,479.27
IV. Impact of exchange rate fluctuations on cash and cash equivalents	13,051,509.87	28,525,978.51
V. Net increase in cash and cash equivalents	135,571,980.87	-690,555,793.79
Plus: balance of cash and cash equivalents at the beginning of the period	394,701,442.83	1,085,257,236.62
VI. Balance of cash and cash equivalents at the end of the period	530,273,423.70	394,701,442.83

7. Consolidated statement of changes in owner's equity

Amount in the current period

Unit: RMB

Items	In 2023,														
	Owner's equity attributable to the parent company													Minority shareholders' equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Minus: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Retained earnings	Others	Subtotal		
	Preferred shares	Perpetual capital securities	Others												
I. Ending balance of last year	1,269,535,372.00				2,266,142,198.44	284,257,854.91	-8,479,622.35		214,764,194.14		2,271,529,693.82		5,729,233,981.14	93,392,211.97	5,822,626,193.11
Plus: changes in accounting policies															
Early error correction															
Others															
II. Beginning balance of the current year	1,269,535,372.00				2,266,142,198.44	284,257,854.91	-8,479,622.35		214,764,194.14		2,271,529,693.82		5,729,233,981.14	93,392,211.97	5,822,626,193.11
III. Amount of changes in increase or decrease in the current period (decrease marked with "-")	-22,700,384.00				-53,512,278.93	-171,831,753.67	20,411,651.76		4,682,742.45		434,970,002.41		555,683,487.36	-8,711,959.03	546,971,528.33
(I) Total comprehensive income							20,411,651.76				515,513,995.18		535,925,646.94	-3,565,356.65	532,360,290.29
(II) Capital invested and reduced by owners	-22,700,384.00				-53,356,916.24	-171,831,753.67							95,774,453.43	2,498,034.93	98,272,488.36
1. Ordinary shares invested by owners															
2. Capital contributed by holders of other equity instruments															

3. Amount of share-based payment included in owner's equity					85,569,433.84								85,569,433.84	2,498,034.93	88,067,468.77
4. Others	-22,700,384.00				-138,926,350.08	-171,831,753.67							10,205,019.59		10,205,019.59
(III) Profit distribution									4,682,742.45	-80,543,992.77			-75,861,250.32		-75,861,250.32
1. Withdrawal of surplus reserve									4,682,742.45	-4,682,742.45					
2. Withdrawal of general risk provision															
3. Distribution to owners (or shareholders)										-75,861,250.32			-75,861,250.32		-75,861,250.32
4. Others															
(IV) Internal carryover of owner's equity															
1. Conversion of surplus reserves to additional capital (or share capital)															
2. Conversion of surplus reserves to additional capital (or share capital)															
3. Surplus public reserve to compensate losses															
4. Change of defined benefit plans carried forward to retained earnings															
5. Other comprehensive income carried forward into retained earnings															
6. Others															
(V) Special reserves															
1. Amount withdrawn in the															

current period															
2. Amount used in the current period															
(VI) Others					-155,362.69								-155,362.69	-7,644,637.31	-7,800,000.00
IV. Ending balance of the current year	1,246,834,988.00				2,212,629,919.51	112,426,101.24	11,932,029.41		219,446,936.59		2,706,499,696.23		6,284,917,468.50	84,680,252.94	6,369,597,721.44

Amount in the previous period

Unit: RMB

Items	2022														Minority shareholders' equity	Total owners' equity
	Owner's equity attributable to the parent company												Subtotal			
	Share capital	Other equity instruments			Capital reserves	Minus: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Retained earnings	Others				
	Preferred shares	Perpetual capital securities	Others													
I. Ending balance of last year	1,256,978,072.00				2,140,053,149.74	242,525,433.60	-91,831,496.88		186,397,631.76		1,779,243,483.61		5,028,315,406.63	88,559,929.67	5,116,875,336.30	
Plus: changes in accounting policies											365,494.43		365,494.43	30,539.28	396,033.71	
Early error correction																
Others																
II. Beginning balance of the current year	1,256,978,072.00				2,140,053,149.74	242,525,433.60	-91,831,496.88		186,397,631.76		1,779,608,978.04		5,028,680,901.06	88,590,468.95	5,117,271,370.01	
III. Amount of changes in increase or decrease in the current period (decrease marked with "-")	12,557,300.00				126,089,048.70	41,732,421.31	83,351,874.53		28,366,562.38		491,920,715.78		700,553,080.08	4,801,743.02	705,354,823.10	
(I) Total comprehensive income							83,351,874.53				583,000,286.76		666,352,161.29	-804,595.92	665,547,565.37	
(II) Capital invested and reduced by owners	12,557,300.00				160,961,901.03	41,732,421.31							131,786,779.72		131,786,779.72	
1. Ordinary shares invested by	14,049,300.00				35,825,715.00								49,875,015.00		49,875,015.00	

included in owner's equity												
4. Others	-22,700,384.00				-138,926,350.08	-171,831,753.67						10,205,019.59
(III) Profit distribution								4,682,742.45	-80,543,992.77			-75,861,250.32
1. Withdrawal of surplus reserve								4,682,742.45	-4,682,742.45			
2. Distribution to owners (or shareholders)									-75,861,250.32			-75,861,250.32
3. Others												
(IV) Internal carryover of owner's equity												
1. Conversion of surplus reserves to additional capital (or share capital)												
2. Conversion of surplus reserves to additional capital (or share capital)												
3. Surplus public reserve to compensate losses												
4. Change of defined benefit plans carried forward to retained earnings												
5. Other comprehensive income carried forward into retained earnings												
6. Others												
(V) Special reserves												
1. Amount withdrawn in the current period												
2. Amount used in the current period												
(VI) Others												
IV. Ending balance of the current year	1,246,834,988.00				2,254,729,914.19	112,426,101.24			219,418,418.13	1,222,980,822.83		4,831,538,041.91

Amount in the previous period

Unit: RMB

Items	2022											
	Share capital	Other equity instruments			Capital reserves	Minus: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Others	Total owners' equity
		Preferred shares	Perpetual capital securities	Others								
I. Ending balance of last year	1,256,978,072.00				2,189,685,216.22	242,525,433.60	370,109.41		186,369,113.30	1,064,111,338.27		4,454,988,415.60
Plus: changes in accounting												

policies											
Early error correction											
Others											
II. Beginning balance of the current year	1,256,978,072.00			2,189,685,216.22	242,525,433.60	370,109.41	186,369,113.30	1,064,111,338.27		4,454,988,415.60	
III. Amount of changes in increase or decrease in the current period (decrease marked with "-")	12,557,300.00			124,680,933.22	41,732,421.31	-370,109.41	28,366,562.38	192,586,052.80		316,088,317.68	
(I) Total comprehensive income						-370,109.41		283,665,623.78		283,295,514.37	
(II) Capital invested and reduced by owners	12,557,300.00			155,943,760.34	41,732,421.31					126,768,639.03	
1. Ordinary shares invested by owners	14,049,300.00			35,825,715.00						49,875,015.00	
2. Capital contributed by holders of other equity instruments											
3. Amount of share-based payment included in owner's equity				129,338,605.34						129,338,605.34	
4. Others	-1,492,000.00			-9,220,560.00	41,732,421.31					-52,444,981.31	
(III) Profit distribution							28,366,562.38	-91,079,570.98		-62,713,008.60	
1. Withdrawal of surplus reserve							28,366,562.38	-28,366,562.38			
2. Distribution to owners (or shareholders)								-62,713,008.60		-62,713,008.60	
3. Others											
(IV) Internal carryover of owner's equity											
1. Conversion of surplus reserves to additional capital (or share capital)											
2. Conversion of surplus reserves to additional capital (or share capital)											
3. Surplus public reserve to compensate losses											
4. Change of defined benefit plans carried forward to retained earnings											
5. Other comprehensive income carried forward into retained earnings											
6. Others											
(V) Special reserves											
1. Amount withdrawn in the current period											

2. Amount used in the current period											
(VI) Others					-31,262,827.12						-31,262,827.12
IV. Ending balance of the current year	1,269,535,372.00				2,314,366,149.44	284,257,854.91			214,735,675.68	1,256,697,391.07	4,771,076,733.28

III. Basic information of the Company

Shenzhen Topband Co., Ltd. (hereinafter referred to as "the Company") formerly known as Shenzhen Topband Electronic Equipment Co., Ltd., is a limited liability company approved by Shenzhen Administration for Industry and Commerce on February 9, 1996. It has obtained the Business License of Enterprise Legal Person with the registration number of 19241377-3. On January 10, 2001, upon approval, the name of Shenzhen Topband Electronic Equipment Co., Ltd. was changed to Shenzhen Topband Electronic Technology Co., Ltd. On July 15, 2002, with the approval of Shenzhen Municipal People's Government by issuing the Reply to the Approval of the Reorganization and Establishment of Shenzhen Topband Electronic Technology Co., Ltd. (SFG [2002] No. 24), it was agreed that Shenzhen Topband Electronic Technology Co., Ltd. would be reorganized into a joint stock limited company jointly by five shareholders. On June 26, 2007, with the approval of the Notice on Approving the Initial Public Offering of Shenzhen Topband Electronic Technology Co., Ltd. (CSRC No. 2007135) issued by the China Securities Regulatory Commission, the Company issued shares to the public and was listed on the Shenzhen Stock Exchange with the stock code (002139). In September 2009, the Company's name was changed to Shenzhen Topband Co., Ltd.

The Company's registered address is F1, Topband Industrial Park Phase II, Keji Second Road, Tangtou Community, Shiyan Sub-district, Bao'an District, Shenzhen. The unified social credit code of the business license is 91440300192413773Q. The legal representative of the Company is Wu Yongqiang. As of December 31, 2023, the share capital is RMB 1,246,834,988.00.

The Company's main operating activities are the R&D, production, and sales of intelligent control system solutions, i.e., with the "electronic control, motor, battery, power source and IoT platform" as the core, providing a variety of custom solutions for household appliances, tools, new energy, and industry.

Submission of financial statement: This financial statement has been approved for submission by the Company's Board of Directors on March 25, 2024.

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 2023) issued by the CSRC were taken as reference in the financial report.

2. Accounting period

The fiscal 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

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

5. Method for determining materiality criteria and basis for selection

Applicable Not applicable

Items	Materiality criteria
Accounts receivable with major single provision for bad debts	The ending balance of individual accounts receivable and other receivables is greater than RMB 1 million
Important projects under construction	Single item amount is greater than RMB 10 million

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

1. Accounting treatment for consolidation under the same control

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

2. Accounting treatment for consolidation under different control

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

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

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

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

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

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

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

- 1) Such transactions are concluded at the same time or under the situation of considering the impact on each other;
- 2) Only can the unity of such transactions reach an integral commercial result;
- 3) The occurrence of a transaction is based on the occurrence of at least one of other transactions;
- 4) A transaction is regarded as uneconomic, but being economic when regarded along with other transactions.

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

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

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

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

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

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

Other comprehensive income related to the equity investment in original subsidiary shall be transferred to the current investment income or retained earnings at the time of losing control.

7. Criteria for determining control and methods for preparing consolidated financial statements

The scope of consolidation of the Company's consolidated financial statements shall be determined on the basis of control.

Control refers to that the Company has power over the investee, enjoys variable returns through participation in the relevant activities of the investee, and has the ability to use its power over the investee to influence the amount of its returns. Relevant activities are those activities that have a significant impact on the returns of the investee. The relevant activities of the investee shall be judged based on the specific circumstances, and usually include the sale and purchase of goods or services, the management of financial assets, the purchase and disposal of assets, research and development activities, and financing activities.

The Company makes a determination as to whether it controls an investee based on a comprehensive consideration of all relevant facts and circumstances. Once changes in relevant facts and circumstances result in changes in the relevant elements involved in the definition of control, the Company will reassess.

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

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

1. Identification and classification of joint venture arrangements

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

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

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

2. Accounting treatment for joint venture arrangement

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

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

9. Standards for determining cash and cash equivalents

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

10. Foreign currency transaction and 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.

11. Financial instruments

1. Recognition and derecognition of financial instruments

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

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

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

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

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

2. Classification and measurement of financial assets

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

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

(1) Financial assets measured at amortized cost

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

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

Financial assets that meet the following conditions at the same time are classified as financial assets measured at fair value with their changes included in other comprehensive income: the Company's business

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

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

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

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

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

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

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

3. Classification and measurement of financial liabilities

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

Financial liabilities satisfying one of the following requirements can be designated as financial liabilities measured at fair value with their changes included in the current profit and loss during initial measurement: (1) Such designation can eliminate or remarkably reduce the accounting mismatch; (2) According to group risk

management or investment strategy in the formal written documents, the management and performance evaluation of the portfolio of financial liabilities or portfolio of financial assets and financial liabilities are conducted on the basis of fair price, and within the Group, it is reported to the key management personnel on such basis; (3) Such financial liabilities include embedded derivatives requiring separate splitting.

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

The subsequent measurement of financial liabilities depends on its classification:

(1) Financial liabilities measured at amortized cost

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

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

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

4. Set off of financial instruments

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

5. Impairment of financial assets

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

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

(1) General model of expected credit loss

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

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

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

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

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

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

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

Third stage: credit impairment occurs after initial recognition

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

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

(2) Receivables and lease receivables

The Company measures the loss provisions as per the amount of expected credit losses throughout the whole duration by the use of simplified model for expected credit loss for receivables specified in Accounting

Standards for Business Enterprises No. 14 - Income, excluding significant financing components (including cases in which financing components in contracts not exceeding one year are not taken into account in accordance with the standards).

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

6. Transfer of financial assets

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

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

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

12. Notes receivable

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

13. Accounts receivable

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

accordance with the standards). The increased or reversed amount of loss provisions generated therefrom shall be included in the current profits and losses as impairment losses or gains.

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

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

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

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

2. Receivables with provision for bad debts by portfolio

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

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

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

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

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

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

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

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

14. Receivables financing

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

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

15. Other receivables

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

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

16. Contract assets

1. Recognition methods and standards for the contractual assets

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

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

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 measures the loss provisions as per the amount of expected credit losses throughout the whole duration by the use of simplified model for expected credit loss for contractual assets including significant financing components.

17. Inventories

1. Classification of inventories

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

2. Pricing method of delivered inventories

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

3. Inventory system

Perpetual inventory system is the inventories.

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

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

5. Recognition criteria and provision method for inventory revaluation reserve

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.

18. Assets held for sale

1. Recognition criteria and accounting treatment for non-current assets or disposal groups classified as held for sale

The Company classifies group components (or non-current assets) as held for sale if they meet all of the following conditions: (1) they are readily available for sale in their current state based on the practice of selling such assets or disposal groups in similar transactions; and (2) it is highly likely that a sale will occur, a resolution has been made on a sale plan, and a firm purchase commitment has been obtained (a firm purchase commitment refers to a legally binding purchase agreement signed between an enterprise and another party, which contains important terms such as transaction price, time, and sufficiently severe penalty for breach of contract, so that the possibility of significant adjustment or cancellation of the agreement is extremely small). The sale is expected to be completed within one year. The approval required by relevant authorities or regulatory departments has been obtained in accordance with relevant regulations.

The Company adjusts the estimated net residual value of assets held for sale to reflect the net amount of its fair value less selling expenses (but not exceeding the original book value of the asset held for sale). The difference between the original book value and the adjusted estimated net residual value is recorded in the current profit and loss as an asset impairment loss, and a provision for asset impairment held for sale is made at the same time. The amount of asset impairment loss recognized for a disposal group held for sale shall first be offset against the carrying amount of goodwill in the disposal group, and then the carrying amount of each non-current asset in the disposal group that is subject to the measurement requirements of the Criteria shall be offset in proportion to its share.

If the net amount of the fair value of non-current assets held for sale less selling expenses increases on subsequent balance sheet dates, the amount previously written down shall be restored and reversed within the amount of the asset impairment loss recognized after classification as held for sale, and the reversed amount shall be included in the current profit and loss. Impairment losses recognized before the asset is classified as held for sale shall not be reversed. If the net amount of the fair value of a disposal group held for sale less selling expenses increases on subsequent balance sheet dates, the amount previously written down shall be

restored and reversed within the amount of the asset impairment loss recognized for non-current assets in accordance with the measurement requirements of the Criteria after classification as held for sale, and the reversed amount shall be included in the current profit and loss. The carrying amount of goodwill that has been written off and the impairment losses on non-current assets subject to the measurement requirements of the Criteria recognized before they are classified as held for sale shall not be reversed. The amount of subsequent reversal of impairment losses recognized by a disposal group held for sale shall be increased in proportion to the carrying amounts of various non-current assets in the disposal group that are subject to the measurement requirements of the Standard, except goodwill. If an enterprise loses control over a subsidiary due to sales of its investment in the subsidiary or other reasons, regardless of whether the enterprise retains part of the equity investment after the sale, it shall classify the investment in the subsidiary as a whole as held for sale in the parent company's individual financial statements and classify all assets and liabilities of the subsidiary as held for sale in the consolidated financial statements when the investment in the subsidiary to be sold meets the conditions for classification as held for sale.

2. Criteria for determining and reporting discontinued operations

Discontinued operations refer to separately identifiable components of an enterprise that meet any of the following conditions and have been disposed of or classified as held for sale: (1) the component represents an independent major business or a separate major operating area; (2) the component is part of a related plan to dispose of an independent major business or a separate major operating area; or (3) the component is a subsidiary acquired specifically for resale.

The definition of discontinued operations includes the following three aspects:

(1) The discontinued operations shall be a separately identifiable component of the enterprise. The operations and cash flows of this component can be clearly distinguished from other parts of the enterprise when the enterprise is operated and the financial statements are prepared.

(2) The discontinued operations must be of a certain scale. The discontinued operations shall represent a separate principal business or a separate major operating area, or be part of a related plan to dispose of a separate principal business or a separate major operating area.

