

Company code: 688700

Company abbreviation: Dongwei Technology



Kunshan Dongwei Technology Co., Ltd.

2023 Semi-annual Report

Important Note:

I. The board of directors, board of supervisors, directors, supervisors, and senior executives of our Company shall guarantee the authenticity, accuracy, and completeness of the contents without false record, misleading statement, or major omission in the annual report, and shall undertake the joint and several legal liability.

II. Significant risk tips

The Company has elaborated in detail in this report on the various risks that the Company may face during the business process and the corresponding measures. Please refer to "V. Risk Factors" in "Section 3 Management Discussion and Analysis" of this report.

III. All directors of the Company attended the board meeting.

IV. The semi-annual report has not been audited.

V. Liu Jianbo serving as the person in charge of the Company, Zhou Xiangrong serving as the chief accountant officer, and Zhang Zuqing serving as the person in charge of accounts (accountant in charge) make the statement that the authenticity, accuracy, and completeness of the financial report in the semi-annual report shall be guaranteed.

VI. The profit distribution plan or the plan for the conversion of capital reserve into share capital for the reporting period approved by the board of directors

None

7. Are there any important matters such as special arrangements for corporate governance

☐ Applicable ☒ Not applicable

VIII. Risk statement for forward-looking statements

☒ Applicable ☐ Not applicable

The future plans, development strategies and other forward-looking statements of the Company covered in this report do not constitute a substantial commitment of the company to investors. The investors shall be advised to pay attention to the investment risks.

IX. Whether there is any non-operating capital occupation by the controlled shareholder and its related parties?

No

X. Whether is there any external guarantee provided in violation of the prescribed decision-making procedures?

No

XI. Whether there are more than half of the directors who cannot guarantee the authenticity, accuracy and completeness of the annual report disclosed by the Company?

No

XII. Others

☐ Applicable ☒ Not applicable

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Catalog of reference documents	The financial statements signed and sealed by the legal person in charge of the company, the person in charge of accounting work, and the person in charge of the accounting department (accounting officer).
	The full text and abstract of the 2023 semi-annual report with the signature of the current legal representative and the company official seal.
	The original copies of all company documents and announcements publicly disclosed on the website designated by China Securities Regulatory Commission during the reporting period.

Section I. Definitions

The following words herein shall have the following meanings unless the context otherwise requires:

Interpretations of common words		
the Company, Dongwei Technology, Kunshan Dongwei	Means	Kunshan Dongwei Technology Co., Ltd.
Fangfang Yuanyuan	Means	Kunshan Fangfang Yuanyuan Enterprise Management Center (Limited partnership), a shareholder of the Company
Jiayue Jiayue	Means	Kunshan Jiayue Jiayue Enterprise Management Center (Limited partnership), a shareholder of the Company
Suzhou International Development	Means	Suzhou International Development Equity Investment Fund Management Co., Ltd. - Suzhou International Development Xinxing Phase II Venture Capital Partnership (Limited partnership), a shareholder of the Company
Ningbo Yuxi	Means	Kunshan Lingfenmu Investment Enterprise (Limited partnership) - Ningbo Yuxi Investment Management Partnership (Limited partnership), a shareholder of the Company
Kunshan Yuqiaohe	Means	Kunshan Yuqiaohe Investment Management Co., Ltd. - Kunshan Yuqiaohe Yongji Venture Capital Partnership (Limited partnership), a shareholder of the Company
Guangde Dongwei	Means	Guangde Dongwei Technology Co., Ltd., a wholly-owned subsidiary
Dongguan Dongwei	Means	Dongguan Dongwei Technology Co., Ltd., a wholly-owned subsidiary
Changshu Dongwei	Means	Changshu Dongwei Technology Co., Ltd., a wholly-owned subsidiary
Shenzhen Dongwei	Means	Shenzhen Kunshan Dongwei Technology Co., Ltd., a wholly-owned subsidiary
Electroplating	Means	The process of applying a layer of metal on the surface of a conductive body using the principle of electrolysis.
VCP	Means	In the full name of “Vertical Continuous Plating”, the vertical continuous plating equipment is used for copper plating on PCB, and the electroplating production line adopting the vertical continuous electroplating technology.
PCB	Means	In the full name of “Printed Circuit Board”, the printed circuit board is not only the support of the electronic components, but also the carrier of electrical connection of electronic components.
Rigid board	Means	The printed circuit board made of rigid substrate.
MSAP	Means	Modified semi-additive process
Flexible board	Means	The printed circuit board made of flexible substrates.
Rigid-flexible board	Means	The printed circuit board made of both rigid and flexible substrates.
High-frequency board	Means	The printed circuit board made of special high-frequency materials (e.g. polytetrafluoroethylene, etc.).
HDI	Means	High Density Interconnector is a kind of circuit board with relatively high line distribution density and using micro-blind buried via technology.
Packaging substrate	Means	IC packaging substrate is a key carrier to provide electrical connection between the chip and the printed circuit board, and can play the role of protection, support and heat dissipation.
Special substrate board	Means	The printed circuit board made of special substrates.
Electroplating uniformity	Means	The uniformity of plating distribution is the key indicator to

		measure the electroplating effect. The smaller the difference between the thickest and thinnest value of electroplating layer is, the better the electroplating effect is.
Throwing power (TP)	Means	In the full name of “Throwing Power”, it is the deep hole plating capacity, i.e. the ratio of the average copper thickness in the hole and the average copper thickness on the surface of the printed circuit board; the higher the value is, the closer the thickness of the plating layer in the hole and the thickness of the copper plating layer on the surface is, the better the electroplating effect is
Sheet-by-sheet	Means	Sheet-by-sheet is a production method by which the flexible boards are fed by sheets, subject to surface processing and treatment, and then discharged.
Reel-to-reel	Means	Reel-to-reel is a production method by which the flexible boards are rolled out from the cylindrical material coil, subject to surface processing and treatment, and then rolled into a cylinder.
Prismark	Means	American Prismark Partners LLC, an authoritative advisory and market investigation institution in the printed circuit board industry.
PP	Means	Polypropylene
PVC	Means	Polyvinyl chloride
PET	Means	Polyethylene terephthalate
Aspect ratio	Means	The ratio of the board thickness to the hole diameter in the printed circuit board, also known as the thickness to diameter ratio; the higher the value is, the more difficult it is to plate copper in the hole by electroplating.
Etching	Means	The technique used to remove materials by chemical reaction or physical impact.
Electrolytic etching	Means	The technique used to remove metal by electrolysis on the basis of the principle of anodic dissolution of metal in a liquid with tap water or salt water as the main etching subject
Chemical etching	Means	The technique used to remove the protective film in the area to be etched with the exposure plating after development, and to remove the metal by chemical dissolution and corrosion action of the chemical solution contacted during the process of etching.
GDR	Means	Global Depositary Receipts

Section II. Profile of Company and Main Financial Indicators

I. Basic information of the Company

Name of company in Chinese	Kunshan Dongwei Technology Co., Ltd.
Abbreviation of company in Chinese	Dongwei Technology
Name of company in English	Kunshan Dongwei Technology Co., Ltd.
Abbreviation of the name of company in foreign language	Inapplicable
Company Legal representative	Liu Jianbo
Registered address	No. 505, Dongding Road, Bacheng Town, Kunshan City
Historical change of company registered address	East of Dongding Road, Bacheng Town, Kunshan City is changed to No. 505, Dongding Road, Bacheng Town, Kunshan City
Business address	No. 505, Dongding Road, Bacheng Town, Kunshan City
Zip code of company's office address	215300

Company website	www.ksdwgroup.com
Email	DW10798@ksdwgroup.com

II. Contact person and contact information

	Secretary of the Board of Directors (domestic representative for information disclosure)	Securities affairs representative
Name	Xu Peipei	Luo Cui
Address	No. 505, Dongding Road, Bacheng Town, Kunshan City	No. 505, Dongding Road, Bacheng Town, Kunshan City
Tel:	0512-57710500	0512-57710500
Fax	0512-57710500	0512-57710500
Email	DW10798@ksdwgroup.com	DW10798@ksdwgroup.com

III. Introduction to Information Disclosure and Change of Storage Location

The name of the newspaper selected by the company to disclose the information	China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times,
Website address for publishing the semi-annual report	Website of Shanghai Stock Exchange (www.sse.com.cn)
Preparation place of the Company's semi-annual report	No. 505, Dongding Road, Bacheng Town, Kunshan City

IV. Overview of the Company's shares/depositary receipts

(I) Corporate stock profile

√Applicable □Not applicable

Corporate stock profile				
Class of Stock	Stock exchange and board on which the stock is listed	Abbreviation of stock	Code of stock	Stock abbreviation before change
RMB ordinary shares (Share A)	Sci-Tech Innovation Board of Shanghai Stock Exchange	Dongwei Technology	688700	Inapplicable

(II) Overview of the Company's depositary receipts

√Applicable □Not applicable

Overview of the Company's depositary receipts					
Types of securities	Conversion ratio between depositary receipts and underlying stocks	Exchange and sector where depositary receipts are listed	Abbreviation of Depositary Receipt	Depositary Receipt Code	Abbreviation of Depositary Receipt before Change
GDR	1:2	SIX Swiss Exchange	Inapplicable	KUDO	Inapplicable

Depositary Institution	Name	Citibank
	Office address	388 GREENWICH STREET, NEW YORK, NEW YORK 10013, UNITED STATES OF AMERICA
	Operator:	Keith Galfo

Trusting body	Name	Bank of China Limited
	Office address	No. 1, Fuxingmen Inner Street, Beijing
	Operator:	Wang Peng

V. Other relevant information

☐ Applicable ☒ Not applicable

VI. Major accounting data and financial indexes of the Company

(I) Major accounting data

Unit: yuan Currency: RMB

Major accounting data	This reporting period (January to June)	Same period last year	Increase/decrease in this reporting period compared with the same period last year (%)
Operating income	498,889,634.11	411,770,546.08	21.16
Net profit attributable to the shareholders of the listed company	102,222,679.57	93,123,840.62	9.77
Net profit deducting the extraordinary profit and loss and attributable to the shareholders of the listed company	97,415,381.15	86,073,738.55	13.18
Net cash flow from operating activities	2,612,917.63	-40,445,739.17	Inapplicable
	At the end of the reporting period	At the end of the previous year	Increase or decrease at the end of this reporting period compared with the end of the previous year (%)
Net assets attributable to shareholders of listed companies	1,687,227,894.47	937,955,930.59	79.88
Total assets	2,486,913,831.40	1,769,258,164.19	40.56

(II) Main financial indexes

Main financial indexes	This reporting period (January to June)	Same period last year	Increase/decrease in this reporting period compared with the same period last year (%)
Basic earnings per share (RMB / share)	0.64	0.63	1.59
Diluted earnings per share (RMB /share)	0.64	0.63	1.59
Basic earnings per share, net of non-recurring gains and losses (RMB /share)	0.61	0.58	5.17
Weighted average return on net assets (%)	10.45	11.53	Decreased by 1.08%
Weighted average return on equity (%), net of non-recurring gains and losses	9.96	10.65	Decreased by 0.69%
Ratio of investment in research and development to operating income (%)	7.90	7.31	Increased by 0.59%

Notes to the major accounting data and financial indexes of the Company

√Applicable □Not applicable

1. The amount of operating income increases by 21.6% on a year-on-year basis, mainly because the Company strengthens market development, expands to new fields, promotes marketing, increases new energy equipment and other equipment constantly, resulting in synchronous growth of operating income.

2. The net profit attributable to shareholders of the listed company increases by 9.77% on a year-on-year basis, and net profit attributable to shareholders of the listed company after deducting the non-recurring gains and losses increases by 13.18% on a year-on-year basis, mainly due to the growth of net profit with the growth of operating income during the reporting period.

3. The net assets and total assets attributable to shareholders of the listed company increases by 79.88% and 40.56% on a year-on-year basis respectively, mainly due to the issuance of GDR by the Company and the increase in net profit in the first half of 2023.

4. The change in net cash flow from operating activities is mainly due to the increase in sales revenue and sales outstanding.

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

□ Applicable √ Not applicable

VIII. Items and amounts of non-recurring gains and losses

√Applicable □Not applicable

		Unit: yuan Currency: RMB
Items of non-recurring gains and losses	Amount	Note (if applicable)
Loss or gain on disposal of non-current assets	-6,881.01	Section X - VII - 73
Ultra vires approval or without official approval document, or incidental tax revenue return and relief		
Government subsidies included in current profit and loss, except for government subsidies enjoyed as per certain standard quota, which are closely related to the Company's normal business operations and comply with the national policies.	2,645,700.00	Section X - VII - 67
Fund possession cost which are collected from non-financial enterprises and which are recorded into current profit and loss		
Gains generated when the company's acquisition costs of subsidiaries, associates and joint ventures are less than the fair value of identifiable net asset of investee to be enjoyed at the time of investment		
Losses and gains from exchange of non-monetary assets		
Profit or loss from commissioned investment or asset management		
Provision for various asset impairment withdrawn due to force majeure		
Losses and gains from debt restructuring		

Corporate restructuring costs, such as staffing expenses and integration costs		
Profit or loss generated when transactions with obviously unfair transaction prices exceed the fair value		
Net current profit or loss of the subsidiary formed under the merger of enterprises under the same control from the beginning date to consolidated date		
Gains and losses generated by contingencies unrelated to normal business operations of the Company		
Apart from effective hedging business related to normal business operations, profit and loss from changes in fair value of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities, as well as the investment income from disposal of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities and other debt investment.	2,918,669.97	Section X - VII - 68, 70
Reversal of impairment provision of accounts receivable and contract assets for independent impairment test	125,000.00	Section X - VII - 5
Profit and loss from commissioned loans		
Profit and loss from changes in fair value of investment property using the fair value model for subsequent measurement		
Impact of one-time adjustment of current profit or loss pursuant to the laws and regulations about taxation and accounting on the current profit or loss		
Custodian fee income from entrusted operations		
Other non-operating income and expenses, except the aforesaid items	-26,927.48	Section X - VII - 74, 75
Other profit and loss items in line with the definition of non-recurring gains and losses		
Less: Income tax impacted amount	848,263.06	
Impacted amount of minority interests (after-tax)		
Total	4,807,298.42	

Nonrecurring profit and loss items as defined in the definition of the Public Issuing Company's Information Disclosure Interpretative Notice No. 1 — Nonrecurring Profit and Loss, and those items

are defined as items of regular profits and losses, the reasons of which shall be explained.

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount involved	Cause
Income from immediate levy and refund of VAT	4,491,979.53	Section X - VI - 2
Total	4,491,979.53	

IX. Explanation of Performance Indicators of Accounting Standards Non-Business Enterprises

□ Applicable √ Not applicable

Section III. Discussion and analysis of the management

I. Notes to the industry and main business of the Company during the reporting period

(I) Industry situation description

The Company is engaged in the special equipment manufacturing industry under the category of manufacturing industry (Industry code: C35).