(3) The discontinued operations must meet certain timing requirements. A component that meets the definition of discontinued operations shall fall into one of the following two situations: the component has been disposed of before the balance sheet date, including being sold and discontinued (such as shut down or scrapped); the component has been classified as held for sale before the balance sheet date.

19. Debt investment

None.

20. Other debt investment

None.

21. Long-term receivables

None.

22. Long-term equity investment

1. Determination of investment costs

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

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

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

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

2. Subsequent measurement and recognition methods for profits and losses

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

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

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

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

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

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

4. Disposal of long-term equity investments

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

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

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

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

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

5. Methods for impairment test and provision 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.

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

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

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

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

24. Fixed assets

(1) Conditions for recognition

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

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

(2) Depreciation method

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

25. Construction in progress

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

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

26. Borrowing costs

1. Recognition principle for capitalizing borrowing cost

Borrowing costs occurred by the Company that may be directly attributable to the acquisition or construction of assets eligible for capitalization, are capitalized and accounted in the cost of relevant assets;

while other borrowing costs are recognized as expenses and accounted into current profits and losses whenever occurred.

2. Capitalization period of borrowing costs

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

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

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

3. Capitalized amount of borrowing costs

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

27. Biological assets

None.

28. Oil and gas assets

None.

29. Intangible assets

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

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

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

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

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

(2) Scope of R&D expenditures and related accounting treatment methods

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

30. Long-term assets impairment

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

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

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

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

the internal report of the enterprise shows that economic performance of assets has been or will be lower than the expected, for instance, the net cash flow arising from assets or the realized operating profit (or loss) is far lower (or higher) than the expected amount, etc. (7) Other indications showing that assets may have been impaired.

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

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

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

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

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

31. Long-term deferred expenses

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

32. Contractual liabilities

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

33. Employee compensation

(1) Accounting treatment of short-term compensation

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

(2) Accounting treatment of post-employment benefits

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

(3) Accounting treatment of dismissal benefits

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

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

None.

34. Estimated liabilities

None.

35. Share-based payment

1. Types of share-based payment

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

2. Determination method of fair value of equity instrument

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

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

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

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

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

(1) Equity-settled share-based payment

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

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

(2) Cash-settled share-based payment

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

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

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

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

beneficial to employees, it shall not consider the modified vesting conditions when dealing with vesting conditions.

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

36. Preferred shares, perpetual bonds and other financial instruments

None.

37. Revenue

Disclosing the accounting policies adopted for revenue recognition and measurement by business type

1. 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.

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.

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 considers 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) 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.

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

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

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

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

The same type of business adopting different operating models involving different revenue recognition methods and measurement methods

None.

38. Contractual costs

Contractual costs are divided into contract performance costs and contract acquisition costs.

The costs incurred by the Company to perform a contract shall be recognized as an asset as contract performance costs if the following conditions are met at the same time:

1. The costs are directly related to a current or anticipated contract, including direct labor, direct materials, manufacturing overhead (or similar costs), costs clearly borne by the client, and other costs incurred solely for the contract;

2. The cost increases the resources that the enterprise will use to fulfill its performance obligations in the future;

3. The costs are expected to be recovered.

The Company recognizes the incremental costs incurred to obtain a contract as an asset if it expects to recover the incremental costs incurred to obtain the contract; however, if the asset is amortized for no more than one year, it may be included in the current profit and loss when incurred.

Assets related to contractual costs are amortized on the same basis as revenue from goods or services related to the asset.

If the carrying amount of an asset related to contractual costs exceeds the difference between the following two items, the Company will make an provision for impairment for the excess and recognize it as an asset impairment loss:

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

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

If the above-mentioned provision for asset impairment is subsequently reversed, the book value of the asset after the reversal shall not exceed the book value of the asset on the reversal date assuming no provision for impairment was made.

39. Government subsidies

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

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

3. Government subsidies calculated by adopting the gross method:

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

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

4. Government subsidies calculated by adopting the net method:

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

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

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

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

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

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

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

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

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

40. Deferred tax assets/deferred tax liabilities

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

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

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

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

41. Lease

(1) Accounting treatment of lease as the lessee

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

After the starting date of the lease term, the Company uses the cost model to make subsequent measurement of the right-of-use assets. The provision for the depreciation of the right-of-use assets shall be made with reference to the relevant depreciation provisions of the Accounting Standards for Business Enterprises No. 4 - Fixed Assets. If the lessee can reasonably determine that it will obtain the ownership of the leased assets upon the expiration of the lease term, provision for depreciation shall be made within the remaining service life of the leased assets. If it is not reasonable to be certain that the lessee will obtain the ownership of the leased assets at the expiry of the lease term, the leased assets shall be calculated and withdrawn as depreciation over the shorter one of the lease term or the remaining service life. The Company determines whether the right-of-use assets are impaired in accordance with the Accounting Standards for

Business Enterprises No. 8 - Asset Impairment, and carries out accounting treatment for the identified impairment losses.

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

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

(2) Accounting treatment of lease as the lessor

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

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

42. Other important accounting policies and accounting estimation

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.

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

Applicable Not applicable

Unit: RMB

Contents and reasons of the accounting policy change	Name of the statement item that is significantly affected	Amount affected
"Accounting practice for deferred income taxes related to assets and liabilities generated by individual transactions which shall not be exempted from initial confirmation" in Interpretation No. 16 of Accounting Standards for Business Enterprises (CK [2022] No. 31) (hereinafter referred to as "Interpretation No. 16")	Deferred tax assets	20,769,946.22
	Deferred tax liabilities	19,947,728.52
	Retained earnings	710,522.81
	Minority shareholders' equity	111,694.89
	Income tax expenses	-426,183.99

The Company began to implement the relevant provisions of Interpretation No. 16 of Accounting Standards for Business Enterprises (CK [2022] No. 31) from January 1, 2023, and adjusted the beginning retained earnings and other relevant financial statement items of the earliest period reported in the financial statements by the cumulative impact amounts.

In response to the implementation of this provision, the Company retroactively adjusted the deferred income tax assets of RMB 20,769,946.22, deferred income tax liabilities of RMB 19,947,728.52, retained earnings of RMB 710,522.81, minority shareholders' equity of RMB 111,694.89, and income tax expense for 2022 of RMB -426,183.99 in the consolidated financial statements as of December 31, 2022.

(2) Important accounting estimation changes

Applicable Not applicable

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

Applicable Not applicable

44. Others

None.

VI. Tax**1. Main tax types and tax rate**

Tax type	Tax basis	Tax rate
VAT (value-added tax)	Revenue from sales of goods	13%、9%、6%、3%、0%

Urban maintenance and construction tax	Paid turnover tax amount	7%、5%
Education surcharge	Paid turnover tax amount	3%
Corporate income tax	Taxable income	Please refer to the different corporate income tax rates, subject of taxation and their tax rate disclosures below for details.

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

Name of taxpayer	Corporate income tax rate
Shenzhen Topband Co., Ltd.	15.00%
Shenzhen Topband Software Technology Co., Ltd.	15.00%
Shenzhen Topband Automation Technology Co., Ltd.	15.00%
Shenzhen Topband Battery Co., Ltd.	15.00%
Chongqing Topband Industrial Co., Ltd.	25.00%
Topband (Hong Kong) Co., Ltd.	16.50%
Huizhou Topband Electrical Technology Co., Ltd.	15.00%
TOPBANDINDIAPRIVATELIMITED	25.17%
Shenzhen YAKO Automation Technology Co., Ltd.	15.00%
Shenzhen Allied Control System Co., Ltd.	15.00%
Shenzhen Yansheng Software Co., Ltd.	15.00%
Ningbo Topband Intelligent Control Co., Ltd.	25.00%
Shenzhen Meanstone Intelligent Technology Co., Ltd.	20.00%
Hangzhou Zhidong Motor Technology Co., Ltd.	20.00%
Taixing Ninghui Lithium Battery Co., Ltd.	15.00%
Shenzhen Topband Supply Chain Services Co., Ltd.	25.00%
Shenzhen Topband Investment Co., Ltd.	25.00%
Shenzhen Spark IOT Technology Co., Ltd.	20.00%
Shenzhen Zhongli Consulting Co., Ltd.	20.00%
Shenzhen Tunnu Innovation Co., Ltd.	20.00%
TUNNUINNOVATION,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%
TOPBANDJAPANCo.,Ltd	23.20%
Tunnu Innovation (Hong Kong) Limited	8.25%
Topband (Vietnam)Co.,Ltd	20.00%
TOPBANDSMARTDONGNAI(VIETNAM)Co.,Ltd	20.00%
TopbandGermanyGmbH	15.83%
Huizhou Topband Battery Co., Ltd.	20.00%
Nantong Topband Youneng Technology Co., Ltd.	25.00%
Huizhou YAKO Automation Technology Co., Ltd.	25.00%
Shenzhen Topband Motor Co., Ltd.	20.00%
Shenzhen Yueshang Robot Co., Ltd.	20.00%

Shenzhen Jingfei Investment Co., Ltd.	20.00%
Huizhou Chiding Technology Co., Ltd.	20.00%
Q.B.PTE.LTD	17.00%
TOPBANDMEXICO,S.DER.L.DEC.V.	30.00%
TOPBANDSMARTEUROPECOMPANYLIMITEDS.R.L.	16.00%
Yolaness Technology (HK) Co., Limited	8.25%
Huizhou Jiuwan Lvyuan Agriculture Co., Ltd.	20.00%
YOLANESSAFRICA(PTY)LTD	27.00%

2. Tax preference

Shenzhen YAKO Automation Technology Co., Ltd. was recognized as a software enterprise by Shenzhen Economic, Trade and Information Commission on April 27, 2013, and obtained the Software Enterprise Certificate that is numbered Shen R-2010-0237. In accordance with the provisions of the Notice on Issuing Several Policies to Further Encourage the Development of the Software Industry and the Integrated Circuit Industry (GF [2011] No. 4) issued by the State Council, during the Reporting Period, after the above-mentioned product sales revenue was levied with value-added tax at the statutory tax rate of 13%, the portion of its actual value-added tax burden that exceeded 3% was subject to a tax refund policy.

Shenzhen Topband Software Technology Co., Ltd. was recognized as a software enterprise by Shenzhen Economic, Trade and Information Commission on June 28, 2013, and obtained the Software Enterprise Certificate that is numbered Shen R-2013-0616. In accordance with the provisions of the Notice on Issuing Several Policies to Further Encourage the Development of the Software Industry and the Integrated Circuit Industry (GF [2011] No. 4) issued by the State Council, during the Reporting Period, after the above-mentioned product sales revenue was levied with value-added tax at the statutory tax rate of 13%, the portion of its actual value-added tax burden that exceeded 3% was subject to a tax refund policy.

Shenzhen Yansheng Software Co., Ltd. was recognized as a software enterprise by the Shenzhen Software Industry Association on August 31, 2017, and obtained the Software Enterprise Certificate that is numbered Shen RQ-2017-0587. In accordance with the provisions of the Notice on Issuing Several Policies to Further Encourage the Development of the Software Industry and the Integrated Circuit Industry (GF [2011] No. 4) issued by the State Council, during the Reporting Period, after the above-mentioned product sales revenue was levied with value-added tax at the statutory tax rate of 13%, the portion of its actual value-added tax burden that exceeded 3% was subject to a tax refund policy.

According to the Notice on Value-added Tax Policy for Software Products (CS [2011] No. 100) issued by the Ministry of Finance and the State Taxation Administration, the portion of the actual value-added tax burden on software product sales that exceeds 3% shall be subject to a tax refund policy. The provisions of this policy apply to the Company's two subsidiaries, Shenzhen Allied Control System Co., Ltd. and Shenzhen Meanstone Intelligent Technology Co., Ltd.

On November 15, 2023, the Company obtained the Certificate for High-tech Enterprise that is numbered GR202344206777 and issued by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Bureau and Shenzhen Tax Service, State Taxation Administration. This Certificate is valid within 3 years from the date of issuance. The corporate income tax rate applicable for the Company from 2023 to 2025 is 15% in accordance with relevant provisions of the Law of the People's Republic of China on Enterprise Income Tax, Regulations of the People's Republic of China on the Implementation of Enterprise Income Tax and the Management Measures for the Certification of High-tech Enterprises.

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

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

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

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

Implementation of Enterprise Income Tax and the Management Measures for the Certification of High-tech Enterprises.

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

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

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

On November 15, 2023, Shenzhen Topband Automation Technology Co., Ltd. obtained the Certificate for High-tech Enterprise that is numbered GR202344204958 and issued by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Bureau and Shenzhen Tax Service, State Taxation Administration. This Certificate is valid within 3 years from the date of issuance. The corporate income tax rate applicable for the Company from 2023 to 2025 is 15% in accordance with relevant provisions of the Law of the People's Republic of China on Enterprise Income Tax, Regulations of the People's Republic of China on the Implementation of Enterprise Income Tax and the Management Measures for the Certification of High-tech Enterprises.

According to the provisions of the Announcement on Tax and Fee Policies to Further Support the Development of Small and Micro Enterprises and Individual Businesses ([2023] No. 12) issued by the Ministry of Finance and the State Taxation Administration, the policy of calculating the taxable income of small and micro-profit enterprises at a reduced rate of 25% and paying corporate income tax at a rate of 20% shall continue to be implemented until December 31, 2027. The provisions of this Policy apply to Hangzhou Zhidong

Motor Technology Co., Ltd., Shenzhen Spark IOT Technology Co., Ltd., Shenzhen Tunnu Innovation Co., Ltd., Huizhou Topband Battery Co., Ltd., Shenzhen Topband Motor Co., Ltd., Shenzhen Meanstone Intelligent Technology Co., Ltd., Shenzhen Zhongli Consulting Co., Ltd., Shenzhen Senxuan Technology Co., Ltd., Shenzhen Tengyi Industrial Co., Ltd., Topband (Qingdao) Intelligent Control Co., Ltd., Shenzhen Topband Automotive Electronics Co., Ltd., Shenzhen Yueshang Robot Co., Ltd., Shenzhen Jingfei Investment Co., Ltd., Huizhou Chiding Technology Co., Ltd. and Huizhou Jiuwan Lvyuan Agriculture Co., Ltd. that are subsidiaries and sub-subsidiaries of the Company.

3. Others

None.

VII. Notes to Items of Consolidated Financial Statements

1. Monetary capital

Unit: RMB

Items	Ending balance	Beginning balance
Cash on hand	1,069,045.22	606,436.16
Bank deposit	1,352,610,241.43	1,210,218,469.79
Other monetary capital	196,771,603.17	192,201,165.39
Total	1,550,450,889.82	1,403,026,071.34
Including: total amount deposited abroad	270,380,160.96	412,196,063.34

Other descriptions:

1. At the end of the period, there were pledged, frozen or other funds with restrictions on use totaling RMB 39,587,800.49.
2. At the end of the period, there is no amount deposited overseas and with the repatriation restricted.

2. Tradable financial assets

Unit: RMB

Items	Ending balance	Beginning balance
Financial assets measured at fair value and whose changes are recorded in current profit or loss	656,704,087.16	342,959,450.31
Including:		
Financial products	303,000,000.00	1,790,866.41
Investment in equity instruments	352,334,087.16	341,168,583.90
Forward foreign exchange contract	1,370,000.00	
Including:		
Total	656,704,087.16	342,959,450.31

Other descriptions:

None.

3. Derivative financial assets Applicable Not applicable**4. Notes receivable****(1) List of classification of notes receivable**

Unit: RMB

Items	Ending balance	Beginning balance
Bank acceptance instruments	48,332,530.42	40,056,132.32
Commercial acceptance bill	5,865,862.11	11,735,626.58
Total	54,198,392.53	51,791,758.90

(2) Disclosure by bad debt provision method

Unit: RMB

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	
Notes receivable with single provision for bad debts	48,332,530.42	88.87%			48,332,530.42	40,056,132.32	76.78%			40,056,132.32
Including:										
Bank acceptance bill	48,332,530.42	88.87%			48,332,530.42	40,056,132.32	76.78%			40,056,132.32
Commercial acceptance bill										
Notes receivable with provision for bad debts by portfolio	6,053,521.27	11.13%	187,659.16	3.10%	5,865,862.11	12,111,069.74	23.22%	375,443.16	3.10%	11,735,626.58
Including:										
Commercial acceptance bill	6,053,521.27	11.13%	187,659.16	3.10%	5,865,862.11	12,111,069.74	23.22%	375,443.16	3.10%	11,735,626.58
Total	54,386,051.69	100.00%	187,659.16	0.35%	54,198,392.53	52,167,202.06	100.00%	375,443.16	0.72%	51,791,758.90

Provision for bad debts by portfolio: 187,659.16

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Commercial acceptance bill	6,053,521.27	187,659.16	3.10%

Total	6,053,521.27	187,659.16
-------	--------------	------------

Explanation of the basis for determining the portfolio:

None

If the provision for bad debts of notes receivable is made according to the general model of expected credit losses:

Applicable Not applicable

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

Provision for bad debts in the current period:

Unit: RMB

Category	Beginning balance	Amount changed in the current period				Ending balance
		Provision	Recover or reversal	Write-off	Others	
Provision for bad debts - notes receivable	375,443.16	-187,784.00				187,659.16
Total	375,443.16	-187,784.00				187,659.16

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

Applicable Not applicable

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

Applicable Not applicable

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

Unit: RMB

Items	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance instruments		30,163,200.29
Commercial acceptance bill		
Total		30,163,200.29

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

Applicable Not applicable

5. Accounts receivable**(1) Disclosure by aging**

Unit: RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	2,501,663,449.76	2,634,692,660.36
1-2 years	26,101,888.01	41,435,174.20
2-3 years	34,426,751.55	37,842,457.63
Above 3 years	38,418,609.23	2,835,672.10
3-4 years	36,343,415.96	1,167,983.94
4-5 years	742,628.55	1,387,990.68
Above 5 years	1,332,564.72	279,697.48
Total	2,600,610,698.55	2,716,805,964.29

(2) Disclosure by bad debt provision method

Unit: RMB

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	90,294,270.19	3.47%	90,294,270.19	100.00%		82,546,521.29	3.04%	82,546,521.29	100.00%	
Including:										
Accounts receivable with a single significant amount and single bad debt provision	86,711,553.79	3.33%	86,711,553.79	100.00%		82,546,521.29	3.04%	82,546,521.29	100.00%	
Accounts receivable with not significant amount but with single provision for bad debts	3,582,716.40	0.14%	3,582,716.40	100.00%						
Accounts receivable with provision for bad debts by portfolio	2,510,316,428.36	96.53%	78,542,550.80	3.13%	2,431,773,877.56	2,634,259,443.00	96.96%	84,525,403.34	3.21%	2,549,734,039.66
Including:										
Accounts receivables with provision for bad debts by aging portfolio	2,510,316,428.36	96.53%	78,542,550.80	3.13%	2,431,773,877.56	2,634,259,443.00	96.96%	84,525,403.34	3.21%	2,549,734,039.66
Total	2,600,610,698.55	100.00%	168,836,820.99	6.49%	2,431,773,877.56	2,716,805,964.29	100.00%	167,071,924.63	6.15%	2,549,734,039.66

Single provision for bad debts: 90,294,270.19

Unit: RMB

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Proportion of provision	Reasons for provision
Accounts receivable with a single significant amount and single bad debt provision	82,546,521.29	82,546,521.29	86,711,553.79	86,711,553.79	100.00%	It is difficult to recover
Accounts receivable with not significant amount but with single provision for bad debts			3,582,716.40	3,582,716.40	100.00%	It is difficult to recover
Total	82,546,521.29	82,546,521.29	90,294,270.19	90,294,270.19		

Provision for bad debts by portfolio: 78,542,550.80

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Accounts receivables with provision for bad debts by aging portfolio	2,510,316,428.36	78,542,550.80	3.13%
Total	2,510,316,428.36	78,542,550.80	

Explanation of the basis for determining the portfolio:

None.

If the provision for bad debts of accounts receivable is made according to the general model of expected credit losses:

Applicable Not applicable

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

Provision for bad debts in the current period:

Unit: RMB

Category	Beginning balance	Amount changed in the current period				Ending balance
		Provision	Recover or reversal	Write-off	Others	
Provision for bad debts	167,071,924.63	3,041,800.93		1,269,324.37	-7,580.20	168,836,820.99
Total	167,071,924.63	3,041,800.93		1,269,324.37	-7,580.20	168,836,820.99

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

None.

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

Unit: RMB

Items	Amount of write-off
Accounts receivable actually written off	1,269,324.37

Among them, the important accounts receivable write-offs are:

None.

(5) Accounts receivable and contract assets of top five ending balances grouped by debtors

Unit: RMB

Name of unit	Ending balance of accounts receivable	Ending balance of contract assets	Ending balances of accounts receivable and contract assets	Proportion to total ending balances of accounts receivable and contract assets	Ending balance of bad debt provision for accounts receivable and provision for impairment of contract assets
No. 1	630,305,220.75		630,305,220.75	24.24%	19,674,452.32
No. 2	110,510,961.39		110,510,961.39	4.25%	3,425,839.80
No. 3	82,546,521.27		82,546,521.27	3.17%	82,546,521.27
No. 4	75,696,409.27		75,696,409.27	2.91%	2,355,853.02
No. 5	65,510,995.69		65,510,995.69	2.52%	2,030,840.87
Total	964,570,108.37		964,570,108.37	37.09%	110,033,507.28

6. Contract assets

Applicable Not applicable

7. Receivables financing**(1) Classification of accounts receivable financing**

Unit: RMB

Items	Ending balance	Beginning balance
Bank acceptance bill	126,350,412.69	79,652,525.19
Factored accounts receivable	111,968,012.71	173,392,414.33
Supply chain notes receivable	40,202,216.82	1,943,263.08
Total	278,520,642.22	254,988,202.60

(2) Disclosure by bad debt provision method

Unit: RMB

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	
Single provision for bad debts	166,552,629.51	59.04%			166,552,629.51	81,595,788.27	31.32%			81,595,788.27
Including:										
Bank acceptance bill	126,350,412.69	44.79%			126,350,412.69	79,652,525.19	30.57%			79,652,525.19
Supply chain notes receivable	40,202,216.82	14.25%			40,202,216.82	1,943,263.08	0.75%			1,943,263.08
Provision for bad debts by portfolio	115,550,064.71	40.96%	3,582,052.00	3.10%	111,968,012.71	178,939,540.07	68.68%	5,547,125.74	3.10%	173,392,414.33
Including:										
Factored accounts receivable	115,550,064.71	40.96%	3,582,052.00	3.10%	111,968,012.71	178,939,540.07	68.68%	5,547,125.74	3.10%	173,392,414.33
Total	282,102,694.22	100.00%	3,582,052.00	1.27%	278,520,642.22	260,535,328.34	100.00%	5,547,125.74	2.13%	254,988,202.60

Single provision for bad debts: 0.

Unit: RMB

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Proportion of provision	Reasons for provision
Bank acceptance bill	79,652,525.19		126,350,412.69			
Supply chain notes receivable	1,943,263.08		40,202,216.82			
Total	81,595,788.27		166,552,629.51			

Provision for bad debts by portfolio: 3,582,052.00

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Bad debt provision for factored accounts receivable	115,550,064.71	3,582,052.00	3.10%

Explanation of the basis for determining the portfolio:

None.

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

Unit: RMB

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss in the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment occurred)	
Balance as of January 1, 2023	5,547,125.74			5,547,125.74
Balance as of January 1, 2023 in the current period				
Accrual in the current period	-1,965,073.74			-1,965,073.74
Balance as of December 31, 2023	3,582,052.00			3,582,052.00

Basis for division into different stages and bad debt provision ratio

None.

Description of significant changes in the balance of accounts receivable financing for which loss reserves have changed during the current period:

None.

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

None.

(4) Other descriptions

None.

8. Other receivables

Unit: RMB

Items	Ending balance	Beginning balance
Other receivables	36,524,343.36	77,743,150.98
Total	36,524,343.36	77,743,150.98

(1) Interest receivable Applicable Not applicable**(2) Dividends receivable** Applicable Not applicable**(3) Other receivables****1) Classification of other receivables by nature of amount**

Unit: RMB

Nature of payment	Book balance at the end of the period	Book balance at the beginning of the period
Margin, deposit	24,942,814.39	25,628,574.96
Employee personal loan	7,837,283.76	12,085,358.61
Export rebate	8,682,341.31	21,954,980.84
Convertible loan		14,000,000.00
Compensation	2,217,210.33	10,820,710.33
Others	2,698,876.37	882,396.18
Total	46,378,526.16	85,372,020.92

2) Disclosure by aging

Unit: RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	21,094,463.33	58,018,314.17
1-2 years	8,282,956.38	18,433,375.67
2-3 years	10,637,952.10	1,554,331.57
Above 3 years	6,363,154.35	7,365,999.51
3-4 years	824,947.24	5,508,631.96
4-5 years	3,683,926.82	728,086.38

Above 5 years	1,854,280.29	1,129,281.17
Total	46,378,526.16	85,372,020.92

3) Disclosure by bad debt provision method

☑ Applicable ☐ Not applicable

Unit: RMB

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	
Single provision for bad debts	8,682,341.31	18.72%			8,682,341.31	35,954,980.84	42.12%			35,954,980.84
Provision for bad debts by portfolio	37,696,184.85	81.28%	9,854,182.80	26.14%	27,842,002.05	49,417,040.08	57.88%	7,628,869.94	15.44%	41,788,170.14
Total	46,378,526.16	100.00%	9,854,182.80	21.25%	36,524,343.36	85,372,020.92	100.00%	7,628,869.94	8.94%	77,743,150.98

Single provision for bad debts: 0.

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Proportion of provision	Reasons for provision
Export tax rebate receivable	21,954,980.84		8,682,341.31			No loss is expected in export tax rebates

Provision for bad debts by portfolio: 9,854,182.80

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Accounts receivable for which bad debt provision is made by credit risk feature portfolio	37,696,184.85	9,854,182.80	26.14%
Total	37,696,184.85	9,854,182.80	

Explanation of the basis for determining the portfolio: None.

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

Unit: RMB

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss in the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment occurred)	
Balance as of January 1, 2023	7,628,869.94			7,628,869.94
Balance as of January 1, 2023 in the current period				
Accrual in the current period	2,130,985.29			2,130,985.29
Reversal in the current period	10,964.00			10,964.00
Other changes	105,291.57			105,291.57
Balance as of December 31, 2023	9,854,182.80			9,854,182.80

Basis for division into different stages and proportion of bad debt provision: None.

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

Applicable Not applicable

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

Provision for bad debts in the current period:

Unit: RMB

Category	Beginning balance	Amount changed in the current period				Ending balance
		Provision	Recover or reversal	Reversal or write-off	Others	

Provision for bad debts	7,628,869.94	2,130,985.29		10,964.00	105,291.57	9,854,182.80
Total	7,628,869.94	2,130,985.29		10,964.00	105,291.57	9,854,182.80

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

Applicable Not applicable

5) Other receivables actually written off in the current period

Unit: RMB

Items	Amount of write-off
Accounts receivable actually written off	10,964.00

Among them, the important other receivables were written off:

Applicable Not applicable

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

Unit: RMB

Name of unit	Nature of payment	Ending balance	Aging	Proportion to total ending balances of other receivables	Ending balance of provision for bad debts
No. 1	Export rebate	8,682,341.31	Within 1 year	18.72%	0.00
No. 2	Guarantee deposit	3,555,451.67	2-3 years	7.67%	1,066,635.50
No. 3	Guarantee deposit	3,500,000.00	2-3 years	7.55%	1,050,000.00
No. 4	Deposit and security deposit	2,337,136.32	Less than 1 year, 2-3 years	5.04%	575,321.20
No. 5	Compensation	2,217,210.33	1-2 years	4.78%	221,721.03
Total		20,292,139.63		43.76%	2,913,677.73

7) Reported in other receivables due to centralized fund management

Other descriptions: None.

9. Prepayments

(1) List of advance payments by aging

Unit: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	41,217,371.39	93.49%	52,386,993.93	93.35%
1-2 years	2,649,254.74	6.01%	512,018.85	5.06%
2-3 years	173,711.61	0.39%	16,728.11	1.08%

Above 3 years	47,730.79	0.11%	89,916.06	0.51%
Total	44,088,068.53		53,005,656.95	

Explanation of the cause for untimely settlement of advance payments aging more than one year with important amounts: The terms of settlement have not been met.

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

The total amount of accounts prepaid of the top five prepaying entities for ending balance grouped by debtors in the year was RMB 16,440,759.83, accounting for 37.29% of the total ending balances of accounts receivable.

Other descriptions: None.

10. Inventories

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

No

(1) Inventory classification

Unit: RMB

Items	Ending balance			Beginning balance		
	Book balance	Provision for decline in value of inventories or provision for impairment of contract performance cost	Book value	Book balance	Provision for decline in value of inventories or provision for impairment of contract performance cost	Book value
Purchase of raw materials	883,406,451.52	84,959,315.65	798,447,135.87	1,109,830,117.82	83,688,904.02	1,026,141,213.80
Goods in process	187,129,741.78		187,129,741.78	125,103,265.61		125,103,265.61
Goods on hand	477,050,469.57	22,099,671.18	454,950,798.39	577,165,161.12	12,958,236.03	564,206,925.09
Goods shipped in transit	118,434,872.84	4,566,699.62	113,868,173.22	114,595,833.38	3,797,469.37	110,798,364.01
Self-manufactured semi-finished product	86,682,330.39	4,046,746.35	82,635,584.04	107,003,988.63	4,809,578.57	102,194,410.06
Materials entrusted for processing	16,730,489.94		16,730,489.94	64,442,573.06		64,442,573.06
Low-value consumables	54,792.27		54,792.27	65,460.90		65,460.90
Total	1,769,489,148.31	115,672,432.80	1,653,816,715.51	2,098,206,400.52	105,254,187.99	1,992,952,212.53

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

Unit: RMB

Items	Beginning balance	Increase in the current period		Decrease amount in the current period		Ending balance
		Provision	Others	Reversal or write-off	Others	
Purchase of raw materials	83,688,904.02	46,739,129.34	-12,344.35	45,456,373.36		84,959,315.65
Goods on hand	12,958,236.03	18,873,809.80	507.59	9,732,882.24		22,099,671.18
Goods shipped in transit	3,797,469.37	2,410,823.43		1,641,593.18		4,566,699.62
Self-manufactured semi-finished product	4,809,578.57	2,683,638.81	-1,242.30	3,445,228.73		4,046,746.35
Total	105,254,187.99	70,707,401.38	-13,079.06	60,276,077.51		115,672,432.80

Inventory revaluation reserve was made on a portfolio basis

 Applicable Not applicable**(3) Explanation of capitalized amount of borrowing costs included in ending balance of inventory**

None.

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

None.

11. Assets held for sale Applicable Not applicable**12. Non-current assets due within one year** Applicable Not applicable**13. Other current assets**

Unit: RMB

Items	Ending balance	Beginning balance
VAT to be deducted	201,581,758.39	143,163,557.71
Other prepaid taxes	6,944,576.68	10,472,653.58
IPO-related fees		1,490,566.02
Deferred expenses	4,686,592.42	

Total	213,212,927.49	155,126,777.31
-------	----------------	----------------

14. Debt investment

Applicable Not applicable

15. Other debt investment

Applicable Not applicable

16. Other equity instrument investment

Unit: RMB

Project name	Ending balance	Beginning balance	Gains included in other comprehensive revenue for the period	Losses recognized in other comprehensive revenue for the period	Gains and losses included in other comprehensive revenue at the end of the period	Losses accumulated at the end of the period and included in other comprehensive revenue	Dividend revenue recognized in this period	Reasons specified as measured at fair value with changes included in other comprehensive income
Suzhou Legendsemi Technology Co., Ltd.	20,000,000.00							Strategic investment
Suzhou Suyu Technology Co., Ltd.	21,192,950.00							Strategic investment
Total	41,192,950.00							

There is termination confirmation in this period

Applicable Not applicable

Disclosure of non-trading equity instrument investments in the current period by item

Applicable Not applicable

17. Long-term receivables

Applicable Not applicable

18. Long-term equity investment

Unit: RMB

Investee	Beginning balance (book value)	Beginning balance of provision for impairment	Changes in increase or decrease in the current period							Ending balance (book value)	Ending balance of provision for impairment	
			Additional investment	Decrease in investment	Profits and losses on investment recognized under equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration of distribution for cash dividends or profits	Provision for impairment			Others
I. Joint venture												
II. Associated enterprises												
Tai'an Yuchengxin Power Supply Technology Co., Ltd.		9,764,719.19										9,764,719.19
Shenzhen Daka Optoelectronics Co., Ltd.	5,886,346.16				-47,053.31						5,839,292.85	
Pas Electronic Technology (Nanjing) Co., Ltd.	6,928,835.90			6,928,835.90							0	
Shanghai Yidong Power Technology Co., Ltd.	10,735,476.85				-1,013,461.64						9,722,015.21	
Dongguan Jujin Plastic Technology Co., Ltd.			20,000,000.00		2,186,871.24						22,186,871.24	
Subtotal	23,550,658.91	9,764,719.19	20,000,000.00	6,928,835.90	1,126,356.29						37,748,179.30	9,764,719.19
Total	23,550,658.91	9,764,719.19	20,000,000.00	6,928,835.90	1,126,356.29						37,748,179.30	9,764,719.19

The recoverable amount was determined as the net amount of fair value less disposal costs.

Applicable Not applicable

The recoverable amount was determined based on the present value of expected future cash flows.

Applicable Not applicable

Reasons for significant inconsistency between the aforementioned information and the information used in impairment tests in previous years or external information: None.

Reasons for the significant inconsistency between the information used in the impairment test of the Company in previous years and the actual situation of the current year: None.

Other descriptions: None.

19. Other non-current financial assets

Applicable Not applicable

20. Investment property

(1) Investment property with cost measurement model

Applicable Not applicable

Unit: RMB

Items	Houses and buildings	Land usage right	Construction in progress	Total
I. Original book value				
1. Beginning balance	119,070,562.06			119,070,562.06
2. Increase in the current period				
(1) Outsourcing				
(2) Transfer in of inventory, fixed assets and construction in progress				
(3) Increment from consolidation				
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer out				
4. Ending balance	119,070,562.06			119,070,562.06
II. Accumulated depreciation and accumulated amortization				
1. Beginning balance	12,827,784.21			12,827,784.21
2. Increase in the current period	2,838,375.00			2,838,375.00
(1) Provision or amortization	2,838,375.00			2,838,375.00

3. Decrease in the current period			
(1) Disposal			
(2) Other transfer out			
4. Ending balance	15,666,159.21		15,666,159.21
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	103,404,402.85		103,404,402.85
2. Beginning book value	106,242,777.85		106,242,777.85

The recoverable amount was determined as the net amount of fair value less disposal costs.

Applicable Not applicable

The recoverable amount was determined based on the present value of expected future cash flows.

Applicable Not applicable

Reasons for significant inconsistency between the aforementioned information and the information used in impairment tests in previous years or external information: None.

Reasons for the significant inconsistency between the information used in the impairment test of the Company in previous years and the actual situation of the current year: None.

Other descriptions: None.