At present, the Company is manufacturing the products in three major fields, including PCB, general hardware, and new energy.

1. PCB electroplating equipment industry

With a market share of more than 50%, the vertical continuous electroplating equipment developed by the Company independently is used for electroplating process of PCB with various substrate characteristics (rigid board, flexible board, rigid-flexible board, etc.), special processes (high-frequency board, HDI board, IC packaging substrate board, special substrate board, etc.), application scenarios (5G communication, consumer electronics, automotive electronics, industrial control and healthcare, aerospace, etc.); in addition to good technical ductility and equipment adaptability, the products have significant competitive advantages in production efficiency, product quality, product cost performance compared to imported special PCB electroplating equipment.

The vertical continuous electroplating equipment manufactured by the Company has reached or even exceeded the technical level of similar equipment in the international market in terms of a number of key indicators. Among them, the Company has formed a mature and leading market advantage in rigid plate vertical continuous electroplating equipment; The flexible board sheet-to-sheet vertical continuous electroplating equipment manufactured by the Company can reach the electroplating uniformity of $10\mu\text{m}\pm 1\mu\text{m}$ when board thickness is $36\mu\text{m}$ - $100\mu\text{m}$, and is rated as the “first (set) major equipment and key component in Jiangsu” and the “key new technology and new product promoted and applied in Jiangsu”. The flexible board reel-to-reel vertical continuous electroplating equipment manufactured by the Company can reach the electroplating uniformity of $10\mu\text{m}\pm 0.7\mu\text{m}$ when the board thickness is $20\mu\text{m}$ - $100\mu\text{m}$, and is rated as the “first major technical equipment in Anhui”.

As the pioneer in China, the horizontal plating equipment (three-in-one) manufactured by the Company breaks the monopoly of foreign manufacturers and fills in the blank in China. The equipment is mainly used for PCB electroplating with higher requirements for quality, signal, weather resistance and stability, and is used in consumer electronics, communication equipment, 5G base station, server, cloud storage, and aerospace. In terms of the horizontal electroplating equipment manufactured by the Company, the delivery of prototype has been completed, and the cooperation was established

with the end customers in product testing, indicating the good state of operation. The quality of the product is comparable to the imported horizontal electroplating equipment, so the mass production in a large scale is possible.

With the focus on PCB industry segment, the Company has been developing the electroplating process of ceramic substrate, resulting in continuous contribution to annual operating income. The ceramic substrate has a wide range of applications and prospects in semiconductor, electronic power system, lithium battery industry, IC, and LED. At present, the most primitive trough-type equipment is still being used for ceramic electroplating; due to the poor uniformity, the need of brush grinding by 10-30 μ m after electroplating, and the impossible automation, such equipment cannot meet the requirements of scientific and technological progress. The vertical continuous ceramic electroplating equipment introduced by the Company has the advantages of excellent uniformity and fully automated production, improving the production efficiency to a great extent.

The Company has been promoting technology R & D and innovation, and developing the electroplating equipment in the field of IC carrier board; MSAP equipment has been put into mass production. The upgrade of chip manufacturing and packaging technology corresponds to the requirements of the first-level packaging for lighter and thinner carrier board and finer line, with the minimum line width/spacing of 8 μ m/8 μ m. For a long time, the equipment used for electroplating processing of MSAP carrier board has been monopolized by Japanese enterprises, Korean enterprises and Taiwan enterprises. With its tireless deep cultivation in the field of PCB, the Company has accumulated a wealth of experience and technology in equipment development and manufacturing; therefore, the equipment launched by the Company has more advanced process capability, more stable and reliable performance, and better cost performance. So far, the equipment has been put into mass production.

2. General metal electroplating equipment industry

In the field of general metal electroplating industry, environmental protection, energy saving and safety have always been the problems to be solved and optimized. The Company has been committed to assisting customers to achieve energy saving, emission reduction, consumption reduction and clean production, and improve the level of automation, safety, intelligence. The Company will apply the successful experience gained in the field of PCB electroplating to the field of general metal electroplating continuously, and provide more environmentally friendly, energy-saving and safety solutions for general metal electroplating constantly.

The Company has been attaching importance to automatic and intelligent upgrading of gantry electroplating equipment, and gained a great number of orders during the reporting period. In terms of gantry electroplating equipment, the Company's core competitive advantage is to solve the problems in cost reduction, safety and environmental protection for customers, provide the customers with high-quality comprehensive solutions, and assist the customers to achieve cost reduction and efficiency improvement, safety, and environmental protection during the process of production by extending the application of the technologies in other industries into the field of electroplating. During the reporting period, the quantity of orders obtained by the Company for the equipment continues to increase, resulting in the continuous expansion of market share.

The Company has been promoting product innovation and upgrading, and developed and manufactured the first continuous metal electroplate equipment (On the basis of the traditional barrel plating equipment) in the world. The Company has been making investment in R&D for technology innovation continuously, so as to upgrade the equipment constantly, make revolutionary transformation and innovation on the basis of the traditional electroplating equipment, develop and manufacture the first continuous metal electroplating equipment in the world, which have significant

advantages in yield improvement, cost reduction, manpower saving, efficiency enhancement, safety, and environmental protection, and coincide with the customer needs and the industrial development trend, showing the obvious technical advantage.

3. New energy electroplating equipment industry

With its profound technology accumulation and leading market position in the field of PCB electroplating equipment, the Company has expanded its business to the field of new energy, forming a first-mover advantage in the field of new energy electroplating.

At present, the Company is the only enterprise achieving the large-scale mass production of new energy plating equipment in China and even in the world, the number of orders transformed from the framework agreements and new orders continues to increase, making significant contribution to revenue. The Company manufactures the first new energy plating equipment in the world, which is widely used by enterprises in the fields such as power battery, new material, conductive glass, 3C battery, flexible circuit board, and energy storage. For the customers at the downstream, the new energy plating equipment manufactured by the Company has the advantages in high safety, low cost, strong endurance, and applicability to a variety of substrates; due to the higher technical barrier, the first-mover advantage has been established in such equipment. The main target customers of the Company include new energy vehicle manufacturers, battery (power battery, energy storage battery, consumer battery) manufacturers, crude copper foil material manufacturers, and membrane material manufacturers. At present, the Company is supplying products to more than 20 customers.

The Company becomes involved in the field of vacuum equipment manufacturing, receives orders continuously, and achieves the mass production of 12-target magnetic control equipment. At the same time, the technically advanced 24-target magnetic control equipment developed by the Company independently is in the commissioning stage. As the front-end equipment of copper plating, the magnetron sputtering equipment manufactured by the Company can form effective collaboration with new energy lithium electroplating equipment and photovoltaic copper plating equipment, and connect technology, production, service and other processes closely, helping the Company to create an integrated production line of lithium positive and negative equipment and photovoltaic copper electroplating equipment, and to provide the customers with integrated professional services.

As a pioneer in the field of photovoltaic copper plating, the Company has completed the manufacturing of the third-generation photovoltaic copper plating equipment basically, which is in commissioning stage. After the commissioning on the site, the equipment will be delivered to the customers. At present, the fierce competition landscape is not formed in the domestic market of photovoltaic copper plating equipment, which is in the early stage of development, and the trend of replacing silver with copper is intensified continuously. The Company continues the mass production of the second-generation equipment, while developing the new photovoltaic copper plating equipment that can reduce costs significantly.

(II) Main business situation description



As the leading electroplating equipment manufacturer in the world, the Company is mainly engaged in R&D, design, manufacturing and marketing of high-end precision electroplating equipment and supporting equipment, and committed to providing the customers with efficient, environmentally friendly, intelligent high-end precision electroplating solutions. At present, the Company is manufacturing the products in the fields of PCB electroplating, general metal electroplating, and new energy electroplating; the Company occupies more than 50% of the market share in vertical continuous electroplating equipment in China. By virtue of profound technology accumulation and leading market





position in the field of PCB electroplating equipment, the Company has expanded and extended its business to the field of general metal electroplating and new energy electroplating, and built a business layout covering a wide range of application fields. Based on the forward-looking development in the new energy market, the Company has established a first-mover advantage and leading position; at present, the Company is the only enterprise achieving the large-scale mass production of new energy plating equipment (Also known as the “roll-type horizontal membrane electroplating equipment”) in China and even in the world.



The Company has been innovating continuously, so as to increase the types and categories of the products continuously. The Company is engaged in three major fields. In the field of PCB electroplating, the Company is selling five types of equipment at present, including VCP equipment, horizontal machine, horizontal plating equipment, ceramic VCP, and MSAP transfer VCP. Among them, the horizontal plating equipment is the first in China and leading in the world, fills in the blank in China, and breaks the monopoly of foreign enterprises. Ceramic VCP is used for relatively high-end semiconductor products and in mass production. MSAP transfer VCP is the part used between the chip and the PCB board (IC carrier board) to process the more refined line electroplating, and is currently in mass production. At the same time, the single-sided board etching equipment in development is in the commissioning stage. In the field of general metal, there are continuous metal electroplating equipment and gantry equipment, which are used widely in aerospace, 5G communications, automotive and other fields. The number of orders obtained in such fields is growing continuously. In the field of new energy: The new energy plating equipment and the vacuum magnetron sputtering equipment can be widely used in power battery, energy storage battery, 3C electronic battery, and other fields; among them, the amount of new energy plating equipment increases significantly; the orders for 12-target magnetic control equipment are received continuously, and the development of 24-target equipment has been completed. In the field of the photovoltaic copper plating equipment, the manufacturing of the third-generation photovoltaic copper plating equipment is completed basically, and will be delivered to the customers after commissioning on the site.

The specific product information is as follows:


(1) The field of PCB electroplating


Main products	Schematic Diagram	Application field	Market position/core advantage
Rigid-board vertical continuous electroplating equipment		The equipment is mainly used for consumer electronics, communication equipment, 5G base station, server/cloud storage, and aerospace	The vertical continuous electroplating equipment manufactured by the Company occupies the market share of more than 50% in China
Flexible board sheet-to-sheet vertical continuous electroplating equipment		The equipment is mainly used in the field of flexible board PCB electroplating to achieve automatic feeding and discharging production of the sheet-type flexible board. Wearable devices, smart home appliances, and communication equipment	

Flexible board reel-to-reel vertical continuous electroplating equipment		The equipment is mainly used in the field of flexible board PCB electroplating to achieve continuous electroplating production of the roll-type flexible board. Wearable devices, smart home appliances, and communication equipment	
Horizontal adhesive cleaning and copper removing equipment		The equipment is mainly used for adhesive cleaning and copper removal before PCB electroplating, mainly used in PCB, HDI, and IC carrier board, and suitable for the production equipment of high-density multi-layer boards used in consumer electronics, automotive board, 5G communication equipment, server, cloud storage, and aerospace.	The equipment can be sold together with VCP products, so as to improve the yield of electroplating products effectively
Horizontal browning equipment		The process before the board pressing, which is mainly used in PCB, HDI, and IC carrier board, and suitable for the production equipment of high-density multi-layer boards used in consumer electronics, automotive board, 5G communication equipment, server, cloud storage, and aerospace.	The equipment can be sold together with VCP products, so as to improve the yield of electroplating products effectively
Horizontal plating equipment (3-in-1)		The equipment integrating horizontal glue refuse removal, chemical copper plating, and continuous copper plating line, which is mainly used in PCB, HDI, IC carrier board, and suitable for the production equipment of high-density multi-layer boards used in consumer electronics, automotive board, 5G communication equipment, server, cloud storage, and aerospace.	Break the international monopoly and fill in the blank in China. The product has completely independent intellectual property rights; compared with foreign equipment, the product has obvious advantages in performance, service, cost performance, uniformity, and


			other technical indicators, and has a high degree of automation
MSAP transfer VCP		The equipment is mainly used in electroplating of high-order HDI products and MSAP process products.	Leading in China
Ceramic VCP		The equipment is mainly used for electroplating of ceramic/glass products in the fields of semiconductor and chip.	First in China



(2) The field of general metal plating

Main products	Schematic Diagram	Application field	Market position/core advantage
Gantry electroplating equipment		The equipment is mainly used in large semiconductor cleaning, aerospace, automotive, 5G communication, 3C products, and other electroplating fields.	The Company has achieved mature development in this field. The Company has been developing the market of this product for nearly 20 years with mature and stable product technology. The Company adopts the clean production method to reduce environmental pollution, and achieve the

			automated, intelligent, and clean production and processing
Continuous metal electroplating equipment		It is a kind of continuous electroplating equipment widely used in electroplating production and processing of fasteners, NdFeb, electrical connectors, stamping parts, and automotive parts. The equipment is widely used in 5G communication, computer, Internet of things, automotive, electric energy, aerospace and other fields. In the field of general metal surface treatment (copper plating, zinc plating, nickel plating, tin plating, gold plating, silver plating, etc.), the new solutions are provided for barrel plating and rack plating cleaning, and efficient and safety production.	It is the first in the world. On the basis of traditional electroplating equipment, the revolutionary transformation and innovation are carried out to achieve outstanding advantages in yield improvement, cost reduction, manpower saving, efficiency improvement, safety, and environmental protection.

(3) The field of new energy electroplating

Main products	Schematic Diagram	Application field	Market position/core advantage
Roll-type horizontal membrane electroplating equipment (New energy plating equipment)		The equipment is mainly used to manufacture the cathode current-carrying board used in the lithium electric power battery, energy storage battery, and consumer battery industry, and is also used for production of copper plated membrane substrate, and used for metallization of flexible materials in various industries.	It is the first in the world. The Company is the only enterprise achieving large-scale mass production of new energy plating equipment in China and even in the world

Magnetron sputtering rolling plating equipment		The equipment is mainly used in lithium power battery, energy storage battery, photovoltaic and other industries, and is also used for metallization of flexible materials in other industries.	It is leading in China and positioned as the high-end vacuum electroplating equipment in China.
Photovoltaic copper plating equipment		The equipment is mainly used for replacing silver paste with copper plating such as silicon wafers of photovoltaic cells.	It is first in China and in the world. At present, the Company is manufacturing the third-generation equipment with the following advantages: Large scale of production capacity of more than 8000 wafers/hour; lower rate of fragmentation rate, which is less than 0.1%; good uniformity; high efficiency, energy saving, clean and environmental protection.

II. Core technology and R&D progress

1. Core technologies and their advancements as well as changes during the reporting period

In terms of technological innovation and R&D, based on R&D, design, and manufacturing of special PCB electroplating equipment, the Company strengthens R&D and application of technical achievements; in terms of technical advancement and maturity of manufacturing process, the Company establishes the core technology system of vertical continuous electroplating, owns a number of patented technologies with a number of core technologies at the advanced level at home and abroad. The Company takes the leading position in the industry in terms of electroplating uniformity, throwing power (TP), and other key indicators. At the same time, the Company strengthens the application of core technologies in other fields, expands application channels, and increases R&D investment in PCB electrolytic etching machine, roll-type horizontal copper plating wire, and vertical continuous wafer electroplating machine, which have become more core technology advantages and new business growth points of the Company.