(2) Investment property with fair value measurement model

Applicable Not applicable

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

Applicable Not applicable

(4) Investment property without property certificate of title

Applicable Not applicable

21. Fixed assets

Unit: RMB

Items	Ending balance	Beginning balance
Fixed assets	2,102,862,886.72	1,840,358,093.74
Disposal of fixed assets		
Total	2,102,862,886.72	1,840,358,093.74

(1) Situation about fixed assets

Unit: RMB

Items	Houses and buildings	Machinery and equipment	Transportation equipment	Office equipment and others	Total
I. Original book value:					
1. Beginning balance	1,210,636,967.86	1,121,012,648.11	2,952,750.39	67,432,207.98	2,402,034,574.34
2. Increase in the current period	135,845,791.52	307,171,809.54	875,973.26	15,322,104.70	459,215,679.02
(1) Purchase	14,789.14	227,437,235.64	255,946.23	13,520,601.50	241,228,572.51
(2) Transfer into projects under construction	135,399,615.57	73,986,849.74	549,253.54	1,589,582.98	211,525,301.83
(3) Increment from consolidation					
(4) Impact of exchange rate changes	431,386.81	5,747,724.16	70,773.49	211,920.22	6,461,804.68
3. Decrease in the current period	1,232,231.53	56,002,302.92	238,225.00	9,423,390.63	66,896,150.08
(1) Disposal or scrapping	1,232,231.53	56,002,302.92	238,225.00	9,423,390.63	66,896,150.08
4. Ending balance	1,345,250,527.85	1,372,182,154.73	3,590,498.65	73,330,922.05	2,794,354,103.28
II. Accumulated depreciation					
1. Beginning balance	143,928,870.29	379,576,810.02	2,288,706.56	35,882,093.73	561,676,480.60
2. Increase in the current period	31,238,119.87	128,979,938.68	495,974.57	10,831,134.10	171,545,167.22
(1) Accrual	31,202,321.89	128,839,435.71	482,267.68	10,812,851.18	171,336,876.46
(2) Impact of exchange rate changes	35,797.98	140,502.97	13,706.89	18,282.92	208,290.76
3. Decrease in the current period	95,112.87	34,254,940.55	164,340.24	7,216,037.60	41,730,431.26
(1) Disposal or scrapping	95,112.87	34,254,940.55	164,340.24	7,216,037.60	41,730,431.26
4. Ending balance	175,071,877.29	474,301,808.15	2,620,340.89	39,497,190.23	691,491,216.56
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	1,170,178,650.56	897,880,346.58	970,157.76	33,833,731.82	2,102,862,886.72
2. Beginning book value	1,066,708,097.57	741,435,838.09	664,043.83	31,550,114.25	1,840,358,093.74

(2) Temporary idle fixed assets

Applicable Not applicable

(3) Fixed assets leased out through operating lease

Applicable Not applicable

(4) Fixed assets without certificate of title

Unit: RMB

Items	Book value	Reasons for not obtaining the title certificate
Dong Nai Factory, Vietnam	75,624,339.74	Short completion time, the property rights are currently being processed
Huizhou YAKO Automation Plant	120,856,655.54	It shall be handled together after the second phase of the factory is completed

(5) Impairment test of fixed assets

Applicable Not applicable

(6) Disposal of fixed assets

Applicable Not applicable

22. Construction in progress

Unit: RMB

Items	Ending balance	Beginning balance
Construction in progress	568,107,950.65	234,775,312.11
Total	568,107,950.65	234,775,312.11

(1) Projects under construction

Unit: RMB

Items	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Decoration of Huizhou Plant	183,486.24		183,486.24	1,155,051.38		1,155,051.38
Topband (India)	68,648.97		68,648.97	5,360,095.79		5,360,095.79

Plant					
Ningbo Topband Industrial Park	16,898,437.26		16,898,437.26	6,548,784.76	6,548,784.76
Test equipment to be commissioned	162,683,370.16		162,683,370.16	90,444,560.92	90,444,560.92
Vietnam Dong Nai Decoration	154,213.01		154,213.01	1,229,894.49	1,229,894.49
Dormitory renovation of Huizhou plant				689,406.28	689,406.28
Huizhou YAKO Automation Plant	112,992,616.66		112,992,616.66	78,399,893.68	78,399,893.68
Qingdao Plant	1,835,469.17		1,835,469.17	1,804,902.19	1,804,902.19
Topband Huizhou No. 2 Industrial Park	27,708,391.40		27,708,391.40	16,352,994.82	16,352,994.82
Plant in Romania				22,102,695.19	22,102,695.19
Plant Decoration in Shenzhen				2,314,190.12	2,314,190.12
Nantong Lithium Battery Industrial Park	244,737,333.79		244,737,333.79	5,259,209.25	5,259,209.25
Sporadic items	845,983.99		845,983.99	3,113,633.24	3,113,633.24
Total	568,107,950.65		568,107,950.65	234,775,312.11	234,775,312.11

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

Unit: RMB

Project name	Budget	Beginning balance	Increase in the current period	Amount of transfer into fixed assets this period	Other decrements this period	Ending balance	Proportion of accumulated project investment in budget	Project progress	Accumulated amount of interest capitalization	Including: interest capitalization amount in the current period	Interest capitalization rate in the current period	Source of capitals
Ningbo Topband Industrial Park	465,704,300.00	6,548,784.76	28,997,753.27	12,046,591.59	6,601,509.18	16,898,437.26	91.78%	92.00%	6,883,762.50	1,821,262.50	4.12%	Raised capitals
Huizhou YAKO Automation Plant	370,000,000.00	78,399,893.68	155,449,378.52	120,856,655.54		112,992,616.66	63.20%	63.00%	537,708.13	537,708.13	3.90%	Self-own capitals
Topband Huizhou No. 2 Industrial Park	190,000,000.00	16,352,994.82	11,355,396.58			27,708,391.40	14.58%	15.00%				Self-own capitals
Plant Decoration in Romania	31,220,000.00	22,102,695.19	14,275,234.74		36,377,929.93		116.52%	100.00%				Self-own capitals
Nantong Lithium Battery Industrial Park	800,000,000.00	5,259,209.25	239,478,124.54			244,737,333.79	30.59%	31.00%				Raised capitals
Total	1,856,924,300.00	128,663,577.70	449,555,887.65	132,903,247.13	42,979,439.11	402,336,779.11			7,421,470.63	2,358,970.63		

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

Applicable Not applicable

(4) Impairment test of construction in progress

Applicable Not applicable

(5) Project material

Applicable Not applicable

23. Productive biological assets

Applicable Not applicable

24. Oil and gas assets

Applicable Not applicable

25. Right-of-use assets**(1) Right-of-use assets**

Unit: RMB

Items	Houses and buildings	Land	Total
I. Original book value			
1. Beginning balance	151,222,723.36		151,222,723.36
2. Increase in the current period	38,527,606.68	5,875,457.96	44,403,064.64
(1) New lease	30,994,048.00	5,875,457.96	36,869,505.96
(2) Impact of exchange rate changes	6,558,550.85		6,558,550.85
(3) Change of contract	975,007.83		975,007.83
3. Decrease in the current period	9,716,801.16		9,716,801.16
(1) Termination of contract	9,716,801.16		9,716,801.16
(2) Change of contract			
4. Ending balance	180,033,528.88	5,875,457.96	185,908,986.84
II. Accumulated depreciation			
1. Beginning balance	45,025,821.49		45,025,821.49
2. Increase in the current period	46,248,994.56	171,367.52	46,420,362.08
(1) Accrual	44,789,885.11	171,367.52	44,961,252.63
(2) Impact of exchange rate changes	1,459,109.45		1,459,109.45
3. Decrease in the current period	6,984,182.47		6,984,182.47
(1) Disposal	6,984,182.47		6,984,182.47

4. Ending balance	84,290,633.58	171,367.52	84,462,001.10
III. Provision for impairment			
1. Beginning balance			
2. Increase in the current period			
(1) Accrual			
3. Decrease in the current period			
(1) Disposal			
4. Ending balance			
IV. Book value			
1. Ending book value	95,742,895.30	5,704,090.44	101,446,985.74
2. Beginning book value	106,196,901.87		106,196,901.87

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

Applicable Not applicable

26. Intangible assets**(1) Situation of intangible assets**

Unit: RMB

Items	Land usage right	Patent right	Non-patented technology	Trademark	Total
I. Original book value					
1. Beginning balance	27,456,858.38	340,787,809.19	489,043,673.86	9,728,450.00	867,016,791.43
2. Increase in the current period	1,693,827.04	50,432,347.90	111,323,498.94		163,449,673.88
(1) Purchase	1,689,601.43	50,784,728.62	131,067.96		52,605,398.01
(2) Internal R&D			111,192,430.98		111,192,430.98
(3) Increment from consolidation					
(4) Impact of exchange rate changes	4,225.61	-352,380.72			-348,155.11
3. Decrease in the current period					
(1) Disposal					
4. Ending balance	29,150,685.42	391,220,157.09	600,367,172.80	9,728,450.00	1,030,466,465.31
II. Accumulated amortization					
1. Beginning balance	22,759,462.08	21,339,657.64	269,435,470.62	6,165,886.52	319,700,476.86
2. Increase in the current period	2,280,808.41	7,796,093.91	93,578,190.18		103,655,092.50
(1) Accrual	2,279,876.48	7,835,295.71	93,578,190.18		103,693,362.37
(2) Impact of exchange rate changes	931.93	-39,201.80			-38,269.87
3. Decrease in the current period					

(1) Disposal					
4. Ending balance	25,040,270.49	29,135,751.55	363,013,660.80	6,165,886.52	423,355,569.36
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	4,110,414.93	362,084,405.54	237,353,512.00	3,562,563.48	607,110,895.95
2. Beginning book value	4,697,396.30	319,448,151.55	219,608,203.24	3,562,563.48	547,316,314.57

The proportion of intangible assets formed through internal R&D in the balance of intangible assets at the end of the period accounted for 39.10%.

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

None.

(3) Impairment test of intangible assets

Applicable Not applicable

27. Goodwill

(1) Original book value of goodwill

Unit: RMB

Name of investees or items forming goodwill	Beginning balance	Increase in the current period		Decrement in the current period		Ending balance
		Disposal formed by consolidation		Disposal		
Shenzhen YAKO Automation Technology Co., Ltd.	107,314,446.71					107,314,446.71
Shenzhen Allied Control System Co., Ltd.	53,768,699.68					53,768,699.68
Shenzhen Meanstone Intelligent Technology Co., Ltd.	3,006,892.59					3,006,892.59
Hangzhou Zhidong Motor Technology Co., Ltd.	1,322,921.77					1,322,921.77
Taixing Ninghui Lithium Battery Co., Ltd.	1,962,891.12					1,962,891.12
Shenzhen Tengyi Industrial Co., Ltd.	131,783.24					131,783.24
Total	167,507,635.11					167,507,635.11

(2) Impairment of goodwill

Unit: RMB

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

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

None

(4) Specific method for determining recoverable amount

The recoverable amount was determined as the net amount of fair value less disposal costs.

Applicable Not applicable

The recoverable amount was determined based on the present value of expected future cash flows.

Applicable Not applicable

Reasons for the significant inconsistency between the above-mentioned information and the information used in the impairment test in previous years or external information

Reasons for the significant inconsistency between the information used in the impairment test of the Company in previous years and the actual situation of the current year

(5) Completion of performance commitments and corresponding goodwill impairment

There was a performance commitment when goodwill was formed and the Reporting Period or the period before the Reporting Period was within the performance commitment period

Applicable Not applicable

Other descriptions: None

28. Long-term deferred expenses

Unit: RMB

Items	Beginning balance	Increase in the current period	Amortization in the current period	Other reduced amount	Ending balance
-------	-------------------	--------------------------------	------------------------------------	----------------------	----------------

Decoration costs	132,090,828.44	106,944,571.48	52,053,096.14	4,692,865.17	182,289,438.61
Others	130,736.79	555,889.34	171,656.64		514,969.49
Total	132,221,565.23	107,500,460.82	52,224,752.78	4,692,865.17	182,804,408.10

29. Deferred tax assets/deferred tax liabilities

(1) Non-offset deferred tax assets

Unit: RMB

Items	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for asset impairment	294,545,474.56	46,678,454.85	281,652,280.08	43,628,391.64
Deductible loss	390,699,314.09	65,486,472.23	188,813,388.08	39,381,980.91
Amortization difference of intangible assets	133,446,425.92	20,016,963.88	94,689,166.74	14,203,375.01
Deferred income	11,071,292.42	1,881,581.86	13,245,250.14	1,986,787.52
Equity incentive expenses			62,111,490.83	9,316,723.62
New leasing criteria book-tax difference	107,881,215.35	20,976,523.71	109,622,378.17	20,769,946.22
Total	937,643,722.34	155,039,996.53	750,133,954.04	129,287,204.92

(2) Deferred tax liabilities without offset

Unit: RMB

Items	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Valuation and appreciation of assets of business consolidation under different control	412,730.28	61,909.54	857,693.62	128,654.04
Changes in fair value of tradable financial assets	248,096,517.73	41,833,063.71	235,561,014.47	39,250,529.22
Book-tax difference of fixed assets depreciation	71,278,660.11	14,299,191.58	51,414,751.05	10,622,182.15
Book-tax difference of rental income	6,120,608.60	1,530,152.15	4,571,154.88	1,142,788.72
New leasing criteria book-tax difference	102,290,793.51	20,006,539.83	105,092,583.59	19,947,728.52
Total	428,199,310.23	77,730,856.81	397,497,197.61	71,091,882.65

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

Unit: RMB

Items	Amount of offset between deferred tax assets and liabilities at the end of the period	Ending balance of deferred tax assets or liabilities after offset	Amount of mutual offset between deferred tax assets and liabilities at the beginning of the period	Beginning balance of deferred tax assets or liabilities after offset
-------	---	---	--	--

Deferred tax assets		155,039,996.53		129,287,204.92
Deferred tax liabilities		77,730,856.81		71,091,882.65

(4) Details of unrecognized deferred tax assets

Unit: RMB

Items	Ending balance	Beginning balance
Deductible temporary differences	13,441,041.61	14,185,355.88
Deductible loss	170,793,360.18	73,447,423.03
Total	184,234,401.79	87,632,778.91

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

Unit: RMB

Year	Ending amount	Beginning amount	Remarks
2024	796.72		
2025	2,106,518.93	2,034,722.96	
2026	14,899,970.42	14,435,579.52	
2027	26,254,597.91	27,240,120.80	
2028	27,003,257.68		
No time limit	100,528,218.52	29,736,999.75	
Total	170,793,360.18	73,447,423.03	

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

30. Other non-current assets

Unit: RMB

Items	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepaid long-term assets	120,187,135.05		120,187,135.05	172,371,288.80		172,371,288.80
Total	120,187,135.05		120,187,135.05	172,371,288.80		172,371,288.80

31. Assets with limited ownership or use right

Unit: RMB

Items	End of the period				Beginning of the period			
	Book balance	Book value	Restriction type	Restriction situation	Book balance	Book value	Restriction type	Restriction situation
Monetary capital	39,587,800.49	39,587,800.49	Security deposit, judicial freeze, and financial	Security deposit, financial management funds in the	18,937,494.54	18,937,494.54	Security deposit, and frozen funds	Security deposit, frozen funds, long-term

			management in the subscription period	subscription period, and frozen funds				suspended account, etc.
Fixed assets	120,856,655.54	119,899,873.68	Mortgage loan	Mortgage loans for buildings				
Intangible assets	61,302,043.62	59,492,901.97	Mortgage loan	Mortgage loans for land use rights				
Construction in progress	112,992,616.66	112,992,616.66	Mortgage loan	Mortgage loans for projects under construction				
Total	334,739,116.31	331,973,192.80			18,937,494.54	18,937,494.54		

32. Short-term loans

(1) Classification of short-term loans

Unit: RMB

Items	Ending balance	Beginning balance
Credit loan	218,148,750.00	12,325,580.00
Letter of credit	60,000,000.00	265,000,000.00
Discounted unexpired notes receivable	1,200,000.00	6,025,915.57
Total	279,348,750.00	283,351,495.57

(2) Overdue short-term loans

The total amount of overdue short-term loans at the end of this period is 0.

33. Tradable financial liabilities

None.

34. Derivative financial liabilities

None.

35. Notes payable

Unit: RMB

Category	Ending balance	Beginning balance
Commercial acceptance bill	927,833,178.70	1,065,652,340.80
Total	927,833,178.70	1,065,652,340.80

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

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

Unit: RMB

Items	Ending balance	Beginning balance
Within 1 year (including 1 year)	1,953,706,413.01	1,601,875,172.01
1-2 years (including 2 years)	2,139,042.19	940,565.81
2-3 years (including 3 years)	598,185.50	2,570,462.09
Above 3 years	1,182,755.64	1,060,004.11
Total	1,957,626,396.34	1,606,446,204.02

(2) There were no significant accounts payable over one year or overdue at the end of the period.**37. Other payables**

Unit: RMB

Items	Ending balance	Beginning balance
Other account payable	151,341,029.40	335,047,520.52
Total	151,341,029.40	335,047,520.52

(1) Interest payable Applicable Not applicable**(2) Dividends payable** Applicable Not applicable**(3) Other payables****1) Other payables listed by fund nature**

Unit: RMB

Items	Ending balance	Beginning balance
Restricted stock repurchase obligations	343,896.00	231,812,873.60
Expenses	23,067,327.79	25,199,800.55
Long-term assets	60,945,718.78	42,160,937.47
Margin, deposit	9,559,259.36	7,162,370.39
Current accounts	37,115,852.17	17,398,987.82
Others	20,308,975.30	11,312,550.69
Total	151,341,029.40	335,047,520.52

2) Other significant payables aged over 1 year or overdue

Applicable Not applicable

3) Other accounts payable of the top five ending balances by counterparty

Other descriptions: None.

38. Advance collections**(1) Presentation of advance collections**

Unit: RMB

Items	Ending balance	Beginning balance
Within 1 year (including 1 year)	2,808,227.54	1,130,165.23
Total	2,808,227.54	1,130,165.23

(2) Important advance collections with aging over 1 year or overdue

Applicable Not applicable

39. Contractual liabilities

Unit: RMB

Items	Ending balance	Beginning balance
Advances on sales	168,681,571.89	138,281,929.17
Total	168,681,571.89	138,281,929.17

Significant contract liabilities aged over 1 year

Applicable Not applicable

40. Employee pay payable**(1) Presentation of employee pay payable**

Unit: RMB

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
I. Short-term compensation	206,810,975.44	1,633,454,392.76	1,597,150,318.72	243,115,049.48
II. Post-employment benefits - defined contribution plan	168,797.71	77,933,749.19	77,949,813.25	152,733.65
Total	206,979,773.15	1,711,388,141.95	1,675,100,131.97	243,267,783.13

(2) Presentation of short-term remuneration

Unit: RMB

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
1. Wages, bonuses, allowances and subsidies	203,678,977.95	1,508,440,413.03	1,473,699,836.63	238,419,554.35
2. Employee benefits	43,226.15	38,436,266.96	38,366,570.53	112,922.58
3. Social insurance expense	529,503.33	43,288,620.01	42,304,542.01	1,513,581.33
Including: medical insurance premiums	525,104.36	39,332,379.75	38,347,932.40	1,509,551.71
Industrial injury insurance expense	4,398.97	1,741,208.50	1,741,577.85	4,029.62
Maternity insurance expense		2,215,031.76	2,215,031.76	
4. Housing provident fund		41,972,694.87	41,972,694.87	
5. Trade union funds and staff education funds	50,089.90	354,559.90	404,160.52	489.28
8. Others	2,509,178.11	961,837.99	402,514.16	3,068,501.94
Total	206,810,975.44	1,633,454,392.76	1,597,150,318.72	243,115,049.48

(3) List of defined contribution plan

Unit: RMB

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
1. Basic endowment insurance	161,799.37	76,468,177.52	76,483,753.45	146,223.44
2. Unemployment insurance expense	6,998.34	1,465,571.67	1,466,059.80	6,510.21
Total	168,797.71	77,933,749.19	77,949,813.25	152,733.65

41. Taxes payable

Unit: RMB

Items	Ending balance	Beginning balance
VAT (value-added tax)	38,272,199.07	53,017,545.90
Corporate income tax	27,477,646.56	19,648,268.34
Individual income tax	14,288,257.83	11,251,522.04
Urban maintenance and construction tax	1,068,455.46	336,488.64
Education surcharge	763,182.49	240,581.55
Property tax	8,767,641.43	3,647,511.72
Land use tax	1,184,938.91	174,669.06
Stamp duty and others	552,283.82	88,927.40
Total	92,374,605.57	88,405,514.65

42. Liabilities held for sale
 Applicable Not applicable

43. Non-current liabilities due within one year

Unit: RMB

Items	Ending balance	Beginning balance
Long-term borrowings due within one year	326,208,942.16	37,135,000.00
Lease liabilities due within one year	44,414,655.87	38,221,303.72
Total	370,623,598.03	75,356,303.72

44. Other current liabilities

Unit: RMB

Items	Ending balance	Beginning balance
Tax amount to be resold	3,598,492.74	3,379,987.09
Notes receivable that have been endorsed but not derecognized	28,963,200.29	19,096,443.65
Total	32,561,693.03	22,476,430.74

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

Unit: RMB

Items	Ending balance	Beginning balance
Mortgage loan	500,000.00	
Guaranteed loan		84,000,000.00
Credit loan	345,679,999.99	497,500,000.00
Mortgage + guaranteed loan	91,567,877.48	
Total	437,747,877.47	581,500,000.00

Explanation of long-term loan classification: None.

Other descriptions, including interest rate ranges: None.

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

Unit: RMB

Items	Ending balance	Beginning balance
Rental payment	69,176,893.60	86,053,288.78
Unrecognized financing expenses	-7,747,082.57	-12,442,497.69
Total	61,429,811.03	73,610,791.09

Other descriptions: None.

48. Long-term payables

Applicable Not applicable

49. Long-term employee compensation payable

Applicable Not applicable

50. Estimated liabilities

Applicable Not applicable

51. Deferred income

Unit: RMB

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance	Reasons of formation
Governmental subsidies	13,370,250.14	2,761,100.00	4,985,057.72	11,146,292.42	Governmental subsidies related to assets
Total	13,370,250.14	2,761,100.00	4,985,057.72	11,146,292.42	--

52. Other non-current liabilities

Applicable Not applicable

53. Share capital

Unit: RMB

	Beginning balance	Increase or decrease of change this time (+, -)					Ending balance
		Issuance of new shares	Stock dividend	Conversion of accumulation fund into shares	Others	Subtotal	
Total number of shares	1,269,535,372.00				-22,700,384.00	-22,700,384.00	1,246,834,988.00

Note: The share capital decreased by RMB 22,700,384.00 in this period, which was due to the repurchase and cancellation resulted from the resignation of the incentive targets and the cancellation of the 2021 Restricted Stock Incentive Plan.

54. Other equity instruments**(1) Basic information on other financial instruments such as preferred shares and perpetual bonds outstanding at the end of the period**

None.

(2) Changes in outstanding preferred stocks, perpetual bonds and other financial instruments at the end of the period

None.

55. Capital reserve

Unit: RMB

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
Capital premium (share premium)	2,121,733,860.51	73,441,428.60	138,926,350.08	2,056,248,939.03
Other capital reserves	144,408,337.93	85,569,433.84	73,596,791.29	156,380,980.48
Total	2,266,142,198.44	159,010,862.44	212,523,141.37	2,212,629,919.51

Note 1: RMB 73,441,428.60 was increased in the capital premium this year as RMB 73,441,428.60 option fee recognized in other capital surplus of the prior period was transferred to the capital premium because of the release of the restricted shares. The decrease of RMB 138,926,350.08 in share premium this year was due to the repurchase and cancellation of stocks resulting from the termination of the 2021 Restricted Stock Incentive Plan and the resignation of incentive targets, which offset the share premium.

Note 2: Other capital reserves increased by RMB 85,569,433.84 this year, including RMB 79,290,114.83 of share-based payment expenses confirmed by restricted stock equity incentive plan in the current period and RMB 6,279,319.01 of share-based payment confirmed by Huizhou YAKO Automation Technology Co., Ltd. (subsidiary). Other capital reserves decreased by RMB 73,596,791.29 this year, of which: the release and exercise of restricted shares was transferred to share premium, which reduced other capital reserves by RMB 73,441,428.60; the capital increase of Taixing Ninghui Lithium Battery Co., Ltd. affected the capital reserve at the consolidated level to decrease by RMB 155,362.69.

56. Treasury shares

Unit: RMB

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
Restricted stock repurchase obligations	231,812,873.60		231,812,873.60	

Repurchase of company shares in competitive trading	52,444,981.31	59,981,119.93		112,426,101.24
Total	284,257,854.91	59,981,119.93	231,812,873.60	112,426,101.24

57. Other comprehensive income

Unit: RMB

Items	Beginning balance	Amount incurred in the current period						Ending balance
		Amount of pre-income tax incurred in the current period	Minus: profits and losses included in other comprehensive income previously and transferred in the current period	Minus: current retained earnings included in other comprehensive income in the previous period	Minus: income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	
II. Other comprehensive income that is reclassified into profits and losses	8,479,622.35	20,411,651.76				20,411,651.76		11,932,029.41
Difference in translation of foreign currency financial statements	8,479,622.35	20,411,651.76				20,411,651.76		11,932,029.41
Total amount of other comprehensive income	8,479,622.35	20,411,651.76				20,411,651.76		11,932,029.41

58. Special reserve

Applicable Not applicable

59. Surplus reserves

Unit: RMB

Items	Beginning balance	Increase in the current period	Decrement in the current period	Ending balance
Statutory surplus reserve	214,764,194.14	4,682,742.45		219,446,936.59
Total	214,764,194.14	4,682,742.45		219,446,936.59

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

60. Retained earnings

Unit: RMB

Items	Current period	Previous period
Retained earnings at the end of the previous period before adjustment	2,270,819,171.01	1,779,243,483.61
Total retained earnings at the beginning of the period (+ for increase, - for decrease)	710,522.81	365,494.43
Retained earnings at the beginning of last period after adjustment	2,271,529,693.82	1,779,608,978.04
Plus: net profit attributable to owners of parent company in current year	515,513,995.18	583,000,286.76
Minus: appropriation of statutory surplus reserves	4,682,742.45	28,366,562.38
Common stock dividends payable	75,861,250.32	62,713,008.60
Retained earnings at the end of the period	2,706,499,696.23	2,271,529,693.82

Details of retained earnings at the beginning of adjustment period:

1) Due to retrospective adjustment in accordance with the Accounting Standards for Business Enterprises and its related new regulations, the beginning retained earnings of RMB 0.00 were affected.

2) Due to the change in accounting policy, the beginning retained earnings of RMB 710,522.81 were affected.

3) Due to the correction of major accounting errors, the beginning retained earnings of RMB 0.00 were affected.

4) Due to the change in the scope of consolidation caused by common control, the beginning retained earnings of RMB 0.00 were affected.

5) The beginning retained earnings of RMB 0.00 were affected by other adjustments.

61. Operating income and operating costs

Unit: RMB

Items	Amount incurred in the current period		Amount incurred in prior period	
	Income	Cost	Income	Cost
Main business	8,934,867,692.01	6,955,649,634.03	8,836,386,705.11	7,078,885,305.98
Other business	57,474,477.07	30,674,810.49	38,712,431.95	8,341,680.90
Total	8,992,342,169.08	6,986,324,444.52	8,875,099,137.06	7,087,226,986.88

Is the audited net profit before and after deducting the non-recurring profit and loss (whichever is lower) negative?

Yes No

The breakdown of operating income and operating costs:

Applicable Not applicable

Information related to performance obligations:

Applicable Not applicable

Significant contract changes or significant transaction price adjustments

Applicable Not applicable

62. Taxes and surcharges

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Urban maintenance and construction tax	20,889,516.99	22,104,766.90
Education surcharge	14,922,148.34	15,789,417.57
Property tax	10,911,411.26	10,105,204.62
Land use tax	1,939,963.52	1,640,955.29
Stamp duty	6,713,329.11	9,544,596.67
Others	88,332.70	209,827.30
Total	55,464,701.92	59,394,768.35

63. Overheads

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Employee compensation	237,347,006.91	202,600,465.16
Decoration costs	27,505,219.23	20,922,117.86
Intermediary service expenses	18,641,303.03	14,920,006.17
Depreciation and amortization	57,553,657.92	42,055,068.30
Rent and utilities	15,076,698.26	6,564,412.32
Low-value consumables	10,420,181.65	9,426,710.31
Property insurance expenses	6,696,256.30	5,465,439.61
Office expenses	8,159,259.57	9,427,291.32
Equity incentive expenses	20,519,411.61	30,803,647.94
Travel expenses	10,496,552.41	7,853,325.04
Recruitment expenses	668,210.10	1,479,131.93
Royalties	3,012,624.33	3,928,633.31
Business entertainment expenses	4,526,740.60	3,154,186.69
Maintenance fees	4,717,311.59	1,880,084.37
Others	13,020,909.15	9,022,225.03
Total	438,361,342.66	369,502,745.36

64. Sales expenses

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Employee compensation	177,930,070.58	154,170,333.91
Low-value consumables	6,248,905.04	4,674,650.75
Business entertainment expenses	24,191,961.31	15,604,369.50
Travel expenses	21,837,455.26	8,814,511.30
Intermediary service expenses	24,056,095.72	19,354,887.13
Exhibition and advertising fees	11,939,949.08	7,559,811.10
Materials expenses	14,618,806.87	11,175,625.80
Mail expenses	2,127,799.43	1,954,588.01
Equity incentive expenses	16,782,757.00	22,864,675.20
Customs charges	2,332,947.47	2,883,673.61
Rent and utilities	2,795,464.97	2,964,947.90
Others	17,478,371.76	8,159,096.67
Total	322,340,584.49	260,181,170.88

65. R&D expenses

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Employee compensation	402,934,357.32	335,394,101.32
Depreciation and amortization	114,207,065.14	92,403,641.99
Material expenses	46,759,862.86	30,803,656.42
Equity incentive expenses	34,765,522.02	56,384,583.55
Mold fee	19,041,570.90	20,693,229.51
Intermediary service expenses	12,732,354.18	10,656,282.28
Low-value consumables	9,121,231.77	5,457,987.48
Testing expense	10,684,965.27	7,199,211.70
Decoration costs	4,179,747.04	5,203,379.48
Rent and utilities	10,501,013.89	10,313,572.30
Travel expenses	7,391,806.97	3,544,510.11
Others	17,650,113.62	14,291,979.95
Total	689,969,610.98	592,346,136.09

66. Financial expenses

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Interest expense	38,085,866.07	35,262,744.35
Interest revenue (income marked with "-")	-36,588,417.62	-22,969,451.22
Exchange gains (income marked with "-")	-55,439,182.32	-138,431,161.16

Procedure fees and others	2,233,049.94	2,964,605.13
Total	-51,708,683.93	-123,173,262.90

67. Other revenues

Unit: RMB

Source for other revenues	Amount incurred in the current period	Amount incurred in prior period
Governmental subsidies	32,905,181.89	33,217,045.91
Value-added tax rebate and refund on demand	7,901,050.41	5,231,680.35
Return of individual income tax service charge	1,169,120.09	734,101.69
Additional deduction of input tax	23,473,502.51	
Total	65,448,854.90	39,182,827.95

68. Net exposure hedging revenue Applicable Not applicable**69. Fair value change revenue**

Unit: RMB

Sources of income from change in fair value	Amount incurred in the current period	Amount incurred in prior period
Tradable financial assets	12,535,503.26	87,818,625.99
Total	12,535,503.26	87,818,625.99

70. Investment income

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Long-term equity investment income accounted by the equity method	1,126,356.29	-2,568,468.91
Investment income from disposal of long-term equity investments	-2,928,835.90	
Investment income from disposal of trading financial assets	-12,299,596.79	
Investment income of financial products	4,405,964.89	139,141.31
Forward foreign exchange contract settlement profit and loss	-1,538,474.98	2,994,236.07
Total	-11,234,586.49	564,908.47

71. Credit impairment loss

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Bad debt loss on notes receivable	187,784.00	-28,563.01

Bad debt loss of accounts receivable	-1,076,727.19	-46,998,677.16
Bad debt loss of other receivables	-2,130,985.29	-2,344,758.97
Total	-3,019,928.48	-49,371,999.14

72. Asset impairment loss

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
I. Loss on inventory valuation and contract performance cost impairment loss	-70,707,401.38	-69,957,962.94
Total	-70,707,401.38	-69,957,962.94

73. Assets disposal revenue

Unit: RMB

Source of assets disposal revenue	Amount incurred in the current period	Amount incurred in prior period
Non-current assets disposal revenue	-1,426,087.98	-1,612,652.02
Total	-1,426,087.98	-1,612,652.02

74. Non-operating income

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period	Amount included in the current non-recurring profit and loss
Gains on damage and scrapping of non-current assets	6,918.33	906,885.79	6,918.33
Others	6,772,838.61	5,436,495.16	6,772,838.61
Total	6,779,756.94	6,343,380.95	

Other descriptions:

None.

75. Non-operating expenses

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period	Amount included in the current non-recurring profit and loss
External donations	100,000.00		100,000.00
Loss on damage and scrapping of non-current assets	9,980,597.19	2,439,687.26	9,980,597.19
Customer quality deduction expenses	2,301,946.85	5,072,526.83	2,301,946.85
Others	8,898,962.23	1,797,787.24	8,898,962.23
Total	21,281,506.27	9,310,001.33	21,281,506.27

76. Income tax expenses**(1) Table of income tax expenses**

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Current income tax expenses	35,722,550.85	63,736,073.65
Deferred tax expense	-18,986,416.44	-12,654,044.16
Total	16,736,134.41	51,082,029.49

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

Unit: RMB

Items	Amount incurred in the current period
Total profit	528,684,772.94
Income tax expenses calculated at statutory/applicable tax rates	79,302,715.94
Influence of different tax rates applicable to subsidiary	11,906,258.38
Effect of income tax adjustment in previous period	-10,582,760.20
Impact of non-taxable income	-1,280,573.50
Impact of non-deductible cost, expense and loss	3,127,437.52
Impact of deductible temporary differences or deductible losses of unrecognized deferred tax assets in the current period	23,507,474.94
The impact of changes in tax rates on the initial balance of deferred tax	3,645,279.15
Additional deduction of technical development cost	-55,843,353.71
Vietnam subsidiaries enjoy half tax reduction and tax exemption	-41,781,286.39
Other adjustment impact	4,734,942.28
Income tax expenses	16,736,134.41

77. Other comprehensive income

See Note VII.57 for details.

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

Other cash received related to operating activities

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Current accounts	49,712,189.21	66,422,718.48
Interest income	30,275,917.62	22,969,451.22
Governmental subsidies	39,284,724.17	32,202,096.05
Deposits and security deposits received	7,526,394.61	3,458,869.84
Others	1,772,682.72	3,848,757.03

Total	128,571,908.33	128,901,892.62
-------	----------------	----------------

Explanation of other cash received related to operating activities:

None.

Other cash paid in connection with operating activities

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Service charge	2,233,049.94	2,964,605.13
Out-of-pocket expenses	305,150,285.53	243,947,454.24
Margin and deposit expenses	5,334,308.14	8,772,578.49
Others	15,791,668.91	7,204,934.27
Total	328,509,312.52	262,889,572.13

Explanation of other cash paid related to operating activities:

None.