In terms of the R&D team, the core R&D team of the Company has years of research experience in the fields of machinery, chemical industry, automation, and information technology, explores and innovates the practical technology formed in practice constantly, achieves automation and intelligence gradually, and the performance of the equipment has been recognized and fully affirmed by many users.

In terms of the transformation of technological achievements, the Company extends the application of vertical continuous electroplating technology in the field of PCB to the special equipment for new energy materials, including the research and development and manufacturing of lithium and special photovoltaic equipment, and achieves a number of research and development technology results, and forms independent and initiative technologies and models. The R&D team of the Company continues to carry out substantial technological innovations in new energy plating equipment, photovoltaic equipment, gantry equipment, and high-end IC carrier board equipment, forming a new profit growth point for the Company.

Since the establishment, the Company has always been adhering to independent research and development and innovation of high-end electroplating equipment and its supporting equipment. From the perspective of research and development technology, with the profound technology accumulation in the field of PCB electroplating equipment, the Company achieves good performance in electroplating uniformity, throwing power, and other indicators, and can provide customers with the electroplating solutions with high stability, high yield, high wire speed, energy saving and consumption reduction, and high cost performance; from the perspective of manufacturing technology, with the modular segmentation technology and the cycle-based production technology, it is possible to shorten the manufacturing cycle of the Company's products effectively, and improve the market competitiveness of the Company significantly. During the reporting period, the Company has the following key core technologies:

SN	Technical Name	Introduction to technologies	Information about the applied business area		
			PCB electroplating	General metal plating	New energy electroplating
1	Vertical continuous electroplating technology	A PCB board electroplating method independently developed by the Company includes a number of our core technologies such as steady-state transmission and uniform current conduction system technology, functional trough side sealing and water-retaining technology, and high-aspect-ratio board electroplating technology, by which the entire electroplating process of PCB in the sealed trough body can be completed with a set of transmission system, so as to improve the stability of the electroplating equipment significantly. It is the key to improve the uniformity and yield of PCB electroplating	√	√	√
2	Steady-state transmission and uniform current conduction technology	This technology makes use of the fully closed steel strip wire, new fixture, and take-up and discharging system to reduce the swinging and stretching of plated parts in the process of transmission, so	√	√	√

		as to achieve the more stable process of transmission and more uniform distribution of current, and improve the electroplating effect significantly.			
3	Automated clean production technology	By this technology, the closed production line, the liquid disturbance device, the electroplating solution circulation device or the continuous barrel plating device is used together with the automation technology, so as to reduce the adverse impact of the electroplating process on the environment while improving the safety of production	√	√	√
4	Functional trough side sealing and water-retaining technology	The technology cuts off the liquid connection between the electroplating trough and the front and back treatment section by the unique design of sealing and water-retaining device, avoiding cross-contamination between liquids, so as to maintain the stability of the electroplating solution concentration, extend the service life of the electroplating solution, improve the electroplating quality, and reduce the cost of production	√	√	√
5	High-aspect-ratio board electroplating technology	By this technology, the electroplating solution spray system is upgraded, the nozzle distribution, nozzle flow rate, and the distance from the nozzle to the electroplated board surface, the distance between the cathode and the anode is reduced, and the uniformity and the throwing power of the electroplating in the hole are effectively improved in combination with the pulse current	√	√	
6	Operating system design and integration technology	The equipment operation and management system developed independently by the Company can be operated easily and connected with the enterprise information management system, and can be used for real-time feedback	√	√	√

		and analysis of the production data			
7	Anode box core bubble removal device technology	This is an anode box component, anode component, and horizontal plating production line developed independently by the Company, overcoming the defect in the original technology that the bubbles generated by the insoluble anode are prone to adhere to the membrane surface to be plated and uneasy to remove	√		√
8	New fixture technology/Double-sided magnetic electroplating clip technology (The springs are available in the market)	By this technology, a fixture and a double-sided clamp conveying device are generated, overcoming the defects in the original technology that the fixture cannot be applied to the steel belt in the horizontal electroplating line to clamp the parts to be plated and the double-sided steel belt cannot keep synchronous operation for a long time	√		√
9	Anode partitioned and segmented independent power supply source technology	The Company divides into multiple sheets of anode along the width direction of the board, each small sheet of anode supplies current separately; adjust the current of each sheet of anode independently according to the test result, and adjust the thickness of the plating layer on the membrane surface, so as to guarantee the electroplating uniformity of the plating on the membrane, and solve the defect of inconsistent magnitude of current in various areas of the single sheet of anode along the width direction of the membrane	√		√

State Science and Technology Awards

□ Applicable √ Not applicable

Identification as a national SRDI “little giant” enterprise, and “single champion” in manufacturing industry

√Applicable □Not applicable

Subject of identification	Title of identification	Year of identification	Product name
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Kunshan Dongwei Technology Co., Ltd.	National SRDI “little giant” enterprise	2022	Intelligent environment-friendly vertical continuous electroplating equipment
Guangde Dongwei Technology Co., Ltd.	National SRDI “little giant” enterprise	2022	Continuous vertical electroplating line

2. Research and development results achieved during the reporting period

As of June 30, 2023, the company has 290 patents, including 32 inventive patents, 257 utility model patents, 1 industrial design patent and 40 computer software copyrights. From January to June 2023, the Company applied for 17 new patents (including 7 patents for invention) and 45 authorized patents.

List of intellectual property rights acquired during the reporting period

	New increase for the current period		Accumulated quantity	
	Number of applications for patent	Number of patents granted)	Number of applications for patent	Number of patents granted)
Patent for invention	7	1	166	32
Utility Model Patent	10	44	270	257
Industrial design patent	0	0	3	1
Software copyright	0	12	40	40
Others	0	0	12	12
Total	17	57	491	342

3. R&D Investment Schedule

Unit: RMB

	Amount in current period	Amount in the same period last year	Amplitude of variation (%)
Expensed R&D investment	39,412,538.21	30,118,638.74	30.86
Total R&D investment	39,412,538.21	30,118,638.74	30.86
Ratio of total investment in research and development to operating income (%)	7.90	7.31	0.59

Reasons for significant changes in total R&D investment as compared to the previous year

☒Applicable ☐Not applicable

In order to meet the strategic development requirements for new product development, technology innovation, product iteration, technical reserve and personnel reserve, the Company increases the investment in the field of research and development significantly during the reporting period. In the first half of 2023, the research and development expenditure is RMB 39,412,538.21, up 30.86% over the same period of last year. The reasons for significant increase in total research and development investment over the same period of last year are shown as follows:

(1) In order to enhance the development power of the Company, accelerate the development of new products, personnel training and reserve, the Company has introduced high-end research and

development personnel, and the employee compensation has increased to a great extent due to the salary payable to new research and development personnel and the change of social security policy

(2) The depreciation expense increased due to the completion and use of the research and development center.

(3) In order to develop new products and expand market space, the Company initiated a number of new research and development projects, and the increasing consumption of research and development materials and the rising prices of the materials lead to the increase in relevant expenditures.

Explanation on the reasons for the significant change in the proportion of R&D investment capitalization and its rationality

☐ Applicable ☒ Not applicable

4. Current research projects

√Applicable □Not applicable

Unit: RMB

SN	Project name	Estimated total investment scale	Amount of investment within this period	Accumulative amount of investment	Progress or phased outcomes	Objectives to be achieved	Technical level	Specific application prospect
1	Research and development of conductive ultra-thin reel-type horizontal plating line for the double-sided fixture	18,000,000.00	4,035,757.27	17,005,361.94	Closure	The thickness of copper on plates surface is $1\pm 0.1\mu\text{m}$ and the current density is 3ASD	It is the first in the industry	Thin-film photoelectric material, 5G shielding material, and power battery cathode composite copper foil, and other fields.
2	Research and development of vertical continuous silicon electroplating machine	15,000,000.00	2,854,894.35	13,509,104.51	Closure	The traditional printing process of silver paste is replaced by electroplated copper tin	It is the first in the industry	Reduce the manufacturing cost of photovoltaic silicon wafers and improve the photoelectric conversion efficiency effectively
3	Research and development of online equipment integrating development, copper plating, film removal, and etching	15,000,000.00	816,026.87	13,983,401.27	In continuous production and verification on the site of the customer	R value ± 3 microns	Leading in the industry	It is used in lifting type hole filling and substrate-like carrier board process
4	Research and development of environment-friendly intelligent high-speed continuous barrel plating line	15,000,000.00	3,396,121.67	14,638,927.23	The effect of market-based application and further improvement is obvious	The time of barrel plating is shortened by 20%; the whole process is automated, so as to reduce the operator, and save energy and water	Leading in the industry	The surface treatment in fasteners, NdFeb permanent magnet and rare earth industry, and passive components (resistor, capacitor, inductor) industry.
5	Research and	7,700,000.0	499,850.79	7,112,427.05	The stage of	$8:1\leq AR\leq 12:1$ Current	1. The	It is suitable for

	development of vertical continuous plating line of pure copper anode	0			optimization and improvement for equipment with different characteristics of the solution For the type of solution for which the test has been conducted in the early stage, the preparation is made for mass production.	Density $\geq 3.5\text{ASD}$, TP $\geq 90\%$ 12: 1 < AR ≤ 20 : 1 Current Density $\geq 2.5\text{ASD}$, TP $\geq 75\%$	phosphorus copper ball and the cupric oxide powder are not used as the so as to reduce the cost of the anode; 2. The dust pollution caused by anode mud and cupric oxide powder generated by phosphorus copper ball is prevented; 3. The anode does not separate out oxygen, so as to reduce the decomposition of the additives by anode, and extend the service life of the anode.	through-hole, blind-hole circuit board VCP electroplating equipment, with excellent deepening plating ability to meet the market demand
6	Research and development of new VCP unclamping washing and drying section	5,450,000.00	532,878.82	4,324,337.58	Continue to conduct testing and improvement of the functions.	1. To achieve the fully automatic process of feeding and discharging; 2. To improve the cleanliness and dryness on the board surface and in the whole; 3. To extend	This project can solve the problem of oxidation and drying on the board surface effectively, reach the industry-leading	To guarantee the quality of the plated board in order to meet the broad market demand

						the shelf life of the circuit board	level, and is the upgrade version of online drying of vertical continuous electroplating.	
7	Research and development of vertical continuous electroplating line of PCBBGA board	7,000,000.00	984,399.72	3,093,505.51	Continue to conduct testing and improvement of the functions.	To improve the thinner copper in the dense area of BGA hole effectively, and increase the TP value to approximately 80%.	Leading in China	In the field of BGA board electroplating in IC carrier board.
8	Research and development of PCB vertical continuous electroplating line	5,000,000.00	684,782.63	2,387,604.08	Continue to conduct testing and improvement of the functions.	It is possible to manufacture products continuously and simultaneously: The vertical height of the board 38"-49"; if the thickness of plating is 25μm, R value ±5μm; the transmission runs smoothly, the steel strip is flat and straight, the board surface is not stretched or falls within the range as required; the production speed is 0.5-3.0 m/min and adjustable.	Leading in China	The production testing of PCB board in large size (vertical height 38"-49") in special fields.
9	Research and development of vertical continuous	6,550,000.00	783,183.92	5,466,846.36	The prototype and preliminary test have been	It is possible to manufacture products continuously and	Leading in China	The Company developed an energy-saving and

	electroplating line for PCB board in large size				completed; the whole line is in production. The whole line will be tested upon completion.	simultaneously: The vertical height of the board 30"-50"; if the thickness of plating is 25μm, R value ±4μm; the transmission runs smoothly, the steel strip is flat and straight, the board surface is not stretched or falls within the range as required; the production speed is 0.5-3.0 m/min and adjustable.		environmentally-friendly vertical continuous electroplating line that can produce 30"-50" circuit boards, improving the efficiency of production, reducing the cost of production, and increasing the utilization rate of the substrate.
10	Research and development of PCB electroless nickel immersion gold continuous line	5,000,000.00	995,817.81	3,363,939.55	The preliminary test of the prototype is almost completed, and the test with solution will be conducted.	To improve the uniformity of electroless nickel immersion gold, achieve automated production, and reduce the costs of water and electricity.	Leading in China	The traditional gantry production is transformed to VCP vertical continuous production, so as to improve efficiency.
11	Research and development of horizontal continuous copper plating line (sheet-to-sheet pulse rectifier equipment)	15,000,000.00	3,484,310.77	12,083,954.00	This equipment has been installed after the improvement of the third-generation equipment at the customer; at present, the Company is discussing with	Stable transmission, electroplating uniformity, with electroplating quality satisfactory to the customer, fill in the blank in China, and break the monopoly of foreign enterprises.	Leading in the industry	Widely used in PCB production.

					the solution provider on test schedule, and waiting for the results of the test board verification by the customer.			
12	Development of horizontal continuous tin plating line	8,500,000.00	1,689,302.58	6,400,418.15	This equipment has been installed at the customer; at present, the Company is discussing with the solution provider on test schedule, and waiting for the results of the test board verification by the customer.	The Company has developed the horizontal continuous tin plating equipment which can replace the chemical tin plating, and the processing time of functional trough is reduced by more than 50%	Leading in the industry	Widely used in PCB production.
13	Research and development of roll-type vertical continuous developing copper wire	15,000,000.00	3,108,293.89	10,460,980.23	Assembly and test of the prototype in the plant	Solve the problem of high resolution and fast response of the touch screen and the high defect rate in the production of new process materials, replace the equipment imported from Europe and Japan	It is first in China and leading in the world	3C, on-board touch screen
14	Research and development of vacuum magnetron plating equipment for lithium battery	20,000,000.00	4,339,205.75	14,839,398.47	The research and development of 12-target equipment has been successfully	Reach the first-class level in China	Leading in the industry	Lithium battery cathode composite copper foil and other fields

	composite copper membrane				completed, the orders have been received, and the equipment has been accepted and delivered The 24-target equipment is facility is being commissioned.			
15	Research and development of a new environment-friendly single-sided board production process	25,000,000.00	304,071.37	1,623,278.39	1. The single-sided board and the false double-sided board have been produced by the customer in small batch. 2. The third batch of samples of the double-sided board has been delivered to the end customer for certification.	The process flow is shortened, and the copper can be recycled directly on the line, so as to reduce the amount of solution and cleaning water to a great extent, improve the working environment in the workshop greatly, and explore a feasible and new way for green development of PCB production.	Leading at home and abroad	It is intended to be widely used for manufacturing of circuit board in the field of PCB in the near future (promotion and application of new equipment and new process).
16	Research and development of horizontal DES line	10,000,000.00	2,242,160.48	6,837,376.02	The installation of this equipment has been completed in the plant. At present, all functional conditions are being tested, and we are waiting for	The Company has developed a horizontal etching machine that can produce fine lines, and save more than 30% of energy	Leading in the industry	Widely used in PCB production.

					the customer to notify us to install and conduct the test board verification in the plant.			
17	Research and development of the vertical continuous electroplating equipment with the capacity of 8000 wafers/hour	10,000,000.00	1,147,993.35	1,234,624.16	Installing and debugging in the factory	Production capacity of 8000 wafers/hour, fragmentation rate <1%, energy saving and environmental protection, automatic photovoltaic electroplating equipment.	Pioneering	Photovoltaic cells with copper instead of silver.
18	Research and development of automatic precision feeding and discharging machine for photovoltaic silicon wafer electroplating	7,000,000.00	677,005.79	763,636.60	Installing and debugging in the factory	Feeding accuracy $\leq \pm 0.1\text{mm}$; energy saving and environmental protection, automatic feeding and discharging equipment	Pioneering	Photovoltaic cells with copper instead of silver.
19	Research and development of special rack for photovoltaic silicon wafer electroplating	5,000,000.00	682,304.47	770,157.28	Installing and debugging in the factory	High precision, high stability, pinch accuracy $\leq \pm 0.1\text{mm}$.	Pioneering	Photovoltaic cells with copper instead of silver.
20	Research and development of semiconductor film metal electroplating technology	10,000,000.00	998,017.23	1,562,625.87	The functional test of the prototype is being improved, and the solution test will be conducted after the	The metal uniformity, throwing power, inner hole diameter less than $10\mu\text{m}$ (high aspect ratio), and hole filling capacity of the electroplating	Fill in the gap in China	The homemade semiconductor electroplating membrane metal equipment replaces imported electroplating metal equipment and

					functional test of the prototype is completed	membrane can meet the customer requirements.		challenges the highly difficult semiconductor electroplating membrane equipment.
21	Research and development of hole filling technology for the circuit board with high aspect ratio	8,900,000.00	926,911.54	1,466,514.10	In the pre-test and verification of the design of various functions, the drawings should be integrated after completion.	1. The whole equipment is fully automated; 2. The uniformity and throwing power of the PCB plating meet the customer requirements; 3. Copper is removed without hole breakout, and the problem in yield of product is solved fundamentally.	Leading in China	It is possible to solve the problem of bubble residue in the hole of the high-aspect-ratio circuit board, so as to reduce or even eliminate the products caused by hole breakout in the production process of the circuit board. It is solve the problem of scrapping, so as to improve the efficiency of production, reduce the cost of production to a great extent, increase the yield of circuit board, and better meet the requirements for environmental protection.
22	Research and development of non-contact copper plating technology for composite copper foil	12,000,000.00	2,157,959.82	3,604,365.79	The scheme and the functional items are being verified, and the drawings will be combined and the prototype will be manufactured after the	In order to achieve the non-contact electroplating mass production of composite copper foil, compared with electrolytic copper foil, the composite copper foil has three	Fill in the gap in China	1. The automated production process is continuous and uninterrupted; 2. The electroplating uniformity and the plating binding force of the composite copper foil meet the customer

					verification is completed.	advantages, including low cost, high safety, and high energy density.		requirements; 3. The problems such as low production efficiency and low product yield of composite copper foil have been solved fundamentally.
23	Research and development of double-sided transmission non-contact copper plating equipment	6,000,000.00	1,187,713.22	1,187,713.22	The design of the product is completed and the prototype is being manufactured	$3\pm 0.15\mu$, current density 8ASD	It is first in China and leading in the world	3C, onboard touch screen, photoelectric COF material, and lithium battery composite copper foil
24	Research and development of vertical developing line	5,000,000.00	883,574.10	883,574.10	In preliminary preparation	Mass production line width/spacing 10/10um. Sample test line width/spacing 6/6um	The highest level in the industry	Packaging carrier board
Total	/	257,100,000.00	39,412,538.21	148,604,071.46				

5. R & D staff information

Unit: 0,000 yuan Currency: RMB

Basic information		
	Amount in current period	Amount in the same period last year
Number of R&D personnel of the Company (person)	183	177
The proportion of R&D personnel in the total number of employees (%)	14.14	14.94
Total R&D personnel compensation	2,478.70	2,027.38
Average salary of R&D personnel	13.54	11.45

Education level		
Composition of academic qualifications	Number (person)	Proportion (%)
Doctoral students		
Postgraduate students for master's degree	1	0.55
Undergraduate	49	26.78
Junior college	92	50.27
High school and below	41	22.40
Total	183	100.00
Age structure		
Range of ages	Number (person)	Proportion (%)
Below 30 (excluding 30)	40	21.86
30-40 (including 30, excluding 40)	72	39.34
40-50 (including 40, excluding 50)	49	26.78
50-60 (including 50, excluding 60)	21	11.48
60 and above	1	0.55
Total	183	100.00

6. Other notes

☐ Applicable ☒ Not applicable

III. Analysis of core competitiveness during the reporting period

(I) Analysis of core competitiveness

☒ Applicable ☐ Not applicable

1. Focus on electroplating technology and extend application scenarios

The Company keeps focused and continuous innovation in the electroplating equipment market, has developed into the leading electroplating equipment enterprise in the world, has a wealth of successful experience in a number of application fields, has developed electroplating technology for nearly 20 years, takes the lead in the industry to achieve standardized design, process-based production, and large-scale industry, and provides PCB manufacturers with the electroplating equipment product with more stable performance, more advanced technology, easier operation, and lower cost. The vertical continuous electroplating equipment manufactured by the Company occupies the market share of more than 50% in China; due to high customer recognition and strong market competitiveness, the equipment is widely used in high-efficiency computers, servers, big data centers, high-end communication equipment, artificial intelligence, cloud storage, and other fields. At the same time, by virtue of the profound technology accumulation and the leading market position in the field of PCB electroplating equipment, the Company has expanded its business to the fields of general metal electroplating and new energy, and achieved a number of initiatives in China and in the industry.

2. Understand industry trends and build first-mover advantage

Currently, the Company is the only enterprise achieving large-scale mass production of the new energy plating equipment in China and even in the world. The Company makes business layout in advance with the industrial foresight. The new energy plating equipment manufactured by the Company is the first in the world, and widely used in power battery, new material, conductive glass, 3C battery, flexible circuit board, energy storage battery, and other fields; the main target customers include new energy vehicle manufacturers, battery (power battery, energy storage battery, consumer battery) manufacturers, crude copper foil material manufacturers, film manufacturers, etc. Due to the higher technical barrier, the first-mover advantage has been established. As the front-end equipment of copper plating, the magnetron sputtering equipment manufactured by the Company can form effective collaboration with new energy lithium electroplating equipment and photovoltaic copper plating equipment, and connect technology, production, service and other processes closely, helping the Company to create an integrated production line of lithium positive and negative equipment and photovoltaic copper electroplating equipment, and to provide the customers with integrated professional services.

3. Adhere to independent research and development, strengthen the ability to innovate

Since its establishment, the Company has been adhering to the independent research and development and innovation of high-end electroplating equipment and its supporting equipment. So far, the Company has formed a technical system with vertical continuous plating technology as the core, highly independent research and development, strong technical scalability, leading technical level, and mature manufacturing process. Furthermore, the Company has a number of patented technologies, so that it can provide efficient and mature electroplating solutions for the manufacturers of downstream PCB and other new fields. Furthermore, the Company has applied the core technology derivatively to the field of general metal electroplating and new energy electroplating, and developed several pioneering equipment at home and abroad. As of June 30, 2023, the company has 290 patents, including 32 inventive patents, 257 utility model patents, 1 industrial design patent and 40 computer software copyrights.

4. Achieve large-scale production and improve production efficiency

With advanced production philosophy and production technology, and the advantages in large-scale production and manufacturing, to provide global customers with mature and efficient electroplating solutions. The Company focuses on the improvement and solution of the pain points existing in the electroplating special equipment manufacturing industry including long manufacturing cycle and high maintenance cost. The Company has improved production efficiency significantly by modular segmentation technology and cycle-based production technology. Due to the similarity of the electroplating equipment manufacturing process in different application fields, the above-mentioned technologies can be widely used in the production of various electroplating equipment of the Company. At the same time, the Company also has the advantages in industry-leading large-scale production, which can help the Company effectively manage the costs of production and manufacturing.

5. Provide high quality service, and guarantee the customer stability

During the reporting period, the Company has the sales and after-sales service teams consisting of more than 100 experienced members, and has the ability to make reliable and timely response to customer demand and guarantee services. The Company is able to make timely response to the customer demand, and arrive at the site within the time limit as agreed for troubleshooting, so as to guarantee the stable production of the customer effectively. With high-quality products and services, the Company has established a good brand image in the industry. The Company has the customers including a great number of well-known enterprises in various fields at home and abroad, serves the frontline enterprises in electroplating and new energy industries at home and abroad, and has the highly competitive customer network and brand image. At the same time, the Company has successfully exported its products to

Japan, South Korea, Europe, Southeast Asia, and other countries or regions, and established a good business cooperation system with international first-class enterprises.

6. Stable management team, joint growth and progress

The Company has a mature, stable and professional management team. They have abundant experience in the industry, serve the Company for many years, hold the shares in the Company, share a common fate with the Company, and grow together with the Company. Since the listing of the Company, no core members of the management have resigned from the Company. With profound technical background and abundant experience, the management team leads the Company to develop new market plan, implement new product research and development, establish stable partnership, and achieve leadership in the industry. With a deep understanding of the industry and the Company, the Company's management team develops the growth and development strategy, leads the Company to consolidate its market leadership and first-mover advantage continuously, improve the Company's mission and vision, deepens business integration and expands product application fields, and improves operational efficiency and profitability.

(II) The events with serious impact on the core competitiveness of the Company during the reporting period, analysis of impact, and countermeasures

☐ Applicable ☒ Not applicable

IV. Discussion and analysis of operation

In the first half of 2023, the Company realized the steady growth of performance, achieved the operating income of RMB 498,889,634.11 Yuan, up 21.16% on a year-on-year basis, and maintained a sustainable and healthy development trend. From the perspective of products, the Company attaches importance to technical innovation and development, develops new equipment constantly, and achieves continuous performance in the field of new energy; from the perspective of research and development, the Company implements the strategy of leading technology and common development in all fields, increases investment in research and development, and builds long-term competitive advantages of the Company. The specific tasks accomplished are shown as follows:

(I) Increase investment in research and development, strengthen technological leadership, and build long-term development advantages

“The amount of investment in research and development is a fundamental, strategic and key indicator to measure the scientific and technological innovation strength of the Company, and is also “nose” the enterprise to enhance its innovation ability.” According to the future development strategy, the Company makes investment in the research and development of a number of new products actively, makes technical breakthrough continuously with the focus on improvement of product quality and reduction of cost, aims at the industrialization of technical achievements, forms large-scale production capacity, and further enhances the competitive advantage of the Company. While maintaining the first-mover advantage in the “composite current collector” equipment, the Company is also developing double-sided transmission no-contact copper plating equipment, in order to improve the electroplating production efficiency and increase the yield by changing the handling method and conduction mode of the composite copper foil. During the Reporting Period, the Company's R&D expenses amounted to RMB 39,412,538.21, a year-on-year increase of 30.86%, accounting for 7.9% of the year's operating income. The Company has 183 research and development personnel, accounting for 14.14% of the total number of employees. As of June 30, 2023, the company has 290 patents, including 32 inventive patents, 257 utility model patents, 1 industrial design patent and 40 computer software copyrights. The increasing investment in research and development, the expansion of research and development team,

and the increase of patented technology have laid a solid foundation for the Company to maintain technology leadership and build long-term development advantages continuously.

(II) With the focus on continuous technical innovation, the Company develops new equipment, consolidating the leading position in the industry

During the reporting period, the MSAP transfer VCP equipment developed by the Company has been put into mass production at the customer's premises and is running properly. The customers have placed orders for such equipment. The Company has completed the manufacturing of the solar vertical continuous silicon wafer electroplating equipment (third generation) basically, which is commissioned in the plant. It is expected to complete the delivery in August. The 12-target magnetron sputtering equipment is manufacturing for orders normally, and the 24-target magnetron sputtering equipment is under commissioning. The horizontal electroplating three-in-one equipment breaks monopoly of foreign enterprises and fills in the blank in China. On the basis of the original equipment, the Company further upgrades and iterates the product, which is running properly at the customer's premises and put into mass production. In a segment and niche market, the ceramic VCP equipment has obvious competitive advantage, and the orders placed by new customers continue to increase. The photoelectric etching equipment launched by the Company is the first at home and abroad, and has been successfully trial-produced and shipped to the customer's premises and used in the commissioning stage. The equipment is mainly used for production of single-sided board and false double-sided board, really achieves the direct recycling of copper on the production line without the extraction of copper with solution, so as to reduce the transportation, storage and use of a large number of chemicals, mitigate safety risks, and realize green manufacturing. Furthermore, no solution is used for recycling of copper, so as to reduce the costs of the enterprise, and realize energy saving and cost reduction. On the one hand, these new products are conducive to enriching the Company's product matrix, and further enhancing the competitiveness in market expansion of the Company as one of the first domestic manufacturers making layout in the market; on the other hand, these new products can bring new growth opportunities for the Company, enhance the profitability, and improve the overall competitiveness.

(III) Leverage the international capital market to complete the issuance of GDR and boost the development in overseas markets

In June 2023, the Company successfully completed the issuance of GDRs on the SIX Swiss Exchange, raising the fund of approximately US\$ 105 million and becoming the first company to successfully issue GDRs after the release of the new regulations on GDRs in China. The issue was priced at 93.31% of the average closing price of the underlying stock in the 20 trading days prior to the pricing benchmark date, which is the highest pricing ratio of GDRs issued by A-share listed companies. The Company is also the domestic company that completes GDR issuance fastest after IPO. Part of the funds raised from the issuance of GDRs on the SIX Swiss Exchange will be used to enhance the layout of the overseas sales network and construct the talent team, which is conducive to improving the Company's sales capacity in the world, increasing the radiation and penetration in key overseas areas, enhancing the global influence and visibility of the brand, and continuously strengthening its industry leading position in the field of global electroplating equipment.

(IV) Follow the customer-oriented concept, provide integrated services, and promote the coordinated development of business

The Company increases investment in research and development of the integration of former and following equipment continuously, and continues to enrich the structure of downstream products to meet the growing downstream demand. In the business field of PCB, the Company not only consolidates the advantages in vertical electroplating technology, but also extends to the technical processes such as former processing, imaging and etching. In the field of new energy business, the Company has completed the delivery of the first 12-target magnetron sputtering equipment; the 24-target equipment

developed by the Company is in commissioning; the Company provides customers with integrated services for composite copper foil production equipment. The Company adheres to the integrated sales strategy for equipment, and has many advantages in technology integration, production process, cost reduction and efficiency improvement, yield control, and after-sales service. By establishing former-following integration equipment product layout and capacity, it is possible to enhance the business collaboration between different products effectively, and enhance the ability of the Company to provide the downstream customers with integrated solutions.