(2) Other cash received relating to investment activities

Other cash received relating to investment activities

Applicable Not applicable

Important cash received relating to investment activities

Applicable Not applicable

Explanation of other cash received related to investment activities:

None.

Other cash paid related to investment activities

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Convertible loan		9,000,000.00
Forex margin	2,234,116.83	
Forward foreign exchange liquidation losses paid	8,355,799.98	
Total	10,589,916.81	9,000,000.00

Important cash paid related to investment activities

Applicable Not applicable

(3) Cash relating to financing activities

Other cash received relating to financing activities

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Margins for bills and notes		16,164,446.24
Discounted unexpired notes receivable	10,045,619.78	4,734,492.75
Total	10,045,619.78	20,898,938.99

Explanation of other cash received related to financing activities:

None.

Other cash paid related to financing activities

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Share repurchase funds	221,263,958.01	63,157,541.31
Lease payments paid	52,565,752.20	33,787,128.23
Purchase of minority equity	7,800,000.00	
Total	281,629,710.21	96,944,669.54

Explanation of other cash paid related to financing activities:

None.

Changes in liabilities arising from financing activities

Applicable Not applicable

(4) Description on presenting cash flows on a net basis

Items	Relevant facts	Basis for net presentation	Financial impact
Cash paid for investment	Cash flow from purchasing and redeeming financial products	Cash inflows and outflows for projects with fast turnover, large amounts, and short terms	The net amount is listed in "Cash flow from investment", which is RMB 318,000,000.00

(5) Major activities and financial impacts that do not involve current cash receipts and payments but affect the Company's financial position or may affect the Company's cash flow in the future

None.

79. Supplementary information of cash flow statement

(1) Supplementary materials of cash flow statement

Unit: RMB

Supplementary information	Amount in the current period	Amount in the previous period
1. Adjusting net profit to cash flow from operating activities		
Net profit	511,948,638.53	582,195,690.84
Plus: provision for asset impairment	73,727,329.86	119,329,962.09
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of	172,559,699.78	144,630,956.80

productive biological assets		
Depreciation of right-of-use assets	44,961,252.63	31,615,539.58
Amortization of intangible assets	103,132,673.05	86,884,445.54
Amortization of long-term deferred expenses	52,087,562.28	35,618,497.97
Loss from disposal of fixed assets, intangible assets and other long-term assets (income marked with "-")	1,483,081.27	1,612,652.02
Losses on scrapping of fixed assets (income marked with "-")	9,967,980.43	1,532,801.47
Loss from changes in fair value (income marked with "-")	-12,535,503.26	-87,818,625.99
Financial expenses (income marked with "-")	6,073,896.85	-3,114,719.50
Investment income (income marked with "-")	11,234,586.49	-564,908.47
Decrease in deferred tax assets (increase marked with "-")	-24,180,744.09	-48,206,297.70
Increase in deferred tax liabilities (decrease marked with "-")	5,194,327.64	35,552,253.54
Decrease in inventory (increase marked with "-")	270,031,968.61	130,052,908.43
Decrease in operating receivables (increase marked with "-")	-172,697,744.27	-623,114,911.86
Increase in operating payables (decrease marked with "-")	324,892,024.61	-51,504,228.19
Others	88,067,468.77	136,353,059.76
Net cash flow from operating activities	1,465,948,499.18	491,055,076.33
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	1,494,743,705.76	1,374,281,693.23
Minus: beginning balance of cash	1,374,281,693.23	1,736,104,958.20
Plus: ending balance of cash equivalents		
Minus: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	120,462,012.53	-361,823,264.97

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

Applicable Not applicable

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

Applicable Not applicable

(4) Composition of cash and cash equivalents

Unit: RMB

Items	Ending balance	Beginning balance
I. Cash	1,494,743,705.76	1,374,281,693.23
Including: cash in stock	1,069,045.22	606,436.16

Bank deposit available for payment at any time	1,333,111,676.06	1,207,740,732.40
Other monetary capital for payment at any time	160,562,984.48	165,934,524.67
III. Balance of cash and cash equivalents at the end of the period	1,494,743,705.76	1,374,281,693.23

(5) Circumstances where the scope of use is limited but still included in the list of cash and cash equivalents

Applicable Not applicable

(6) Monetary funds other than cash and cash equivalents

Unit: RMB

Items	Amount in the current period	Amount in the previous period	Reasons for not being cash and cash equivalents
Bank deposit	19,498,565.37	2,477,737.39	Financial products, judicial freezing, etc. during the subscription period
Other monetary capital	36,208,618.69	26,266,640.72	Security deposit, interest accrued but not received at the end of the period
Total	55,707,184.06	28,744,378.11	

(7) Description of other major activities

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. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: RMB

Items	Foreign currency balance at the end of the period	Exchange rate for conversion	Balance converted into RMB at the end of the period
Monetary capital			641,419,708.38
Including: US dollars	72,802,991.87	7.0829	515,654,054.22
Euros			
Hong Kong dollars	1,691,738.73	0.9062	1,533,087.47
Vietnamese Dong	70,773,258,160.00	0.0003	20,665,791.38
Euros	1,490,630.26	7.8592	11,715,192.64
Indian Rupee	1,016,225,423.83	0.0851	86,527,529.94
Romanian Leu	1,047,475.43	1.5826	1,657,700.05
Mexican Peso	1,308,820.72	0.4181	547,280.77

Japanese Yen	61,528,230.00	0.0502	3,089,517.01
Rand	1,182.08	0.3819	451.47
Canadian Dollar	5,422.36	5.3673	29,103.43
Accounts receivable			1,284,511,083.48
Including: US dollars	160,816,368.62	7.0681	1,136,667,300.76
Euros	432,380.06	7.8592	3,398,161.37
Hong Kong dollars	3,864.32	0.9062	3,501.92
Japanese Yen	19,799,148.00	0.0502	994,174.62
Indian Rupee	1,428,158,223.94	0.0851	121,601,960.14
Vietnamese Dong	73,096,150,476.00	0.0003	21,344,075.94
Romanian Leu	317,148.49	1.5826	501,908.73
Financing of accounts receivable			115,550,064.84
Including: US dollars	16,314,409.03	7.0827	115,550,064.84
Other receivables			17,230,390.50
Including: Romanian Leu	1,464,575.19	1.5826	2,317,788.36
US dollars	546,580.16	7.0764	3,867,833.51
Mexican Peso	1,769,313.90	0.4180	739,601.52
Euros	8,485.83	7.8592	66,691.84
Japanese Yen	2,837,099.00	0.0502	142,459.25
Indian Rupee	16,593,130.11	0.0851	1,412,838.66
Vietnamese Dong	29,736,908,765.00	0.0003	8,683,177.36
Accounts payable			73,538,086.10
Including: US dollars	7,060,979.50	7.0827	50,010,820.69
Euros	1,436.40	7.8726	11,308.25
Mexican Peso	60,314.51	0.4181	25,220.33
Japanese Yen	32,647,724.00	0.0502	1,639,340.17
Indian Rupee	157,713,679.83	0.0851	13,428,688.98
Vietnamese Dong	28,844,889,326.00	0.0003	8,422,707.68
Other account payable			15,715,490.56
Including: Rand	2,615.08	0.4550	1,189.73
Romanian Leu	2,481,848.57	1.5826	3,927,691.65
US dollars	268,312.23	6.0710	1,628,917.91
Mexican Peso	1,856,646.77	0.4181	776,353.13
Euros	264,518.00	7.8469	2,075,634.66
Indian Rupee	10,099,169.33	0.0851	859,913.97
Vietnamese Dong	22,074,621,616.00	0.0003	6,445,789.51

Other descriptions: None.

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

Applicable Not applicable

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

2. Topband (Vietnam) Co., Ltd., a sub-subsidiary of the Company, is mainly located in Binh Duong, Vietnam, with Vietnamese Dong as the recording currency;

3. TOPBAND SMART DONG NAI (VIETNAM) Co., Ltd., a sub-subsidiary of the Company, is mainly located in Dong Nai, Vietnam, with Vietnamese Dong as the recording currency;

4. Topband Germany GmbH, a sub-subsidiary of the Company, is mainly located in Unterföhring, Germany, with Euro as the recording currency;

5. TOPBAND JAPAN Co., Ltd., a sub-subsidiary of the Company, is mainly located in Nagoya, Japan, with Japanese Yen as the recording currency;

6. Q.B.PTE.LTD, a sub-subsidiary of the Company, is located in Singapore, with Singapore dollar as the bookkeeping base currency;

7. TOPBAND SMART EUROPE COMPANY LIMITED S.RL., a sub-subsidiary of the Company, is located in Timisoara, Romania, with Leu as the recording currency;

8. TOPBAND MEXICO, S.DER.L.DEC.V, the sub-subsidiary of the Company, is located in Monterrey, Mexico, with peso as the recording currency.

82. Lease

(1) The Company as the Lessee

Applicable Not applicable

Variable lease payments not included in the measurement of the lease liability

Applicable Not applicable

Rental expenses of simplified short-term leases or low-value assets

Applicable Not applicable

The short-term rental expenses of RMB 16,112,923.71 included in the cost of related assets or the

simplified current profit and loss this year.

Situations involving sale and leaseback transactions: None.

(2) The Company as the Lessor

Operating lease as lessor

Applicable Not applicable

Unit: RMB

Items	Rental revenue	Including: revenue related to variable lease payments not included in lease collection amount
Rental revenue	23,506,064.47	
Total	23,506,064.47	

Finance lease as lessor

Applicable Not applicable

Undiscounted lease collection amount for each of the next five years.

Applicable Not applicable

Reconciliation statement of undiscounted lease collection amount to net investment in leases: None.

(3) Recognition of finance lease sales gains and losses as a manufacturer or distributor

Applicable Not applicable

VIII. R&D expenditure

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Employee compensation	527,263,890.90	439,350,510.57
Depreciation and amortization	115,822,616.82	94,521,158.35
Material expenses	55,454,167.38	43,071,054.75
Equity incentive expenses	34,765,522.02	56,384,583.55
Mold fee	21,905,175.37	23,257,757.38
Intermediary service expenses	14,203,295.26	11,669,481.90
Low-value consumables	9,723,117.58	6,593,448.78
Testing expense	11,494,607.23	7,666,376.50
Decoration costs	4,472,201.29	5,348,308.20
Rent and utilities	11,029,383.78	11,474,297.29
Travel expenses	8,479,596.38	4,445,768.88
Others	19,792,769.70	15,879,462.57

Total	834,406,343.71	719,662,208.72
Including: expensed R&D expenditure	689,969,610.98	592,346,136.09
Capitalized R&D expenditures	144,436,732.73	127,316,072.63

1. R&D projects that meet capitalization conditions

Unit: RMB

Items	Beginning balance	Increase in the current period		Decrease amount in the current period		Ending balance
		Internal development expenditure	Others	Recognized as intangible assets	Transferred to current profit and loss	
Intelligent controller project	70,263,773.15	91,923,909.20		74,231,560.90		87,956,121.45
Motor and control system project	17,993,758.94	11,793,460.67		24,271,089.03		5,516,130.58
Lithium battery project	12,689,781.05	40,719,362.86		12,689,781.05		40,719,362.86
Total	100,947,313.14	144,436,732.73		111,192,430.98		134,191,614.89

Significant capitalized R&D projects

Applicable Not applicable

Development expenditure provision for impairment

Applicable Not applicable

2. Important outsourced projects under development

Applicable Not applicable

IX. Changes in the scope of consolidation

1. Consolidation under different control

(1) Business merger under common control during the period

Applicable Not applicable

(2) Merger costs and goodwill

Applicable Not applicable

(3) The acquiree's identifiable assets and liabilities on the acquisition date

Applicable Not applicable

(4) Gains or losses arising from the remeasurement of equity interests held before the acquisition date to fair value

Are there any transactions that achieve business mergers in steps through multiple transactions and obtain control during the Reporting Period?

Yes No

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

Not applicable.

(6) Other descriptions

Not applicable.

2. Consolidation under the same control

(1) Merger of companies under common control during the current period

Applicable Not applicable

(3) Book value of the merged party's assets and liabilities on the merger date

Applicable Not applicable

3. Reverse purchase

Basic information of the transaction, the basis for the reverse purchase of the transaction, whether the assets and liabilities retained by the listed company constitute the business and its basis, the determination of the consolidation cost, the amount of the adjustment of the equity when the transaction is processed as an equity transaction and its calculation: not applicable.

4. Disposal of subsidiaries

Whether there are any transactions or events in this period in which the control of the subsidiary is lost

Yes No

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

Yes No

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

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

1. New subsidiaries (sub-subsidiaries)

During the Reporting Period, the Company established 3 new subsidiaries (sub-subsidiaries), the details of which are as follows:

No.	Name of subsidiary	Registered place	Registration date	Proportion of shareholding	
				Direct	Indirect
1	Yolanness Technology (HK) Co., Limited	Hong Kong, China	2023/7/4		100%
2	Huizhou Jiuwan Lvyuan Agriculture Co., Ltd.	Huizhou, Guangdong	2023/7/24		100%
3	YOLANESSAFRICA(PTY) LTD	South Africa	2023/8/10		100%

2. During the Reporting Period, the Company liquidated 1 subsidiary (sub-subsidiary), the details of which are as follows:

No.	Name of subsidiary	Registered place	Liquidation date	Proportion of previous shareholding	
				Direct	Indirect
1	Topband (Vietnam)Co., ltd	Vietnam	2023/10/23		100%

X. Interests in other entities

1. Equities in subsidiaries

(1) Composition of enterprise group

Unit: RMB

Name of subsidiary	Registered capital	Principal place of business	Registered place	Nature of business	Proportion of shareholding		Acquisition method
					Direct	Indirect	
Shenzhen Topband Software Technology Co., Ltd.	1,000,000.00	Shenzhen	Shenzhen	Production and sales	100.00%		Establishment
Shenzhen Topband Automation Technology Co., Ltd.	35,000,000.00	Shenzhen	Shenzhen	Production and sales	100.00%		Establishment
Shenzhen Topband Battery Co., Ltd.	50,000,000.00	Shenzhen	Shenzhen	Production and sales	100.00%		Establishment
Chongqing Topband Industrial Co., Ltd.	50,000,000.00	Chongqing	Chongqing	Production and sales	100.00%		Establishment
Topband (Hong Kong) Co., Ltd.	HKD 155 million	Hong Kong	Hong Kong	Investment	100.00%		Establishment
Huizhou Topband Electrical Technology Co., Ltd.	300,000,000.00	Huizhou	Huizhou	Production and sales	100.00%		Establishment

TOPBAND INDIA PRIVATE LIMITED	INR 1.96 billion	India	India	Production and sales	100.00%		Establishment
Shenzhen YAKO Automation Technology Co., Ltd.	60,000,000.00	Shenzhen	Shenzhen	Production and sales	71.54%		Consolidation under different control
Shenzhen Allied Control System Co., Ltd.	55,999,998.00	Shenzhen	Shenzhen	Production and sales	100.00%		Consolidation under different control
Huizhou Topband Battery Co., Ltd.	50,000,000.00	Huizhou	Huizhou	Production and sales		100.00%	Establishment
Ningbo Topband Intelligent Control Co., Ltd.	300,000,000.00	Ningbo	Ningbo	Production and sales	100.00%		Establishment
Shenzhen Meanstone Intelligent Technology Co., Ltd.	7,600,000.00	Shenzhen	Shenzhen	Production and sales	77.25%		Consolidation under different control
Shenzhen Yansheng Software Co., Ltd.	1,500,000.00	Shenzhen	Shenzhen	Production and sales		71.54%	Consolidation under different control
Hangzhou Zhidong Motor Technology Co., Ltd.	1,500,000.00	Hangzhou	Hangzhou	Production and sales		53.66%	Consolidation under different control
Topband (Vietnam)Co.,Ltd	USD 12.5 million	Vietnam	Vietnam	Production and sales		100.00%	Establishment
TOPBAND SMART DONGNAI (VIETNAM) COMPANY LIMITED	USD 33.5 million	Vietnam	Vietnam	Production and sales		100.00%	Establishment
Topband Germany GmbH	EUR 25,000	Germany	Germany	Sales		100.00%	Establishment
TOPBAND JAPAN Co., Ltd	JPY 30 million	Japan	Japan	Sales		100.00%	Establishment
Shenzhen Topband Supply Chain Services Co., Ltd.	5,000,000.00	Shenzhen	Shenzhen	Sales	100.00%		Establishment
Shenzhen Topband Investment Co., Ltd.	50,000,000.00	Shenzhen	Shenzhen	Sales	100.00%		Establishment
Shenzhen Spark IOT Technology Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Sales		100.00%	Establishment
Shenzhen Tunnu Innovation Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Sales		100.00%	Establishment
Shenzhen Senxuan Technology Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Sales	100.00%		Establishment
Topband (Qingdao) Intelligent Control Co., Ltd.	10,000,000.00	Qingdao	Qingdao	Production and sales	100.00%		Establishment
Shenzhen Tengyi Industrial Co., Ltd.	1,000,000.00	Shenzhen	Shenzhen	Sales		100.00%	Establishment
Taixing Ninghui Lithium Battery Co., Ltd.	105,000,000.00	Taixing	Taixing	Production and sales		100.00%	Consolidation under different control
Shenzhen Topband Automotive Electronics Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Sales	100.00%		Establishment
Q.B.PTE.LTD	SGD 10,000	Singapore	Singapore	Sales		100.00%	Establishment
TOPBAND MEXICO,S.DE R.L.DEC.V.	MXN 20 million	Mexico	Mexico	Production and sales		100.00%	Establishment
Tunnu Innovation (Hong Kong) Limited	10,000,000.00	Hong Kong	Hong Kong	Sales		100.00%	Establishment
TOPBAND SMART EUROPE COMPANY LIMITED S.R.L.	ROL 20.1816 million	Romania	Romania	Sales		100.00%	Establishment
Huizhou YAKO Automation Technology Co., Ltd.	50,000,000.00	Shenzhen	Shenzhen	Production and sales		71.54%	Establishment
Shenzhen Zhongli Consulting Co., Ltd.	2,000,000.00	Shenzhen	Qingdao	Sales		100.00%	Establishment

TUNNU INNOVATION,INC	USD 10,000	USA	USA	Sales		100.00%	Establishment
Nantong Topband Youneng Technology Co., Ltd.	100,000,000.00	Nantong	Nantong	Production and sales		100.00%	Establishment
Shenzhen Topband Motor Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Production and sales	100.00%		Establishment
Shenzhen Yueshang Robot Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Production and sales		100.00%	Establishment
Shenzhen Jingfei Investment Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Sales	100.00%		Establishment
Huizhou Chiding Technology Co., Ltd.	5,000,000.00	Huizhou	Huizhou	Production and sales	100.00%		Establishment
Yolaness Technology (HK) Co., Limited	USD 500,000	Hong Kong	Hong Kong	Sales		100.00%	Establishment
Huizhou Jiuwan Lvyuan Agriculture Co., Ltd.	5,000,000.00	Huizhou	Huizhou	Production and sales		100.00%	Establishment
YOLANESS AFRICA (PTY) LTD		South Africa	South Africa	Sales		100.00%	Establishment

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

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

None.