(V) Adhere to the strategy of talent development, promote the spirit of craftsmanship, and inject impetus into talent development

Accumulate the innovation and creation momentum by talent training. The employees are the vigorous power source for development of the enterprises. At the induction stage of new employees, the Company will organize job training, and all departments and business divisions will also carry out daily training and other work based on the actual production and operation, so as to lay a solid foundation for new employees to adapt to the job change as soon as possible. In addition, the Company will organize centralized training on a regular basis, invite external experienced professional and technical talents to teach courses, in order to expand the thinking horizon, strengthen the theoretical foundation, and improves the work efficiency for the employees. The talent training cannot be divorced from the guidance of the “spirit of craftsman”. The “spirit of craftsman” not only represents persistent improving, no muddling, no improvisation, no perfunctory effort, intensive cultivation, care and precision, but also reflects the spirit of professionalism and focus on quality. The Company advocates the spirit of craftsman. In order to show the skills of the employees and respect the skilled talents, the Company launched the Second Dongwei Technology Employee Skills Competition on March 28, 2023 and lasting a week, by which the “spirit of craftsman” was internalized in mind and externalized in action, so as to complete the transformation from worker to craftsman in the work.

The significant changes in operation of the Company during the reporting period, and the matters occurring during the reporting period that have a significant impact and are expected to have a significant impact in the future on the operation of the Company

☐ Applicable ☒ Not applicable

V. Risk factors

☒ Applicable ☐ Not applicable

1. Risk of core technology disclosure

All kinds of products sold by the Company rely on the core technologies and research and development achievements developed and accumulated by the Company for a long time. The Company has formed a technical system with vertical continuous plating technology as the core, and is developing a number of products and technologies. These core technologies are the basis for guaranteeing the performance of the products and the further research and development of new technologies, and have a significant impact on the operation and long-term development of the Company. The Company cannot completely exclude the disclosure of relevant technology or confidential information during the process of production and operation, the inadvertent disclosure by relevant technical personnel, or the acquisition of the Company’s core technologies by the competitors by illegal means, resulting in the disclosure of the Company’s core technologies. If the relevant core technologies are disclosed and known and imitated by the competitors, it may have adverse impact on the market competitiveness of the Company.

2. The risk in outflow of technical talents

The Company is engaged in a talent-intensive, multi-disciplinary, and cross-field comprehensive industry, and the enterprises in the industry need a large number of experts and talents in machinery, chemical industry, electronics, electrical control, industrial design, engineering and other disciplines. The above technical personnel play a vital role in design and development of new products, control of product cost, and provision of stable and high-quality technical services. With the continuous growth of market demand and the increasingly fierce competition in the industry, the talent competition among the enterprises has been intensified gradually, and the Company is also facing the risk of outflow of technical talents. If the Company cannot strengthen the introduction, incentive and protection of technical talents continuously, there is a certain risk of outflow of technical talents.

3. Risk in large inventory

At the end of the reporting period, the Company's inventory mainly consisted of raw materials, products in process, goods shipped, and goods in stock. At the end of June 2023, the amount of the Company's inventory was RMB 38,913,500 Yuan, and the cumulative loss on inventory impairment was RMB 8,433,700 Yuan. In the future, the further expansion of the Company's inventory size may have certain adverse impact on production and operation of the Company.

4. Risk of bad debt of accounts receivable

At the end of June 2023, the Company's accounts receivable amounted to RMB 60,613,200 Yuan, and the balance of the accounts receivable with an aging of less than 1 year accounted for 67.23%. In the future, if the customer's credit status changes significantly, the company will face certain risks of bad debts of accounts receivable.

5. Risk of enterprise income tax incentives

The Company passed the review of high-tech enterprise in October 2022 and obtained the High-tech Enterprise Certificate (Certificate No.: GR202232000259). Guangde Dongwei, a subsidiary of the Company, received the "Certificate of High-tech Enterprise" (Certificate No.: GR202234002929) in October 2022. According to relevant policies and regulations, the Company is entitled to a preferential income tax rate of 15% from 2022 to 2024, and Guangde Dongwei. As a subsidiary of the Company, is entitled to a preferential income tax rate of 15% from 2022 to 2024. If there are significant adverse changes in the relevant national income tax policies or if the qualification of the Company and its subsidiary for high-tech enterprise is not re-identified successfully upon expiration of the validity period, it will have a certain adverse impact on the after-tax profits of the Company.

6. Risk of macro environment

The Company's core products are mainly used in the fields of PCB electroplating, general metal electroplating, and new energy. If the downstream industry is affected by periodic macroeconomic fluctuations or adjustment of relevant industrial policies in the future, it will have an adverse impact on the operating performance of the Company. In recent years, the international political and economic environment has become complicated, and uncertainties in the external environment have increased. Chinese macro economy has maintained at a basically stable level, but it is still faced with the operational risks arising from the uncertainty of macro economy.

VI. Major operating conditions during the reporting period

Please refer to "IV. Discussion and Analysis of Business Conditions" in this section for details.

(I) Analysis of main business

1. Analysis of Changes in Related Items in Financial Statements

Unit: yuan Currency: RMB

Account	Amount in current	Amount in the same	Ratio of change (%)
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	period	period last year	
Operating income	498,889,634.11	411,770,546.08	21.16
Operating cost	282,735,708.15	231,922,052.91	21.91
Selling and distribution expenses	36,554,718.11	29,079,303.31	25.71
General and administrative expenses	25,676,269.65	19,241,922.61	33.44
Financial expenses	-6,300,216.36	-59,029.11	Inapplicable
R & D expenses	39,412,538.21	30,118,638.74	30.86
Net cash flow from operating activities	2,612,917.63	-40,445,739.17	Inapplicable
Net Cash Flows from Investing Activities	-332,923,364.80	46,052,161.70	-822.93
Net Cash Flows from Financing Activities	650,493,782.65	-44,111,414.82	Inapplicable

Notes to reasons for the change in operating income: The operating income increases by 21.16% on a year-on-year basis, mainly due to the expansion of market, extension to new fields, and promotion of sales by the Company, the continuous increase in sales volume of new energy equipment and other equipment, and the synchronous growth of operating income.

Notes to reasons for the change in operating cost: The operating cost increases by 21.91% on a year-on-year basis, mainly due to the increase in operating cost as a result of the increase in operating income.

Notes to reasons for the change in selling expense: The selling expense increases by 25.71% on a year-on-year basis, mainly due to the increase in operating income, the provision of business commissions, and the increase in quality warranty fee.

Notes to reasons for the change in overhead expense: The overhead expense increases by 33.44% on a year-on-year basis, mainly due to (1) the increase in the overhead expense incurred to the new subsidiary, which is less than that incurred in the same period of last year. (2) The increase in depreciation expense for the new office building.

Notes to reasons for the change in financial expense: Mainly due to the gain on foreign exchange in large amount generated by the settlement of USD funds received from the issue of GDRs during the reporting period.

Notes to reasons for the change in research and development expense: The research and development expense increases by 30.86% on a year-on-year basis. (1) In order to enhance the development momentum of the Company and accelerate the development of new products, personnel training and reserve, the Company introduced high-end research and development personnel, and the employee compensation increased to a great extent due to the salary paid to the new research and development personnel and the change in the social security policy. (2) The depreciation expense increased due to the completion and use of the research and development center. (3) In order to develop new products and expand market space, the Company initiated a number of new research and development projects, and the increasing consumption of research and development materials and the rising prices of the materials lead to the increase in relevant expenditures.

Notes to reasons for the change in net cash flow from operating activities: Mainly due to the increase in sales revenue and trade receivables.

Notes to reasons for the change in net cash flow from investment activities: Mainly due to the use of GDR funds to purchase bank financial products.

Notes to the reasons for the changes in net cash flow from financing activities: Mainly due to the successful issuance of GDRs on the SIX Swiss Exchange and the receipt of GDR funds during the reporting period.

2. Detailed description of major changes in the Company's business type, profit composition or profit source in current period

☐ Applicable ☒ Not applicable

(II) Explanation of major changes in profits caused by non-core business

☐ Applicable ☒ Not applicable

(III) Analysis of assets and liabilities

☒ Applicable ☐ Not applicable

1. Assets and liabilities

Unit: RMB

Project name	Amount at the end of the period	Proportion of the closing balance in the total assets in the current period (%)	Closing amount of previous year	Proportion of closing balance to total assets of previous year (%)	Proportion of change in the closing amount of this period compared to the end of previous year (%)	Description
Monetary funds	493,814,015.50	19.86	169,409,084.36	9.58	191.49	Note 1
Receivables	606,135,210.62	24.37	555,556,435.73	31.4	9.10	Note 2
Contract assets	48,578,339.75	1.95	33,225,303.11	1.88	46.21	Note 2
Inventory	389,138,535.63	15.65	374,094,322.11	21.14	4.02	Note 3
Investment property		-				
Long-term equity investment						
Fixed assets	228,141,632.72	9.17	153,899,861.62	8.7	48.24	Note 4
Construction in progress	38,224,659.21	1.54	63,696,092.71	3.6	-39.99	Note 5
Right-of-use asset	6,489,963.89	0.26	8,119,614.60	0.46	-20.07	Note 6
Short-term borrowings						
Contract liabilities	245,040,803.66	9.85	262,406,417.36	14.83	-6.62	
Long term borrowings						
Lease liability	3,972,496.97	0.16	5,120,025.20	0.29	-22.41	Note 7
Held-for-trading financial assets	493,173,125.01	19.83	212,382,756.11	12	132.21	Note 8
Notes receivable	59,809,562.52	2.4	60,955,950.86	3.45	-1.88	Note 9
Receivables financing	5,516,535.28	0.22	14,283,281	0.81	-61.38	Note 9
Prepayments	15,004,521.98	0.6	21,954,214.26	1.24	-31.66	Note 10
Other receivables	4,862,067.70	0.2	5,172,335.82	0.29	-6.00	

Other current assets	606,057.64	0.02	180,982.75	0.01	234.87	Note 11
Intangible assets	73,395,773.14	2.95	72,214,802.53	4.08	1.64	
Long-term deferred expenses	2,461,118.04	0.1	2,658,284.10	0.15	-7.42	
Deferred tax assets	20,106,282.77	0.81	19,521,719.68	1.1	2.99	
Other non-current assets	1,456,430.00	0.06	1,933,122.84	0.11	-24.66	Note 12
Notes payable	154,028,183.19	6.19	138,124,818.71	7.81	11.51	Note 13
Accounts payable	232,460,305.66	9.35	248,006,672.76	14.02	-6.27	
Employee benefits payable	34,822,529.24	1.4	41,446,227.57	2.34	-15.98	Note 14
Taxes payable	16,968,583.34	0.68	15,282,071.43	0.86	11.04	Note 15
Other payables	2,526,895.42	0.1	3,766,280.35	0.21	-32.91	Note 16
Non-current liabilities due within one year	3,082,292.10	0.12	3,101,782.04	0.18	-0.63	
Other current liabilities	56,913,160.90	2.29	73,703,026.31	4.17	-22.78	Note 17
Estimated liabilities	39,233,410.16	1.58	38,290,734.17	2.16	2.46	
Deferred income	7,500,000.00	0.3				Note 18
Deferred tax liabilities	3,137,276.29	0.13	2,054,177.69	0.12	52.73	Note 19
Equity	229,632,000.00	9.23	147,200,000	8.32	56.00	Note 20
Capital reserve	979,691,675.12	39.39	350,306,390.81	19.8	179.67	Note 21
Surplus reserve	44,596,074.38	1.79	38,262,560.14	2.16	16.55	Note 22
Retained earnings	433,308,144.97	17.42	402,186,979.64	22.73	7.74	Note 22

Other notes

Note 1: Cash and cash equivalents increased by 191.49% compared to the beginning of the year, mainly due to the receipt of GDR fund during the reporting period.

Note 2: The total balance of accounts receivable and contract assets increased by 11.20% compared to the beginning of the year, mainly due to the increase in sales revenue, which increased by 21.16% over the same period of last year.

Note 3: The inventory increased by 4.02% compared to the beginning of the year, mainly due to the increase in order volume and the expansion of production scale.

Note 4: The fixed assets increased 48.24% compared to the beginning of the year, mainly due to the acceptance and carry-over of plant and complex building to fixed assets during the reporting period.

Note 5: The construction in progress decreased by 39.99% compared to the beginning of the year, mainly due to the acceptance and carry-over of plant and complex building fixed assets during the reporting period.

Note 6: The right-of-use assets decreased by 20.07% compared to the beginning of the year, mainly due to the depreciation of the right-of-use assets.

Note 7: The lease liabilities decreased by 22.41% compared to the beginning of the year, mainly due to the payment of rental for right-of-use assets.

Note 8: The trading financial assets increased by 132.21% compared to the beginning of the year, mainly due to the use of GDR funds to purchase bank financial products.

Note 9: The total balance of the notes receivable and receivable financing decreased by 13.18% compared to the beginning of the year, mainly due to the increase in the matured and endorsed bank acceptance bills.

Note 10: The prepayments decreased 31.66% compared to the beginning of the year, mainly due to the increase in business volume, the increase in procurement volume, and the change in the settlement method of some prepayment suppliers, resulting in the decrease in prepayments.

Note 11: The other current assets increased by 234.87% compared to the beginning of the year, mainly due to the increase in excess VAT paid for the new subsidiary.

Note 12: The other non-current assets decreased by 24.66% compared to the beginning of the year, mainly due to the resale of prepaid fixed assets.

Note 13: The notes payable increased by 11.51% compared to the beginning of the year, mainly due to the increase in sales volume, the increase in procurement volume, and the increase in notes payable issued during the reporting period.

Note 14: The employee compensation payable decreased by 15.98% compared to the beginning of the year, mainly due to the payment during the current reporting period of bonus and business commission accrued in the previous.

Note 15: The tax payable increased by 11.04% compared to the beginning of the year, mainly due to the increase in sales revenue, the increase in profit, and the increase in corporate income tax expense.

Note 16: The other payables decreased by 32.91% compared to the beginning of the year, mainly due to improved management, timely settlement of expenses and reduction of withheld expense.

Note 17: The other current liabilities decreased by 22.78% compared to the beginning of the year, mainly due to the decrease in endorsed and premature acceptance bills.

Note 18: The change in deferred income is mainly due to the infrastructure subsidy received by the new subsidiary from government.

Note 19: The deferred income tax liabilities increased 52.73% compared to the beginning of the year, mainly due to temporary difference resulting from accelerated depreciation of long-term assets.

Note 20: The increase in share capital of 56.00% compared to the beginning of the year is mainly due to the conversion of capital reserves into additional share capital and the increase in share capital resulting from the successful issue of GDRs.

Note 21: The capital reserves increased by 179.67% compared to the beginning of the year, mainly due to the capital stock premium received from the successful issue of GDRs.

Note 22: The total balance of surplus reserves and undistributed profits increased by 8.50% compared to the same period of last year, mainly due to the increase in net profit during the current period.

2. Overseas assets

☐ Applicable ☒ Not applicable

3. Main assets restricted as of the end of the reporting period

☐ Applicable ☒ Not applicable

4. Other notes

☐ Applicable ☒ Not applicable

(IV) Analysis of investment**Overall analysis of foreign equity investment**

☐ Applicable ☒ Not applicable

1. Significant equity investment

☐ Applicable ☒ Not applicable

2. Significant non-equity investment

☐ Applicable ☒ Not applicable

3. Financial assets measured at the fair value

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Category of asset	Opening amount	Profit or loss from changes in fair value	Accumulative change in fair value recorded in the equity	Impairment provision for the current period	Amount of purchase in current period	Sale/redemption amount in current period	Other changes	Closing amount
Held-for-trading financial assets	212,382,756.11	3,193,456.12			761,302,208.34	483,705,295.56		493,173,125.01
Receivables financing	14,283,281.00						-8,766,745.72	5,516,535.28
Total	226,666,037.11	3,193,456.12			761,302,208.34	483,705,295.56	-8,766,745.72	498,689,660.29

Securities investment

☐ Applicable ☒ Not applicable

Investment in privately offered fund

☐ Applicable ☒ Not applicable

Investment in derivatives

☐ Applicable ☒ Not applicable

(V) Sales of substantial assets and stock equity

□ Applicable √ Not applicable

(VI) Analysis of main controlled companies and share participating companies

√Applicable □Not applicable

Company name	Main business	Registered capital	Shareholding ratio (%)	Total assets	Net assets	Net profit
Guangde Dongwei Technology Co., Ltd.	Mainly responsible for development, design, production and sales of vertical continuous electroplating equipment and new energy equipment	180,000,000.00	100.00	524,540,917.09	404,471,689.04	37,015,280.60
Shenzhen Kunshan Dongwei Technology Co., Ltd.	Mainly responsible for product sales and after-sales service in South China	5,000,000.00	100.00	32,012,927.03	11,901,286.28	828,257.63
Dongguan Dongwei Technology Co., Ltd.	Mainly responsible for research and development, design, production and sales of IC carrier board in PCB field.	50,000,000.00	100.00	8,240,416.54	4,519,864.60	-3,658,629.13
Changshu Dongwei Technology Co., Ltd.	Mainly responsible for research and development, design, production and sales of high-end hardware surface treatment equipment.	405,000,000.00	100.00	78,104,781.56	66,212,900.11	-715,055.50

The operating income and net profit of Guangde Dongwei Technology Co., Ltd. for the reporting period were RMB 142,186,716.03 and RMB 37,015,280.60, respectively.

Item	From January 2023 to July 2023
I. Total operating income	142,186,716.03
Including: Revenue from main operation	141,316,416.74
II. Total operating cost	100,360,412.06
Including: Operating costs	83,709,965.01
Tax and surcharge	1,612,731.55
Selling and distribution expenses	1,308,362.96
General and administrative expenses	5,342,878.88
R & D expenses	8,563,802.28
Financial expenses	-177,328.62
Including: Interest expense	
Interest income	314,714.14
Add: Other income	2,282,400.00
Investment income (loss expressed with “-”)	236,600.50
Including: Investment income from associated enterprises and joint ventures	
Derecognized revenue from financial assets measured at amortized cost (loss expressed with “-”)	
Gain or loss from changes in fair values (loss expressed with “-”)	
Loss from credit impairment (loss expressed with “-”)	-110,847.25
Loss from assets impairment (loss expressed with “-”)	-36,200.03
Gain on disposal of assets (loss expressed with “-”)	-4,407.69
III. Operating profit (loss expressed with “-”)	44,193,849.50
Add: Non-operating income	
Less: non-operating expenditure	3,683.68
IV. Total profit (total loss expressed with “-”)	44,190,165.82
Less: income tax expense	7,174,885.22
V. Net profit (net loss expressed with “-”)	37,015,280.60

(VII) Structured entities controlled by the company

☐ Applicable ☒ Not applicable

VII. Other disclosures

☐ Applicable ☒ Not applicable

Section IV. Corporate Governance

I. Introduction to the shareholders general assembly

Session of meeting	Date of convening	Query index of the designated website of resolutions	Disclosure date of resolution publication	Resolution
2022 Annual Meeting of	April 28, 2023	The “Announcement on Resolutions of General	April 29, 2023	All the proposals have been

Shareholders General Assembly		Meeting of Shareholders in 2022” (Announcement No. 2023-015) disclosed by Shanghai Stock Exchange (http://www.sse.com.cn) and Shanghai Securities News, China Securities Journal, Securities Times, and Securities Daily		deliberated and adopted at this meeting, and no proposal was vetoed.
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The interim meeting of shareholders general assembly held at the request of the preference shareholders whose voting rights are recovered

☐ Applicable ☒ Not applicable

Introduction to the shareholders general assembly

☒ Applicable ☐ Not applicable

The general meeting of shareholders of the Company for 2022 was held in the meeting room of the Company on April 28, 2023. A total of 27 shareholders and proxies attended the meeting, and the number of voting rights held by the shareholders attending the meeting was 88,630,335 shares, accounting for 60.2108% of the voting rights of the Company. The number and qualifications of the shareholders attending the meeting shall comply with the provisions of the “Company Law” and relevant laws and administrative regulations. The meeting was convened by the board of directors of the Company and presided over by Liu Jianbo serving as the Chairman. All the shareholders present at the meeting voted unanimously to pass the “Proposal on Work Report of Board of Directors of the Company in 2022”, the “Proposal on Work Report of Board of Supervisors of the Company in 2022”, the “Proposal on Work Report of Independent Directors of the Company in 2022”, the “Proposal on Compensation Plan for Non-independent Directors of the Company in 2023”, the “Proposal on Compensation Plan for Independent Directors of the Company in 2023”, the “Proposal on Compensation Plan for Supervisors of the Company in 2023”, the “Proposal on Financial Final Account Report of the Company for 2022”, the “Proposal on Scheme for Distribution of Profits and Conversion of Capital Reserve to Share Capital in 2022”, the “Proposal on Application to Banks for Comprehensive Credit Line”, the “Proposal on Full Text and Summary of Report of the Company in 2022”, and the “Proposal on Engagement of Financial Audit and Internal Control Audit Institutions in 2023”.

II. Changes in directors, supervisors, senior management, and core technical personnel of the Company

☐ Applicable ☒ Not applicable

Description for changes in directors, supervisors, senior management, and core technical personnel of the Company

☐ Applicable ☒ Not applicable

Notes to identification of the Company’s core technical personnel

☐ Applicable ☒ Not applicable

III. Profit distribution plan or the plan for capital reserve converted into share capital**Proposed profit distribution plan and plan for converting reserve funds to share capital for half a year**

Whether to allocate or convert to share capital	No
Number of bonus shares distributed for every 10 shares (Share)	
Amount of dividend distributed for every 10 shares (Including tax)	
Number of converted shares for every 10 shares (Share)	
Description for plan for profit distribution or conversion of capital accumulation fund	

IV. The situation and influence of the Company's equity incentive plan, employee stock ownership plan or other employee incentives**(I) The relevant equity incentives have been disclosed in the interim announcement and there is no progress or change in subsequent implementation**

☐ Applicable ☒ Not applicable

(II) Incentives for non-disclosure or follow-up progress in the interim announcement

Equity incentive

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

Employ stock ownership plan

☐ Applicable ☒ Not applicable

Other incentives

☐ Applicable ☒ Not applicable

Section V. Environmental and social responsibilities

I. Environmental information

Establishment of environmental protection mechanism or not	Yes
Environmental protection investment during the reporting period (unit: RMB 0,000)	126.73

(I) Environmental protection of the companies and their major subsidiaries that belong to the key pollutant discharge entities announced by the environmental protection department

☐ Applicable ☒ Not applicable

(II) Description of environmental protection of companies other than key pollutant discharge units

☒ Applicable ☐ Not applicable

1. Administrative penalties for environmental issues

☐ Applicable ☒ Not applicable

2. Other environmental information shall be disclosed with reference to key pollutant discharge units

☒ Applicable ☐ Not applicable

The Company is not an enterprise in the heavy pollution industry, no toxic gases and hazardous substances are produced during the process of production and operation, and only office and domestic sewage, waste gas, noise, solid waste are produced without serious impact on the environment.

(1) Waste water treatment

The waste water during the process of operation is mainly sourced from office and domestic sewage without discharge of production waste water. The domestic sewage is mainly generated by the daily life of enterprise employees, and discharged through the municipal pipeline network to Bacheng Kuncheng Water Purification Co., Ltd. for treatment. The tail water shall be treated according to the “Discharge standard of main water pollutants for municipal wastewater treatment plant & key industries of Taihu area (DB32/1072-2018) and the Level-A standard in Table 1 of the “Discharge standard of pollutants for municipal wastewater treatment plan”, and discharged into Zhangjiagang River after reaching the standard.

(2) Exhaust gas

The exhaust gas from the operation process of the Company mainly includes the particles generated during the process of cutting, engraving and welding.

Most of the particles generated during the process of cutting and engraving of plastic sheets will settle near the machine, only a small amount of particles will enter the air, resulting in a small amount of exhaust gas. The Company shall strengthen the ventilation in the workshop, so as to meet the requirements of unorganized emissions.

The particles are generated during the process of welding of metal workpieces. The workload of processing and welding in the production and operation of the Company is less. The Company shall

strengthen the ventilation in the workshop by reference to the “Progress in environmental pollution and control technology in welding workshops”, so as to meet the requirements of unorganized emissions.

(3) Noise

The noise generated during the operation process of the Company is mainly sourced from the production equipment such as lathes, drilling machines, and milling machine. The value of noise ranges from 65 to 85dB (A). After taking the noise reduction measures for the noise generated in the project such as vibration reduction, sound insulation, and distance attenuation, the value of noise at 1m away from the boundary of the Company can reach the Level-3 standard in “Emission standard for industrial enterprises noise at boundary” (GB12348-2008).

(4) Solid wastes

The solid wastes generated during the operation process of the Company mainly include scraps (metal scraps, plastic scraps) and domestic wastes. The scraps are collected and then sold, and the domestic wastes are disposed of by the environmental sanitation authorities.

3. Reasons for no disclosure of other environmental information

☐ Applicable ☒ Not applicable

(III) Explanation of the subsequent progress or changes in the disclosure of environmental information content during the reporting period

☐ Applicable ☒ Not applicable

(IV) Relevant information conducive to ecological protection, pollution prevention and control, and environmental responsibility performance

☐ Applicable ☒ Not applicable

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

Whether to take the carbon reduction measures	Yes
Reduction in discharge of carbon dioxide equivalent (Unit: ton)	730
Types of carbon reduction measures (e.g. the use of clean energy for power generation, the use of carbon reduction technology in production, research and development of new products that contribute to carbon reduction, etc.)	Use clean energy to generate electricity

Detailed description

☒ Applicable ☐ Not applicable

Guangde Dongwei Technology Co., Ltd., a wholly-owned subsidiary of the Company, completed the 800kWp distributed photovoltaic power station project, and installed photovoltaic modules on the roof of the plant, saving approximately 220 tons of standard coal and reducing approximately 730 tons of carbon dioxide every year.

II. Efforts to consolidate and expand our achievements in poverty alleviation and rural revitalization

☐ Applicable ☒ Not applicable

Section VI. Important matters

I. Fulfillment of commitments

(I) Commitments of the Company's actual controllers, shareholders, related parties, purchasers and related companies during or last to the reporting period

√Applicable □Not applicable

Commitment background	Commitment Types	Party making the commitment	Commitment Description	Commitment time and deadline	Is there a deadline for the performance?	Is it strictly implemented in time?	If it fails to perform in time, explain the specific reasons for the failure of performance.	If it fails to perform in time, explain the next plan.
Commitment related to the initial public offering	Share restriction	Liu Jianbo	(1) Within 36 months from the listing date of the Company's shares, I shall not transfer or entrust others to manage the Company's shares directly or indirectly held by me before this issue, nor shall the Company repurchase such shares; (2) If the closing price of the shares is lower than the issue price for 20 consecutive trading days within 6 months after the listing of the Company, or the closing price at the end of 6 months after the listing of the Company is lower than the issue price, the lock-up period of the Company's shares held directly or indirectly by me will be automatically extended for 6 months (the above issue price will be adjusted accordingly in the event of dividend distribution, conversion of share capital, allotment of shares and other ex-dividend and ex-right matters). (3) Except for the aforesaid lock-up period, the number of shares transferred each year during the period of serving as a director, supervisor or senior manager of the Company shall not exceed 25% of the total number of shares directly or indirectly held by me; within 6 months after leaving office, I will not transfer the	Thirty-six months from June 15, 2021; and two years after the lock-up period expires	Yes	Yes	Inapplicable	Inapplicable

			Company's shares directly or indirectly held by me.					
	Share restriction	Fangfang Yuanyuan, Jiayue Jiayue, Kunshan Depeng	Within 36 months from the listing date of the Company's shares, our institution shall not transfer or entrust others to manage the Company's shares directly or indirectly held by our institution before this issue, nor shall the Company repurchase such shares.	Thirty-six months from June 15, 2021;	Yes	Yes	Inapplicable	Inapplicabl e
	Share restriction	Xiao Zhiguo, Li Yangzhao, Nie Xiaojian, Shi Guowei, Jiang Zejun, Zhou Xiangrong, Qin Yifa	(1) Within 12 months from the listing date of the Company's shares, I shall not transfer or entrust others to manage the Company's shares directly or indirectly held by me before this issue, nor shall the Company repurchase such shares; (2) If the closing price of the shares is lower than the issue price for 20 consecutive trading days within 6 months after the listing of the Company, or the closing price at the end of 6 months after the listing of the Company is lower than the issue price, the lock-up period of the Company's shares held directly or indirectly by me will be automatically extended for 6 months (the above issue price will be adjusted accordingly in the event of dividend distribution, conversion of share capital, allotment of shares and other ex-dividend and ex-right matters). (3) Except for the aforesaid lock-up period, the number of shares transferred each year during the period of serving as a director, supervisor or senior manager of the Company shall not exceed 25% of the total number of shares directly or indirectly held by me; within 6 months after leaving office, I will not transfer the Company's shares directly or indirectly held by me.	Twelve months from June 15, 2021; and two years after the lock-up period expires	Yes	Yes	Inapplicable	Inapplicabl e
	Share restriction	Zhong Jincai, Wei Yongjun, Kong Qing	(1) Within 12 months from the listing date of the Company's shares, I shall not transfer or entrust others to manage the Company's shares directly or indirectly held by me before this issue, nor shall the Company repurchase such shares; Except for the aforesaid lock-up period, the number of shares transferred each	Twelve months from June 15, 2021; and two years after the lock-up period expires	Yes	Yes	Inapplicable	Inapplicabl e

			year during the period of serving as a director, supervisor or senior manager of the Company shall not exceed 25% of the total number of shares directly or indirectly held by me; within 6 months after leaving office, I will not transfer the Company's shares directly or indirectly held by me.					
	Share restriction	Liu Jianbo, Jiang Zejun, Liu Tao	(1) Within 12 months from the listing date of the Company's shares, I shall not transfer or entrust others to manage the Company's shares directly or indirectly held by me before this issue, nor shall the Company repurchase such shares; Except for the aforesaid lock-up period, within 4 years from the expiration date of the restriction period of the Company's shares held by me, the shares transferred each year shall not exceed 25% of the total number of the shares held by me directly or indirectly in the Company, and the reduction proportion can be accumulative; within 6 months after resignation, I will not transfer the shares directly or indirectly held by me in the Company.	Twelve months from June 15, 2021; and two years after the lock-up period expires	Yes	Yes	Inapplicable	Inapplicable
	Share restriction	Xie Yulong, Suzhou International Development, Ningbo Yuxi, Chen Yijun, Kunshan Yuqiao, Li Xinggen, Zhang Weizhong, Wu Tianxiang, Anthony Tu Shihua, Shao	Within 12 months from the listing date of the Company's shares, I/our institution shall not transfer or entrust others to manage the Company's shares directly or indirectly held by me/our institution before this issue, nor shall the Company repurchase such shares.	Twelve months from June 15, 2021;	Yes	Yes	Inapplicable	Inapplicable