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

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

Other descriptions: None.

(2) Important non-wholly-owned subsidiaries

Unit: RMB

Name of subsidiary	Shareholding ratio of minority shareholders	Profits and losses attributable to minority shareholders during the current period	Dividends declared and distributed to minority shareholders during the current period	Ending balance of minority shareholders' equity
Shenzhen YAKO Automation Technology Co., Ltd.	28.46%	-2,359,678.17		83,893,186.88

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

Other descriptions: None.

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

Unit: RMB

Name of subsidiary	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen YAKO Automation Technology Co., Ltd.	222,174,685.26	301,231,220.59	523,405,905.85	133,458,199.07	95,089,231.86	228,547,430.93	242,689,924.08	138,192,840.18	380,882,764.26	79,730,092.08	6,353,732.52	86,083,824.60

Unit: RMB

Name of subsidiary	Amount incurred in the current period				Amount incurred in prior 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.	250,599,704.63	-8,717,818.68	-8,717,818.68	-15,977,430.98	248,511,066.02	954,217.01	954,217.01	22,473,846.35

Other descriptions: None.

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

None.

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

None.

2. Transactions causing the owner's equity share change but still controlling the subsidiary**(1) Changes in the owner's equity in subsidiaries**

None.

(2) Impact of the transaction on minority shareholders' equity and owner's equity attributable to the parent company Applicable Not applicable**3. Interests in joint venture arrangements or associated enterprises****(1) Important joint ventures or associated enterprises** Applicable Not applicable**(2) Major financial information of important joint ventures** Applicable Not applicable**(3) Major financial information of important associated enterprises** Applicable Not applicable**(4) Summarized financial information of unimportant joint ventures and associated enterprises**

Unit: RMB

	Ending balance/amount incurred in current period	Beginning balance/amount incurred in the previous period
Joint venture:		
Total book value of investment	37,748,179.30	23,550,658.91
Sum of the following items calculated according to the shareholding ratio		
Associated enterprises:		

Sum of the following items calculated according to the shareholding ratio		
--Net profit	1,126,356.29	-2,568,468.91
--Total comprehensive income	1,126,356.29	-2,568,468.91

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

None.

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

None.

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

None.

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

None.

4. Important joint operation

Applicable Not applicable

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

Relevant explanations of structured entities not included in the scope of the consolidated financial statements: None.

6. Others

None.

XI. Government subsidies

1. Government grants recognized as receivable at the end of the Reporting Period

Applicable Not applicable

Reasons for not receiving the expected amount of government subsidies at the expected time

Applicable Not applicable

2. Liabilities involving government subsidies

Applicable Not applicable

Unit: RMB

Accounting items	Beginning balance	Newly increased subsidy in the current period	Amount accounted into non-operating income in the current period	Amount included in other income in the current period	Other changes in this period	Ending balance	Asset-related/revenue-related
Deferred income	13,370,250.14	2,761,100.00		4,985,057.72		11,146,292.42	Asset-related

3. Government subsidies included in the current profits and losses

Applicable Not applicable

Unit: RMB

Accounting items	Amount incurred in the current period	Amount incurred in prior period
Other income	32,905,181.89	33,217,045.91

Other descriptions:

None.

XII. Risks associated with financial instruments

1. Risks arising from financial instruments

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

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

credit risk, and liquidity risk.

(I) Classification of financial instruments

1. Book value of financial assets on the balance sheet date

(1) December 31, 2023

Financial assets	Financial assets measured at amortized cost	Financial assets measured at fair value and whose changes are recorded in current profit or loss	Financial assets measured at fair value with changes included in the other comprehensive income	Total
Monetary capital	1,550,450,889.82	-	-	1,550,450,889.82
Tradable financial assets		656,704,087.16		656,704,087.16
Notes receivable	54,198,392.53			54,198,392.53
Accounts receivable	2,431,773,877.56			2,431,773,877.56
Financing of accounts receivable	278,520,642.22			278,520,642.22
Other receivables	36,524,343.36			36,524,343.36
Other equity instrument investments			41,192,950.00	41,192,950.00

(2) December 31, 2022

Financial assets	Financial assets measured at amortized cost	Financial assets measured at fair value and whose changes are recorded in current profit or loss	Financial assets measured at fair value with changes included in the other comprehensive income	Total
Monetary capital	1,403,026,071.34			1,403,026,071.34
Tradable financial assets		342,959,450.31		342,959,450.31
Notes receivable	51,791,758.90			51,791,758.90
Accounts receivable	2,549,734,039.66			2,549,734,039.66
Financing of accounts receivable	254,988,202.60			254,988,202.60
Other receivables	77,743,150.98			77,743,150.98

2. Book value of financial liabilities on the balance sheet date

(1) December 31, 2023

Financial liabilities	Financial liabilities measured at fair value with changes included in the current profits and losses	Other financial liabilities	Total
Short-term loans		279,348,750.00	279,348,750.00
Notes payable		927,833,178.70	927,833,178.70
Accounts payable		1,957,626,396.34	1,957,626,396.34
Other account payable		151,341,029.40	151,341,029.40
Non-current liabilities due within one year		370,623,598.03	370,623,598.03

Financial liabilities	Financial liabilities measured at fair value with changes included in the current profits and losses	Other financial liabilities	Total
Long-term loans		437,747,877.47	437,747,877.47
Lease liabilities		61,429,811.03	61,429,811.03

(2) December 31, 2022

Financial liabilities	Financial liabilities measured at fair value with changes included in the current profits and losses	Other financial liabilities	Total
Short-term loans		283,351,495.57	283,351,495.57
Notes payable		1,065,652,340.80	1,065,652,340.80
Accounts payable		1,606,446,204.02	1,606,446,204.02
Other account payable		335,047,520.52	335,047,520.52
Non-current liabilities due within one year		75,356,303.72	75,356,303.72
Long-term loans		581,500,000.00	581,500,000.00
Lease liabilities		73,610,791.09	73,610,791.09

(II) Risk management objective and policy

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

1. Market risk

(1) Foreign exchange risk

Foreign exchange risk refers to the risk of loss due to exchange rate fluctuations. The Company's exposure to foreign exchange risks is mainly related to US dollars and Hong Kong dollars. Except for the Company and its subsidiary, Topband (HK) Co., Limited, which purchases and sells some materials and products in US dollars, Euros and Hong Kong dollars, TOPBAND INDIA PRIVATE LIMITED, the subsidiary, uses Indian Rupee, Topband (Vietnam) Co., Ltd. and TOPBAND SMART DONG NAI (VIETNAM) Co., Ltd., the sub-subsidiaries, use Vietnamese Dong, and Topband Germany GmbH, the sub-subsidiary, uses Euros; TOPBAND JAPAN Co., Ltd., the sub-subsidiary, uses Japanese Yen, Q.B.PTE.LTD, the sub-subsidiary, uses Singapore dollars, and TOPBAND MEXICO, S.DER.L.DEC.V., the sub-subsidiary, uses Mexican Peso; TOPBAND SMART

EUROPE COMPANY LIMITED S.R.L., the sub-subsiidiary, uses Romanian Leu, Tunnu Innovation HK Limited, the sub-subsiidiary, uses Hong Kong dollars, and TUNNU INNOVATION, INC., the sub-subsiidiary, uses US dollars; other major business activities of the Company are settled in RMB. As of December 31, 2023, the assets and liabilities of the Company are RMB balances, except that the assets or liabilities stated in VI. (LIX) foreign currency monetary items are US dollars, Hong Kong dollars, Euros, Vietnamese Dong, Japanese Yen, Indian Rupee, Romanian Leu and Mexican Peso balances, Rand and Canadian dollars. The foreign exchange risks arising from the assets and liabilities of such foreign currency balances may have an impact on the Company's operating results.

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

(2) Other price risks

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

2. Credit risk

On December 31, 2023, the maximum credit risk exposure causing the Company's financial losses is mainly incurred from the other party's failure to fulfill obligations, which leads the Company to financial asset losses, and financial guarantee undertaken by the Company, including confirmed carrying amounts of financial assets in consolidated balance sheets; the carrying value only reflects risk exposure of financial instruments measured at fair value rather than the maximum risk exposure, that varies with the fair value in the future.

In order to reduce credit risks, the Company has set up special positions responsible for determining credit limits, conducting credit approval, and implementing other monitoring procedures to ensure that necessary measures are taken to recover overdue claims. In addition, the Company reviews the recovery of each individual receivable on each balance sheet date to ensure that adequate provision is made for uncollectible amounts. As a result, the management of the Company believes that the credit risk assumed by the Company has been significantly reduced.

The Company's working capital is deposited in a bank with a high credit rating, so the credit risk of working capital is low.

The Company has adopted necessary policies to ensure that all sales customers have good credit records. The Company has no other major credit concentration risk.

3. Liquidity risk

When managing liquidity risk, the Company maintains sufficient cash and cash equivalents as deemed by the management and monitors them to meet the Company's operational needs and reduce the impact of cash flow fluctuations. The management of the Company monitors the use of bank loans and ensures compliance with loan agreements.

(III) Transfer of financial assets

There were no events related to the transfer of financial assets in the Company this year.

(IV) Offsetting between financial assets and financial liabilities

There were no events related to the offsetting between financial assets and financial liabilities in the Company this year.

2. Hedging

(1) The Company conducts hedging business for risk management

Applicable Not applicable

(2) The Company conducts qualified hedging business and applies hedging accounting

Other descriptions

None.

(3) The Company conducts hedging business for risk management and expects to achieve the risk management objectives, but does not apply hedging accounting

Applicable Not applicable

3. Financial assets

(1) Classification of transfer methods

Applicable Not applicable

(2) Derecognized financial assets due to transfer

Applicable Not applicable

(3) Financial assets in which asset transfer continues

Applicable Not applicable

Other descriptions

None.

XIII. Disclosure of fair value

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

Unit: RMB

Items	Ending fair value			
	The first level of fair value measurement	The second-level fair value measurement	The third level of fair value measurement	Total
I. Continuous fair value measurement	--	--	--	--
(I) Tradable financial assets			656,704,087.16	656,704,087.16
1. Financial asset at fair value and changes through current profits and losses			656,704,087.16	656,704,087.16
(1) Debt instrument investment			304,370,000.00	304,370,000.00
(2) Equity instrument investment			352,334,087.16	352,334,087.16
(II) Receivables financing			278,520,642.22	278,520,642.22
(1) Bank acceptance bill			126,350,412.69	126,350,412.69
(2) Factored accounts receivable			111,968,012.71	111,968,012.71
(3) Supply chain notes receivable			40,202,216.82	40,202,216.82
Total assets continuously measured at fair value			935,224,729.38	935,224,729.38
II. Non-continuous fair value measurement	--	--	--	--

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

None.

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

None.

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

None.

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

None.

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

None.

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

None.

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

None.

9. Others

None.

XIV. Related parties and related transactions**1. Profile of parent company of the Company**

Name of parent company	Registered place	Nature of business	Registered capital	Shareholding ratio of parent company to the Company	Proportion of the parent company's voting rights in the Enterprise
Wu Yongqiang	Shenzhen			16.73%	16.73%

Profile of parent company of the Company

None.

The ultimate controller of the Company is Wu Yongqiang.

2. Profile of subsidiaries of the Company

For details of the subsidiaries of the Company, please see Note X.1.

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

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

Other joint ventures or associated enterprises having related-party transaction in current period or in previous period to form balance are listed as follows:

Name of joint venture or associated enterprise	Relationship with the Company
Dongguan Jujin Plastic Technology Co., Ltd.	Shareholding companies of the Company

4. Other related parties

Names of other related parties	Relationship between other related parties and the Enterprise
--------------------------------	---

Shenzhen Jizhiguang Electronics Co., Ltd.	A company substantially controlled by the relative of the Company's legal representative
Shenzhen Lianghai Technology Co., Ltd.	Shareholding companies of the Company
Shenzhen ORVIBO Technology Co., Ltd.	Shareholding companies of the Company
Shenzhen HANSC Intelligent Technology Co., Ltd.	Shareholding companies of the Company
Guangdong Zhongchuang Zhijia Scientific Research Co., Ltd.	Shareholding companies of the Company
Guangdong Huixin Semiconductor Co., Ltd.	Shareholding companies of the Company
Fujian Mini Dolphin New Energy Technology Co., Ltd.	Shareholding companies of the Company
Chengdu Senwei Technology Co., Ltd.	Shareholding companies of the Company
Shenzhen Youbi Technology Co., Ltd.	Shareholding companies of the Company
Shanghai Yidong Power Technology Co., Ltd.	Shareholding companies of the Company
Pas Electronic Technology (Nanjing) Co., Ltd.	Companies in which the Company has previously held shares (sold in June 2023)
Jiangsu Donghai Semiconductor Co., Ltd.	Shareholding companies of the Company
Jiangxi Sarui Microelectronics Technology Co., Ltd.	Shareholding companies of the Company
Shanghai Xinggan Semiconductor Co., Ltd.	Shareholding companies of the Company
Shenzhen Jizhi Laser Technology Co., Ltd.	Shareholding companies of the Company
Dongguan Jujin Plastic Technology Co., Ltd.	Shareholding companies of the Company

5. Related party transaction

(1) Related transactions involving the purchase and sale of goods and the provision and acceptance of services

List of goods purchased/services received

Unit: RMB

Related party	Related transaction content	Amount incurred in the current period	Approved transaction limit	Is the transaction limit exceeded	Amount incurred in prior period
Shenzhen Jizhiguang Electronics Co., Ltd.	Purchase of raw materials	12,448,395.74	25,000,000.00	No	16,943,886.18
Shenzhen ORVIBO Technology Co., Ltd.	Purchase of raw materials	5,534.37		No	28,062.77
Jiangsu Donghai Semiconductor Co., Ltd.	Purchase of raw materials	95,491.50		No	38,775.00
Jiangxi Sarui Microelectronics Technology Co., Ltd.	Purchase of raw materials	87.00		No	
Dongguan Jujin Plastic Technology Co., Ltd.	Purchase of raw materials	17,192,446.68		No	

List of goods sold/services provided

Unit: RMB

Related party	Related transaction content	Amount incurred in the current period	Amount incurred in prior period
Shenzhen ORVIBO Technology Co., Ltd.	Goods on hand	12,408,176.66	23,106,968.00

Related transactions involving the purchase and sale of goods and the provision and acceptance of services

None.

(2) Relevant entrusted management/contracting and entrusted management/outsourcing Applicable Not applicable**(3) Related lease** Applicable Not applicable**(4) Related party guarantee situation** Applicable Not applicable**(5) Interbank lending of related parties** Applicable Not applicable**(6) Asset transfer and debt restructuring of related parties** Applicable Not applicable**(7) Remuneration of key management personnel**

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Remuneration of key management personnel	14,263,600.00	12,635,800.00

(8) Other related transactions

None.

6. Receivables and payables due to related parties**(1) Item receivable**

Unit: RMB

Project name	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Shenzhen ORVIBO Technology Co., Ltd.	3,747,603.20	116,175.70	6,487,666.99	201,117.68
Accounts	Fujian Mini Dolphin New Energy Technology			1,753,420.02	158,509.17

receivable	Co., Ltd.				
Prepayments	Shenzhen ORVIBO Technology Co., Ltd.	3,037.05			

(2) Payables

Unit: RMB

Project name	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable	Shenzhen Jizhiguang Electronics Co., Ltd.	866,888.49	1,411,710.91
Accounts payable	Jiangsu Donghai Semiconductor Co., Ltd.	51,217.50	43,708.50
Accounts payable	Guangdong Huixin Semiconductor Co., Ltd.	311.50	
Accounts payable	Jiangxi Sarui Microelectronics Technology Co., Ltd.	100,087.00	
Accounts payable	Dongguan Jujin Plastic Technology Co., Ltd.	8,514,044.84	
Notes payable	Shenzhen Jizhiguang Electronics Co., Ltd.		110,000.00
Contractual liabilities	Guangdong Zhongchuang Zhijia Scientific Research Co., Ltd.		132,075.47
Other account payable	Dongguan Jujin Plastic Technology Co., Ltd.	39,000.00	

7. Commitment of related parties

None.

8. Others

None.

XV. Share-based payment**1. General situation of share-based payments** Applicable Not applicable

Unit: RMB

Grant object category	Granted in the current period		Exercised in the current period		Released in the current period		Invalidated in the current period	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2021 Restricted Stock Incentive Plan					9,351,936.00	67,614,497.28	22,700,384.00	164,123,776.32
Total					9,351,936.00	67,614,497.28	22,700,384.00	164,123,776.32

Stock options or other equity instruments outstanding at the end of the period

 Applicable Not applicable

Other descriptions:

None.