		Wenqing, Xia Mingkai, Zhang Jun, Luo Donghua, Li Shuangfang, Chen Yuan, Zhu Jinping, Xu Zhiguang, Zhang Zhen, Jiang Jinli						
	Share restriction	Liu Juan, Liu Wei	(1) Within 36 months from the listing date of the Company's shares, I shall not transfer or entrust others to manage the Company's shares directly or indirectly held by me before this issue, nor shall the Company repurchase such shares; (2) If the closing price of the shares is lower than the issue price for 20 consecutive trading days within 6 months after the listing of the Company, or the closing price at the end of 6 months after the listing of the Company is lower than the issue price, the lock-up period of the Company's shares held directly or indirectly by me will be automatically extended for 6 months (the above issue price will be adjusted accordingly in the event of dividend distribution, conversion of share capital, allotment of shares and other ex-dividend and ex-right matters).	Thirty-six months from June 15, 2021;	Yes	Yes	Inapplicable	Inapplicabl e
Other commitments	Others	Company, actual controller, directors and senior managers	I. Conditions for initiating measures to stabilize share price: Within three years after the listing of the Company, if the weighted average price (weighted average by number of trades on the day, excluding block trades) of the Company's shares ex-option for 20 consecutive trading days is lower than the audited net asset value per share ex-right of the Company for the previous financial year (hereinafter referred to as	Thirty-six months from June 15, 2021;	Yes	Yes	Inapplicable	Inapplicabl e

			<p>“initiation conditions”), the Company shall initiate the share price stabilization measures according to the rules set out below. II. Specific measures to stabilize share price: (I) Repurchase: 1. The repurchase of shares by the Company for the purpose of stabilizing the share price shall comply with the provisions of relevant laws and regulations such as the Measures on Administration of the Listed Companies’ Repurchase of Public Shares (Trial) and the Supplementary Provisions on the Share Repurchase by Listed Companies by Means of Centralized Bidding, and shall not cause the distribution of shares of the Company to be inconsistent with the listing conditions. 2. The Board of Directors of the Company makes a resolution on the repurchase of shares and the directors of the Company undertake to vote in favor of such repurchase at the Board Meeting. 3. A resolution on the repurchase of shares at a meeting of shareholders general assembly of the Company shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting, and the controlling shareholders of the Company undertake to vote in favor of such repurchase at the meeting of shareholders general assembly. 4. Where the Company repurchases the shares in order to stabilize the share price, it shall meet the following conditions in addition to the requirements of relevant laws and regulations: (1) The price of shares repurchased by the Company shall not be higher than the audited net asset value per share of the previous fiscal year; (2) the aggregate amount of funds used by the Company for share repurchase shall not exceed the net amount of funds raised from the initial public offering of shares of the Company; (3) the funds used by the Company for a single time share repurchase shall not be less than RMB 5 million; (4) the</p>					
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			<p>Company's single repurchase of shares shall not exceed 2% of the total share capital of the Company. 5. After the announcement of the share repurchase plan by the Board of Directors of the Company, if the weighted average price of the Company's shares ex-rights (weighted average by number of trades per day, excluding block trades) exceeds the audited net asset value per share ex-rights of the Company in the previous financial year for 5 consecutive trading days, the Board of Directors of the Company shall make a resolution to terminate the share repurchase and will not initiate the share repurchase in the next 3 months. (II) The actual controller and controlling shareholder increase their shares. 1. When any of the following conditions occur, the actual controller and controlling shareholder of the Company shall increase the holding of the Company's shares on the premise of meeting the conditions and requirements of the Measures for the Administration of the Takeover of Listed Companies, Guidelines on the Conduct of Controlling Shareholders and Actual Controllers of Companies Listed on the Shanghai Stock Exchange, Guidelines for the Increase of Shares by Shareholders of a Listed Company and Their Persons Acting in Concert, and other laws, regulations and normative documents: (1) The weighted average price (weighted average by number of trades per day, excluding block trades) of the Company's shares ex-right for 10 consecutive trading days after the expiration of the implementation period of the Company's share repurchase plan is lower than the audited net asset value per share ex-right in the previous financial year; (2) The initiation conditions are triggered again within 3 months from the date of completion of the Company's share repurchase plan. 2. Where the Company's actual controller and controlling</p>					
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			<p>shareholder increase the shares in order to stabilize the share price, it shall meet the following conditions in addition to the requirements of relevant laws and regulations: (1) The price of shares increased is not higher than the audited net asset value per share of the previous fiscal year; (2) The total amount of a single increase in holdings is not less than RMB 5 million; (3) the funds used by the Company for a single time share repurchase shall not be less than RMB 5 million; (3) The number of shares in a single increase is not more than 2% of the total share capital of the Company. (III) The directors and senior managers increase their shares.</p> <p>1. When any of the following conditions occur, the Company's directors (excluding independent directors) and senior managers who receive compensation from the Company shall increase the holding of the Company's shares on the premise of meeting the conditions and requirements of the Measures for the Administration of the Takeover of Listed Companies, the Rules on the Management of Shares Held by the Directors, Supervisors and Senior Management Officers of Listed Companies and the Changes Thereof, and other laws and regulations: (1) The weighted average price (weighted average by number of trades per day, excluding block trades) of the Company's shares ex-right for 10 consecutive trading days after the expiration of the implementation period of the plan for controlling shareholders to increase their shareholding is lower than the audited net asset value per share ex-right in the previous financial year; (2) The initiation conditions are triggered again within 3 months from the date of completion of the plan for controlling shareholders to increase their shareholding.</p> <p>2. Where the Company's directors and senior managers increase the shares in order to stabilize the share price,</p>					
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			<p>it shall meet the following conditions in addition to the requirements of relevant laws and regulations: (1) The price of shares increased is not higher than the audited net asset value per share of the previous fiscal year; (2) The monetary funds used for increasing the holding of the Company's shares in a single time is not less than 30% of the total remuneration received by such directors and senior managers in the Company in the previous year, but no more than the total remuneration received by such directors and senior managers in the Company in the previous year. All directors and senior managers of the Company shall be jointly and severally liable for the performance of such shareholding increase obligation. 3. After the completion of shareholding increase by the directors and senior managers of the Company, if the weighted average price (weighted average by number of trades per day, excluding block trades) of the Company's shares ex-right for 20 consecutive trading days is lower than the audited net asset value per share ex-right in the previous financial year, the Company shall, in accordance with the provisions of this plan, carry out the Company's repurchase, the controlling shareholder's shareholding increase and the directors' and senior manager's shareholding increase successively. 4. If the Company hires new directors and senior managers, the Company shall require them to accept the plan and relevant measures to stabilize the Company's share price. III. Procedures for initiating measures to stabilize the share price (1) Repurchase by the Company: 1. The Board of Directors of the Company shall make a decision to repurchase the shares within 15 trading days from the date when the initiation conditions for the repurchase of the Company are triggered. 2. The Board of Directors of the</p>					
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			<p>Company shall, within 2 working days after making the resolution on share repurchase, announce the resolution of the board of directors and the share repurchase plan, and issue a notice of convening the meeting of shareholders general assembly. 3. The Company shall initiate the repurchase on the next day after the resolution of the meeting of shareholders general assembly of the Company is made, and shall complete the repurchase within 30 days after the performance of the relevant legal formalities; 4. Upon completion of the implementation of the repurchase plan, the Company shall, within 2 working days, announce the report on changes in shares of the Company, and within 10 days, cancel the repurchased shares in accordance with the law and go through the industrial and commercial change registration procedures. (II) Shareholding increase by the controlling shareholders, directors and senior managers. 1. The Board of Directors of the Company shall make an announcement of the shareholding increase within 2 trading days from the triggering date of the conditions for the above controlling shareholders, directors and senior managers to increase their shareholding. 2. The controlling shareholders, directors, and senior managers shall start the shareholding increase the next day from the date of the announcement, and shall complete the implementation within 30 days after completing relevant legal procedures. IV. Further commitment to stabilize the share price. The lock-up period of the shares held by the controlling shareholders of the Company and the directors and senior managers who hold the shares of the Company is automatically extended for 6 months after the initial triggering of the initiation conditions. For the avoidance of ambiguity, the lock-up period of the shares held by directors and</p>					
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			<p>senior managers of the Company herein refers to the share lock-up period specified in the commitments made by such persons in accordance with the provisions of Article 4 (3) of the Rules on the Management of Shares Held by the Directors, Supervisors and Senior Management Officers of Listed Companies and the Changes Thereof. This plan shall be reviewed and approved by the shareholders general assembly of the Company, and shall take effect on the date when the Company completes the initial public offering of A-shares and is listed on the Star Market, and shall be valid for three years.” Commitment of the Company: Within three years after the listing of the Company, if the weighted average price (weighted average by number of trades on the day, excluding block trades) of the Company’s shares ex-right for 20 consecutive trading days is lower than the audited net asset value per share ex-right of the Company for the previous financial year, the Company shall repurchase the Company’s shares in accordance with the Plan of Kunshan Dongwei Technology Co., Ltd. to Stabilize its Share Price within Three Years after its Initial Public Offering and Listing on the Star Market. If the Company fails to implement the share price stabilization measures, it shall publicly explain the specific reasons for the failure to perform and apologize to other shareholders and public investors at the meeting of shareholders general assembly of the Company and newspapers designated by the CSRC. Liu Jianbo, the actual controller of the Company, promised: to vote in favor of the relevant resolutions regarding the repurchase of shares at the board meeting and meeting of shareholders general assembly in accordance with the relevant provisions of the Plan of Kunshan Dongwei Technology Co., Ltd. to Stabilize its</p>					
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			<p>Share Price within Three Years after its Initial Public Offering and Listing on the Star Market approved by the shareholders general assembly; and to fulfill the relevant obligations in accordance with the relevant provisions of the Plan of Kunshan Dongwei Technology Co., Ltd. to Stabilize its Share Price within Three Years after its Initial Public Offering and Listing on the Star Market. If the actual controller of the Company fails to fulfill the measures for stabilizing the share price, it shall publicly explain the specific reasons for the failure to perform and apologize to other shareholders and public investors at the meeting of shareholders general assembly of the Company and newspapers designated by the CSRC, and shall stop receiving remuneration and shareholders' dividends from the Company within five working days from the date of violation of relevant commitments. At the same time, the shares held shall not be transferred until the corresponding share price stabilization measures are taken as promised. All directors of the Company promised: to vote in favor of the relevant resolutions regarding the repurchase of shares at the board meeting and meeting of shareholders general assembly in accordance with the relevant provisions of the Plan of Kunshan Dongwei Technology Co., Ltd. to Stabilize its Share Price within Three Years after its Initial Public Offering and Listing on the Star Market approved by the shareholders general assembly; and to fulfill the relevant obligations in accordance with the relevant provisions of the Plan of Kunshan Dongwei Technology Co., Ltd. to Stabilize its Share Price within Three Years after its Initial Public Offering and Listing on the Star Market approved by the shareholders general assembly. If the directors of the Company fail to fulfill the measures for stabilizing the share price, it</p>					
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			shall publicly explain the specific reasons for the failure and apologize to other shareholders and public investors at the meeting of shareholders general assembly of the Company and newspapers designated by the CSRC, and shall stop receiving remuneration and shareholders' dividends from the Company within five working days from the date of violation of relevant commitments. At the same time, the shares held shall not be transferred until the corresponding share price stabilization measures are taken as promised. All senior managers of the Company promised: to fulfill the relevant obligations in accordance with the relevant provisions of the Plan of Kunshan Dongwei Technology Co., Ltd. to Stabilize its Share Price within Three Years after its Initial Public Offering and Listing on the Star Market approved by the shareholders general assembly. If the senior managers of the Company fail to fulfill the measures for stabilizing the share price, it shall publicly explain the specific reasons for the failure and apologize to other shareholders and public investors at the meeting of shareholders general assembly of the Company and newspapers designated by the CSRC, and shall stop receiving remuneration and shareholders' dividends from the Company within five working days from the date of violation of relevant commitments. At the same time, the shares held shall not be transferred until the corresponding share price stabilization measures are taken as promised.					
Commitment related to the initial public offering	Others	The Company, actual controller	(1) I guarantee that there is no fraudulent issuance of the Company's shares in this public offering and listing on the Star Market. (2) If the Company does not meet the listing conditions, but has obtained issuance registration by fraudulent means and has been listed, the Company will initiate share repurchase procedures within 5 working days after confirmation by the China	Long term effective	No	Yes	Inapplicable	Inapplicable