2. Equity-settled share-based payments Applicable Not applicable

Unit: RMB

Method for determining the fair value of the equity instrument on the grant date	Fair value of equity instruments = (market price on grant date - grant price) * number of shares
Important parameters of fair value of equity instruments on the grant date	Stock market price on grant date
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	Terminating the implementation of the 2021 Restricted Stock Incentive Plan by the Company
Accumulated amount of equity-settled share-based payments included in capital reserves	152,886,906.12
Total amount of expenses recognized by equity-settled share-based payments in the current period	79,290,114.83

Other descriptions:

None.

3. Cash-settled share-based payments Applicable Not applicable**4. Share-based payment for the current period** Applicable Not applicable

Unit: RMB

Grant object category	Equity-settled share-based payment	Cash-settled share-based payment
2021 Restricted Stock Incentive Plan	79,290,114.83	0.00
Total	79,290,114.83	0.00

Other descriptions:

In December 2023, the Company terminated the implementation of the 2021 Restricted Stock Incentive Plan, and has accelerated the recognition of share-based payment expenses that would have been recognized during the remaining waiting period.

5. Modification and termination of share-based payments

On December 1, 2023, the 4th (Extraordinary) Meeting of the 8th Board of Directors of the Company deliberated and passed the Proposal on Terminating the Implementation of the Restricted Stock Incentive Plan for 2021 and Repurchasing and Cancelling Restricted Stocks. In view of the fact that the current economic situation and internal and external environment have changed significantly compared to when the Company's equity incentive plan was announced, the continued implementation of the 2021 Restricted Stock Incentive Plan is difficult to achieve the expected incentive purposes and effects. The Company then decided to terminate the

implementation of this incentive plan and repurchase and cancel the restricted stocks that have been granted but have not yet been released from the restriction on sale. With the termination of the implementation of this incentive plan, the Company repurchased and cancelled 20,496,224 restricted shares that had been granted but not yet released from the restrictions on sale to 1,024 incentive targets. According to the relevant provisions of the Accounting Standards for Business Enterprises, for the repurchase and cancellation of share-based payments corresponding to the termination of the incentive plan and the related release period, the accrued share-based payment expenses are not reversed, and the share-based payment expenses that shall have been recognized within the remaining waiting period are recognized at an accelerated rate.

6. Others

None.

XVI. Commitments and contingencies

1. Important commitments

Important commitments that existed on the balance sheet date

As of December 31, 2023, the Company has no commitments that need to be disclosed.

2. Contingencies

(1) Significant contingencies on the balance sheet date

(2) The important contingencies not required to be disclosed shall be explained as well

No significant contingencies need to be disclosed by the Company.

3. Others

None.

XVII. Events after the balance sheet date

1. Important non-adjusting matters

Applicable Not applicable

2. Profit distribution

3. Sales return

None.

4. Explanation of other events after the balance sheet date

None.

XVIII. Other important matters

1. Correction of early accounting errors

(1) Retrospective restatement

Applicable Not applicable

(2) Future application

Applicable Not applicable

2. Debt restructuring

None.

3. Asset replacement

(1) Exchange of non-monetary assets

(2) Replacement of other assets

4. Annuity plan

None.

5. Discontinued operation

Applicable Not applicable

6. Division information

(1) Basis for determining reportable segments and accounting policies

None.

(2) Financial information of reportable segments

Applicable Not applicable

(3) If a company does not have a reportable segment, or cannot disclose the total assets and liabilities of each reportable segment, it shall explain the reason.

None.

(4) Other descriptions

None.

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

None.

8. Others

None.

XIX. Notes to main items of financial statements of the parent company

1. Accounts receivable

(1) Disclosure by aging

Unit: RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	1,287,212,115.69	1,781,879,318.05
1-2 years	5,268,760.84	5,015,015.44
2-3 years	791,447.31	1,465,220.68
Above 3 years	2,078,206.45	1,991,907.84
3-4 years	97,063.40	659,343.12
4-5 years	648,578.33	1,332,564.72
Above 5 years	1,332,564.72	
Total	1,295,350,530.29	1,790,351,462.01

(2) Disclosure by bad debt provision method

Unit: RMB

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	120,945,555.34	9.34%	2,994,574.69	2.48%	117,950,980.65	450,165,784.04	25.14%			450,165,784.04
Including:										
Accounts receivable with a single significant amount and single bad debt provision	119,881,794.96	9.26%	1,930,814.31	1.61%	117,950,980.65	449,954,452.01	25.13%			449,954,452.01
Accounts receivable with insignificant single amount but separate bad debt provision	1,063,760.38	0.08%	1,063,760.38	100.00%	0.00	211,332.03	0.01%			211,332.03
Accounts receivable with provision for bad debts by portfolio	1,174,404,974.95	90.66%	36,854,741.91	3.14%	1,137,550,233.04	1,340,185,677.97	74.86%	43,496,510.19	3.25%	1,296,689,167.78
Including:										
Accounts receivable with provision for bad debts by combination (aging analysis method)	1,174,404,975.00	90.66%	36,854,741.91	3.14%	1,137,550,233.04	1,340,185,677.97	74.86%	43,496,510.19	3.25%	1,296,689,167.78
Total	1,295,350,530.29	100.00%	39,849,316.60	3.08%	1,255,501,213.69	1,790,351,462.01	100.00%	43,496,510.19	2.43%	1,746,854,951.82

Single provision for bad debts: 2,994,574.69

Unit: RMB

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Proportion of provision	Reasons for provision
Accounts receivable with a single significant amount and single bad debt provision	449,954,452.01		119,881,794.96	1,930,814.31	1.61%	
Accounts receivable with insignificant single amount but separate bad debt provision	211,332.03		1,063,760.38	1,063,760.38	100.00%	
Total	450,165,784.04		120,945,555.34	2,994,574.69		

Provision for bad debts by portfolio:

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Accounts receivable with provision for bad debts by combination (aging analysis method)	1,174,404,975.00	36,854,741.91	3.14%
Total	1,174,404,975.00	36,854,741.91	

Explanation of the basis for determining the portfolio:

None.

If the provision for bad debts of accounts receivable is made according to the general model of expected credit losses:

 Applicable Not applicable**(3) Bad debt provision withdrawn, recovered or reversed in the current period**

Provision for bad debts in the current period:

Unit: RMB

Category	Beginning balance	Amount changed in the current period				Ending balance
		Provision	Recover or reversal	Write-off	Others	
Provision for bad debts	43,496,510.19	-3,643,333.74		3,859.85		39,849,316.60
Total	43,496,510.19	-3,643,333.74		3,859.85		39,849,316.60

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

 Applicable Not applicable**(4) Accounts receivable actually written off in the current period** Applicable Not applicable**(5) Accounts receivable and contract assets of top five ending balances grouped by debtors**

Unit: RMB

Name of unit	Ending balance of accounts receivable	Ending balance of contract assets	Ending balances of accounts receivable and	Proportion to total ending balances of accounts receivable	Ending balance of bad debt provision for accounts receivable and provision
--------------	---------------------------------------	-----------------------------------	--	--	--

			contract assets	and contract assets	for impairment of contract assets
No. 1	309,660,920.87		309,660,920.87	23.91%	9,733,472.14
No. 2	79,232,145.18		79,232,145.18	6.12%	2,456,196.50
No. 3	69,890,866.55		69,890,866.55	5.40%	
No. 4	65,510,995.69		65,510,995.69	5.06%	2,030,840.87
No. 5	62,180,414.80		62,180,414.80	4.80%	1,927,592.86
Total	586,475,343.09		586,475,343.09	45.29%	16,148,102.37

2. Other receivables

Unit: RMB

Items	Ending balance	Beginning balance
Other receivables	359,906,911.54	902,544,005.07
Total	359,906,911.54	902,544,005.07

(1) Interest receivable

1) Classification of interest receivable

Applicable Not applicable

2) Significant overdue interest

Applicable Not applicable

3) Disclosure by bad debt provision method

Applicable Not applicable

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

Applicable Not applicable

5) Interests receivable actually written off in the current period

Applicable Not applicable

(2) Dividends receivable

1) Classification of dividends receivable

Applicable Not applicable

2) Significant dividends receivable aged over 1 year

Applicable Not applicable

3) Disclosure by bad debt provision method

Applicable Not applicable

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

Applicable Not applicable

5) Dividends receivable actually written off in the current period

Applicable Not applicable

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

Unit: RMB

Nature of payment	Book balance at the end of the period	Book balance at the beginning of the period
Other receivables	359,906,911.54	902,544,005.07
Total	359,906,911.54	902,544,005.07

2) Disclosure by aging

Unit: RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	357,493,959.23	899,507,615.15
Subtotal within 1 year (including 1 year)	357,493,959.23	899,507,615.15
1-2 years	1,691,269.55	1,718,310.98
2-3 years	547,927.64	877,475.83
Above 3 years	4,195,547.95	3,684,156.58
3-4 years	556,684.11	2,500,962.00
4-5 years	2,458,782.00	69,484.58
Above 5 years	1,180,081.84	1,113,710.00
Total	363,928,704.37	905,787,558.54

3) Disclosure by bad debt provision method

Unit: RMB

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	
Single provision for bad debts	352,237,197.66	96.79%			352,237,197.66	891,733,595.91	98.45%			891,733,595.91
Provision for bad debts by portfolio	11,691,506.71	3.21%	4,021,792.83	34.40%	7,669,713.88	14,053,962.63	1.55%	3,243,553.47	23.08%	10,810,409.16
Total	363,928,704.37	100.00%	4,021,792.83	1.11%	359,906,911.54	905,787,558.54	100.00%	3,243,553.47	0.36%	902,544,005.07

Single provision for bad debts: 0

Applicable Not applicable

Provision for bad debts by portfolio:

Applicable Not applicable

Explanation of the basis for determining the portfolio:

Applicable Not applicable

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

Unit: RMB

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss in the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment occurred)	
Balance as of January 1, 2023	3,243,553.47			3,243,553.47
Balance as of January 1, 2023 in the current period				
Accrual in the current period	778,239.36			778,239.36
Balance as of December 31, 2023	4,021,792.83			4,021,792.83

Basis for division into different stages and bad debt provision ratio

Applicable Not applicable

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

Applicable Not applicable

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

Provision for bad debts in the current period:

Unit: RMB

Category	Beginning balance	Amount changed in the current period				Ending balance
		Provision	Recover or reversal	Reversal or write-off	Others	
Provision for bad debts	3,243,553.47	778,239.36				4,021,792.83
Total	3,243,553.47	778,239.36				4,021,792.83

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

Applicable Not applicable

5) Other receivables actually written off in the current period

Applicable Not applicable

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

Unit: RMB

Name of unit	Nature of payment	Ending balance	Aging	Proportion to total ending balances of other receivables	Ending balance of provision for bad debts
No. 1	Transactions with related parties	141,979,246.90	Within 1 year	39.01%	0.00
No. 2	Transactions with related parties	73,966,100.00	Within 1 year	20.32%	0.00
No. 3	Transactions with related parties	70,481,867.11	Within 1 year	19.37%	0.00
No. 4	Transactions with related parties	33,183,871.71	Within 1 year	9.12%	0.00
No. 5	Transactions with related parties	10,500,000.00	Within 1 year	2.89%	0.00
Total		330,111,085.72		90.71%	0.00

7) Reported in other receivables due to centralized fund management

Applicable Not applicable

3. Long-term equity investment

Unit: RMB

Items	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	3,981,563,889.88		3,981,563,889.88	3,952,516,773.78		3,952,516,773.78
Investment in associated enterprises and joint ventures	18,272,947.90	12,433,655.05	5,839,292.85	18,320,001.21	12,433,655.05	5,886,346.16
Total	3,999,836,837.78	12,433,655.05	3,987,403,182.73	3,970,836,774.99	12,433,655.05	3,958,403,119.94

(1) Investment in subsidiaries

Unit: RMB

Investee	Beginning balance (book value)	Beginning balance of provision for impairment	Changes in increase or decrease in the current period				Ending balance (book value)	Ending balance of provision for impairment
			Additional investment	Decrease in investment	Provision for impairment	Others		
Shenzhen Topband Software Technology Co., Ltd.	24,095,074.68		2,055,463.18				26,150,537.86	
Shenzhen Topband Battery Co., Ltd.	623,157,548.45		5,204,768.09				628,362,316.54	
Shenzhen	35,743,370.43		767,956.73				36,511,327.16	

Topband Automation Technology Co., Ltd.							
Chongqing Topband Industrial Co., Ltd.	211,139,884.59		568,427.16			211,708,311.75	
Topband (Hong Kong) Co., Ltd.	528,408,500.00					528,408,500.00	
Huizhou Topband Electrical Technology Co., Ltd.	1,024,724,989.64		10,555,982.28			1,035,280,971.92	
Ningbo Topband Intelligent Control Co., Ltd.	670,583,468.55		610,490.14			671,193,958.69	
Shenzhen Allied Control System Co., Ltd.	125,645,445.51		2,759,602.07			128,405,047.58	
Shenzhen Meanstone Intelligent Technology Co., Ltd.	10,000,000.00					10,000,000.00	
TOPBAND INDIA PRIVATE LIMITED	195,026,748.97					195,026,748.97	
Shenzhen YAKO Automation Technology Co., Ltd.	350,014,659.96					350,014,659.96	
Shenzhen Topband Investment Co., Ltd.	100,236,468.18		78,303.80	1,000,000.00		99,314,771.98	
Shenzhen Topband Supply Chain Services Co., Ltd.	5,000,000.00					5,000,000.00	
Shenzhen Senxuan Technology Co., Ltd.	8,074,247.94		-38,922.91			8,035,325.03	
Topband (Qingdao) Intelligent Control Co., Ltd.	30,000,000.00					30,000,000.00	
Shenzhen Topband Motor Co., Ltd.	10,666,366.88		1,485,045.56			12,151,412.44	
Huizhou Chiding Technology Co., Ltd.			5,000,000.00			5,000,000.00	
Shenzhen Jingfei Investment Co., Ltd.			1,000,000.00			1,000,000.00	
Total	3,952,516,773.78		30,047,116.10	1,000,000.00		3,981,563,889.88	

(2) Investment in associated enterprises and joint ventures

Unit: RMB

Investee	Beginning balance (book value)	Beginning balance of provision for impairment	Changes in increase or decrease in the current period								Ending balance (book value)	Ending balance of provision for impairment
			Additional investment	Decrease in investment	Profits and losses on investment recognized under equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration of distribution for cash dividends or profits	Provision for impairment	Others		
I. Joint venture												
II. Associated enterprises												
Shenzhen Daka Optoelectronics Co., Ltd.	5,886,346.16				-47,053.31						5,839,292.85	
Tai'an Yuchengxin Power Supply Technology Co., Ltd.		12,433,655.05										12,433,655.05
Subtotal	5,886,346.16	12,433,655.05			-47,053.31						5,839,292.85	12,433,655.05
Total	5,886,346.16	12,433,655.05			-47,053.31						5,839,292.85	12,433,655.05

The recoverable amount was determined as the net amount of fair value less disposal costs.

Applicable Not applicable

The recoverable amount was determined based on the present value of expected future cash flows.

Applicable Not applicable

Reasons for the significant inconsistency between the above-mentioned information and the information used in the impairment test in previous years or external information

None.

Reasons for the significant inconsistency between the information used in the impairment test of the Company in previous years and the actual situation of the current year

None.

(3) Other descriptions**4. Operating income and operating cost**

Unit: RMB

Items	Amount incurred in the current period		Amount incurred in prior period	
	Income	Cost	Income	Cost

Main business	4,375,490,048.36	3,610,380,372.83	5,013,119,851.86	4,207,791,500.54
Other business	181,114,199.53	160,679,242.60	189,528,792.86	170,094,464.62
Total	4,556,604,247.89	3,771,059,615.43	5,202,648,644.72	4,377,885,965.16

Information related to performance obligations:

None

Other descriptions:

None.

5. Investment income

Unit: RMB

Items	Amount incurred in the current period	Amount incurred in prior period
Long-term equity investment income accounted by the cost method	-47,053.31	-88,713.69
Investment income from disposal of trading financial assets	-12,299,596.79	
Forward foreign exchange settlement profit and loss	-3,529,674.98	2,994,236.07
Income of financial products	2,384,294.62	
Interest income received	182,700.00	
Total	-13,309,330.46	2,905,522.38

6. Others

XX. Supplementary Information

1. Schedule of current non-recurring profit and loss

Applicable Not applicable

Unit: RMB

Items	Amount	Description
Non-current assets disposal profit and loss	-11,399,766.84	
Government subsidies included in current profits and losses (except those that are closely related to the normal business of the Company, conform to national policies and regulations, are enjoyed according to certain standards and have a lasting impact on the Company's profits and losses)	32,905,181.89	
Profits and losses due to fair value changes arising from the financial assets and liabilities held by the non-financial business, as well as the profits and losses arising from the disposal of financial assets and liabilities, except for the effective hedging business related to the normal business of the Company	-1,302,568.51	
One-time share-based payment due to cancellation or modification of the stock incentive plan	-28,092,840.35	
Other non-operating income and expenses other than those mentioned above	21,796,444.13	
Other profits and losses that conform to the definition of non-recurring profit and loss	1,477,128.99	

Minus: amount affected by income tax	11,184,636.52	
Amount affected by minority shareholders' equity (after tax)	604,156.43	
Total	3,594,786.36	--

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

Applicable Not applicable

None.

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

Applicable Not applicable

2. Return on equity and earnings per share

Profits of the Reporting Period	Weighted return on average equity	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net income attributable to the ordinary shareholders of the Company	8.54%	0.41	0.41
Net profit attributable to the ordinary shareholders of the Company after deduction of non-recurring profit and loss	8.48%	0.40	0.40

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