			Securities Regulatory Commission and other competent departments to repurchase all new shares issued by the Company in this public offering. Liu Jianbo, the controlling shareholder and actual controller of the Company, has made the following commitments to repurchase shares issued by fraudulent means as follows: (1) I guarantee that there is no fraudulent issuance of the Company's shares in this public offering and listing on the Star Market. (2) If the Company does not meet the listing conditions, but has obtained issuance registration by fraudulent means and has been listed, I will initiate share repurchase procedures within 5 working days after confirmation by the China Securities Regulatory Commission and other competent departments to repurchase all new shares issued by the Company in this public offering.					
	Others	Company, actual controller, directors and senior managers	All directors and senior manager of the Company make the following commitments: (1) not to transfer benefits to other entities or individuals for free or on unfair terms, nor to damage the interests of the Company in other ways; (2) to restrict the position-related consumption behavior of directors and senior managers; (3) not to use the Company's assets to engage in investment and consumption activities unrelated to the performance of their duties; (4) the remuneration system formulated by the Board of Directors or the Remuneration Committee will be linked to the implementation of the Company's return filling measures; (5) the vesting conditions of the Company's equity incentives, if announced in the future, will be linked to the implementation of the Company's return filling measures. Liu Jianbo, the actual controller of the Company, makes the following commitments to the effective implementation of the Company's return filling measures in accordance with	Long term effective	No	Yes	Inapplicable	Inapplicable

			the relevant regulations of China Securities Regulatory Commission: not to interfere with the Company's operation and management activities beyond its power, and not to encroach on the Company's interests.					
	Others	Company, actual controller, directors, supervisors and senior managers	1. Commitment to compensate for losses caused by false records, misleading statements, or significant omissions in the prospectus: (1) Commitment of the issuer: If there are false records, misleading statements or significant omissions in the prospectus, which cause losses to investors in securities trading, the Company will compensate the investors according to law. If the Company fails to fulfill the above commitments, it shall publicly explain the specific reasons for the failure and apologize to other shareholders and public investors at the meeting of shareholders general assembly of the Company and newspapers designated by the CSRC. Commitment of actual controller: If there are false records, misleading statements or significant omissions in the prospectus, which cause losses to investors in securities trading, the actual controller will compensate the investors according to law. If the actual controller of the Company fails to fulfill the above commitments, it shall publicly explain the specific reasons for the failure and apologize to other shareholders and public investors at the meeting of shareholders general assembly of the Company and newspapers designated by the CSRC, and shall stop receiving remuneration or allowances and shareholders' dividends from the Company within five working days from the date of violation of relevant commitments. At the same time, the shares held shall not be transferred until the corresponding repurchase or compensation measures have been taken as promised. (3) Commitments of all directors, supervisors and senior managers of the Company: If there are false	Long term effective	No	Yes	Inapplicable	Inapplicable

			records, misleading statements or significant omissions in the prospectus, which cause losses to investors in securities trading, they will compensate the investors according to law. If the directors, supervisors and senior managers of the Company fail to fulfill the above commitments, it shall publicly explain the specific reasons for the failure and apologize to other shareholders and public investors at the meeting of shareholders general assembly of the Company and newspapers designated by the CSRC, and shall stop receiving remuneration or allowances and shareholders' dividends from the Company within five working days from the date of violation of relevant commitments. At the same time, the shares held shall not be transferred until the corresponding compensation measures have been taken as promised.					
Commitment related to the initial public offering	Others	Company, actual controller, directors, supervisors and senior managers	(1) Commitment of the issuer: The Company will strictly perform all public commitments made by the company on the IPO and listing on the Shanghai Stock Exchange STAR Market, and actively accept social supervision. 1) If the Company fails to perform the public commitments due to reasons other than force majeure, it shall put forward new commitments (the relevant commitments shall be subject to relevant approval procedures in accordance with laws, regulations and articles of association) and accept the following restraint measures until the performance of the new commitments is completed or the corresponding remedial measures are implemented: 1) to publicly explain the specific reasons for failure and apologize to shareholders and public investors at the disclosure media designated by the shareholders general assembly, CSRC or the Shanghai Stock Exchange. 2) To reduce or suspend the remuneration or allowance of the directors, supervisors and senior	Long term effective	No	Yes	Inapplicable	Inapplicable

			<p>managers who are personally responsible for the Company's failure to fulfill such commitments. 3) In case of any loss caused to the investors, the Company will be liable for compensation to the investors according to the determination of CSRC, Shanghai Stock Exchange or other competent authorities. 2) If the Company fails to perform the public commitments due to force majeure, it shall put forward new commitments (the relevant commitments shall be subject to relevant approval procedures in accordance with laws, regulations and articles of association) and accept the following restraint measures until the performance of the new commitments is completed or the corresponding remedial measures are implemented: 1) to publicly explain the specific reasons for failure and apologize to shareholders and public investors at the disclosure media designated by the shareholders general assembly, CSRC or the Shanghai Stock Exchange. 2) To study the solution to minimize the loss of investors' interests as soon as possible, and submit it to the shareholders general assembly for deliberation, in order to protect the interests of investors of the Company as much as possible. (2) Commitment of actual controller: Liu Jianbo, the actual controller of the Company, undertakes that: I will strictly perform all public commitments made on the Company's IPO and listing on the Shanghai Stock Exchange STAR Market, and actively accept social supervision. 1) In case of failure to perform the public commitments due to reasons other than force majeure, I will put forward new supplemental or alternative commitments and accept the following restraint measures until the performance of the new commitments is completed or the corresponding remedial measures are implemented: 1) to publicly explain the specific reasons for failure</p>					
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			<p>and apologize to shareholders and public investors at the disclosure media designated by the shareholders general assembly, CSRC or the Shanghai Stock Exchange; 2) not to transfer the shares of the Company. Except in cases where it is necessary to transfer shares due to succession, enforcement, reorganization of the listed company, or to fulfill commitments to protect the interests of investors; 3) not to receive the portion of the Company's distributed profits that belongs to me temporarily; 4) If earnings are obtained due to failure to fulfill relevant commitments, the earnings shall be owned by the Company, and the earnings shall be paid to the account designated by the Company within five working days after the earnings are obtained; 5) In case of failure to fulfill the relevant commitments and cause losses to the Company or the investors, I will compensate the Company or the investors according to law. 2) In case of failure to perform the public commitments due to force majeure, I will put forward new supplemental or alternative commitments and accept the following restraint measures until the performance of the new commitments is completed or the corresponding remedial measures are implemented: 1) to publicly explain the specific reasons for failure at the disclosure media designated by the shareholders general assembly, CSRC or the Shanghai Stock Exchange; 2) to study the solution to minimize the loss of investors' interests as soon as possible, and protect the interests of investors as much as possible. (3) Relevant commitments of shareholders holding more than 5% of the shares: Xiao Ziguang, Fang Yuanyuan and Xie Yulong, the shareholders holding more than 5% of the shares of the Company, undertake that I/this institution will strictly perform all public commitments made on the Company's IPO and listing on the</p>					
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			<p>Shanghai Stock Exchange STAR Market, and actively accept social supervision. 1) In case of failure to perform the public commitments due to reasons other than force majeure, I/this institution will put forward new supplemental or alternative commitments and accept the following restraint measures until the performance of the new commitments is completed or the corresponding remedial measures are implemented: 1) to publicly explain the specific reasons for failure and apologize to shareholders and public investors at the disclosure media designated by the shareholders general assembly, CSRC or the Shanghai Stock Exchange; 2) not to transfer the shares of the Company. Except in cases where it is necessary to transfer shares due to succession, enforcement, reorganization of the listed company, or to fulfill commitments to protect the interests of investors; 3) not to receive the portion of the Company's distributed profits that belongs to me/this institution temporarily; 4) If earnings are obtained due to failure to fulfill relevant commitments, the earnings shall be owned by the Company, and the earnings shall be paid to the account designated by the Company within five working days after the earnings are obtained; 5) In case of failure to fulfill the relevant commitments and cause losses to the Company or the investors, I/this institution will compensate the Company or the investors according to law. 2) In case of failure to perform the public commitments due to force majeure, I/this institution will put forward new supplemental or alternative commitments and accept the following restraint measures until the performance of the new commitments is completed or the corresponding remedial measures are implemented: 1) to publicly explain the specific reasons for failure at the disclosure media designated by the shareholders</p>					
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			<p>general assembly, CSRC or the Shanghai Stock Exchange; 2) to study the solution to minimize the loss of investors' interests as soon as possible, and protect the interests of investors as much as possible. (4) Commitment of all directors, supervisors and senior managers: all directors, supervisors and senior managers undertake that: I will strictly perform all public commitments made by me on the IPO and listing on the Shanghai Stock Exchange STAR Market, and actively accept social supervision. 1) In case of failure to perform the public commitments due to reasons other than force majeure, I will put forward new commitments and accept the following restraint measures until the performance of the new commitments is completed or the corresponding remedial measures are implemented: 1) to publicly explain the specific reasons for failure and apologize to shareholders and public investors at the disclosure media designated by the shareholders general assembly, CSRC or the Shanghai Stock Exchange; 2) not to transfer the shares of the Company. Except in cases where it is necessary to transfer shares due to succession, enforcement, reorganization of the listed company, or to fulfill commitments to protect the interests of investors; 3) not to receive the portion of the Company's distributed profits that belongs to me temporarily; 4) to change the position but not to request resignation; 5) apply for a reduction or suspension of remuneration or allowances; 6) If earnings are obtained due to failure to fulfill relevant commitments, the earnings shall be owned by the Company, and the earnings shall be paid to the account designated by the Company within five working days after the earnings are obtained; 7) In case of failure to fulfill the public commitments in the prospectus and cause losses to</p>						
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			investors, I will compensate the investors for the losses in accordance with the law. 2) In case of failure to perform the public commitments due to force majeure, I will put forward new commitments and accept the following restraint measures until the performance of the new commitments is completed or the corresponding remedial measures are implemented: 1) to publicly explain the specific reasons for failure and apologize to shareholders and public investors at the disclosure media designated by the shareholders general assembly, CSRC or the Shanghai Stock Exchange. 2) To study the solution to minimize the loss of investors' interests as soon as possible in order to protect the interests of investors of the Company as much as possible.					
	Others	Liu Jianbo, the controlling shareholder and actual controller of the Company	<p>(1) Conditions and number of shares to be reduced</p> <p>I will strictly comply with the share lock-up commitment set forth in the Company's initial public offering and listing prospectus on the STAR Market and other public disclosure documents, and will not reduce my holdings of the Company's shares during the share lock-up period.</p> <p>If I intend to reduce my holdings of the Company's shares within two years after the expiration of the lock-up period, the annual reduction shall not exceed 25% of the total number of shares held before the initial public offering of the Company (if the Company's equity allocation, and capital and share reduction result in any change in the Company's shares held by me, the amount of transferable shares in the corresponding year shall be adjusted accordingly).</p> <p>(2) Share reduction price</p> <p>If I intend to reduce my holdings of the Company's shares within two years after the expiration of the lock-up period, the reduction price shall not be lower</p>	Long term effective	No	Yes	Inapplicable	Inapplicable

			<p>than the issue price of the Company's initial public offering of shares (if there are ex-right and ex-dividend matters such as dividend payouts, stock dividends, and conversion of capital reserve to share capital after the offering of the Company's shares, the issue price will be adjusted accordingly).</p> <p>(3) Procedures and methods of reducing shares For the procedure for reducing shares after the expiration of the lock-up period, I will strictly follow the Opinions of the China Securities Regulatory Commission on Further Promoting the IPO System Reform, Rules of the Shanghai Stock Exchange for the Listing of Stocks on the STAR Market, Several Provisions on the Reduction of Shares Held in a Listed Company by the Shareholders, Directors, Supervisors, and Senior Executives of the Listed Company, Detailed Implementing Rules of the Shanghai Stock Exchange for Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Executives of Listed Companies, and other relevant laws and regulations. The reduction method shall comply with the relevant laws and regulations applicable at that time, including but not limited to the methods by auction, block trading and agreement transfer, etc.</p> <p>(4) Disclosure of information on reduction of shares For the reduction of shares (through auction), I will report to the Shanghai Stock Exchange 15 trading days before the first reduction and disclose the share reduction plan in advance. For the reduction of the Company's shares by other means, I will promptly and accurately perform the information disclosure obligation three trading days in advance in accordance with the rules of the securities regulatory authority and the Shanghai Stock Exchange at that time.</p> <p>(5) Others</p>					
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			I will strictly abide by the above commitments. If I violate the above commitment to reduce my shares, all proceeds from the reduction of shares shall belong to the Company. If I fail to turn over the proceeds of illegal reduction of shares to the Company, the Company shall have the right to recover the amount of cash dividends payable to me equal to the proceeds of illegal reduction of shares.					
	Others	Xiao Zhiguo, a shareholder who held more than 5% of the Company's shares before the public offering	<p>(1) Conditions and number of shares to be reduced I will strictly comply with the share lock-up commitment set forth in the Company's initial public offering and listing prospectus on the STAR Market and other public disclosure documents, and will not reduce my holdings of the Company's shares during the share lock-up period.</p> <p>If I intend to reduce my holdings of the Company's shares within two years after the expiration of the lock-up period, the annual reduction shall not exceed 25% of the total number of shares held before the initial public offering of the Company (if the Company's equity allocation, and capital and share reduction result in any change in the Company's shares held by me, the amount of transferable shares in the corresponding year shall be adjusted accordingly).</p> <p>(2) Share reduction price If I intend to reduce my holdings of the Company's shares within two years after the expiration of the lock-up period, the reduction price shall not be lower than the issue price of the Company's initial public offering of shares (if there are ex-right and ex-dividend matters such as dividend payouts, stock dividends, and conversion of capital reserve to share capital after the offering of the Company's shares, the issue price will be adjusted accordingly).</p> <p>(3) Procedures and methods of reducing shares</p>	Long term effective	No	Yes	Inapplicable	Inapplicable

			<p>For the procedure for reducing shares after the expiration of the lock-up period, I will strictly follow the Opinions of the China Securities Regulatory Commission on Further Promoting the IPO System Reform, Rules of the Shanghai Stock Exchange for the Listing of Stocks on the STAR Market, Several Provisions on the Reduction of Shares Held in a Listed Company by the Shareholders, Directors, Supervisors, and Senior Executives of the Listed Company, Detailed Implementing Rules of the Shanghai Stock Exchange for Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Executives of Listed Companies, and other relevant laws and regulations. The reduction method shall comply with the relevant laws and regulations applicable at that time, including but not limited to the methods by auction, block trading and agreement transfer, etc.</p> <p>(4) Disclosure of information on reduction of shares For the reduction of shares (through auction), I will report to the Shanghai Stock Exchange 15 trading days before the first reduction and disclose the share reduction plan in advance. For the reduction of the Company's shares by other means, I will promptly and accurately perform the information disclosure obligation three trading days in advance in accordance with the rules of the securities regulatory authority and the Shanghai Stock Exchange at that time.</p> <p>(5) Others I will strictly abide by the above commitments. If I violate the above commitment to reduce my shares, all proceeds from the reduction of shares shall belong to the Company. If I fail to turn over the proceeds of illegal reduction of shares to the Company, the Company shall have the right to recover the amount of cash dividends payable to me equal to the proceeds of</p>					
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			illegal reduction of shares.					
Others	Fangfang Yuanyuan and Xie Yulong, the shareholders who held more than 5% of the Company's shares before the public offering	(1) Conditions and number of shares to be reduced I/this institution will strictly comply with the share lock-up commitment set forth in the Company's initial public offering and listing prospectus on the STAR Market and other public disclosure documents, and will not reduce my holdings of the Company's shares during the share lock-up period. If I/this institution intend to reduce my shares of the Company within two years after the expiration of the lock-up period, the cumulative shares reduced in the two years shall not exceed 50% of the total number of shares held by me/this institution before the initial public offering of the Company (if the Company's equity allocation, and capital and share reduction result in any change in the shares held by me/this institution in the Company, the amount of transferable shares in the corresponding year shall be adjusted accordingly). (2) Share reduction price If I/this institution intend to reduce my shares in the Company within two years after the expiration of the lock-up period, the reduction price shall not be lower than the issue price of the Company's initial public offering of shares (if there are ex-right and ex-dividend matters such as dividend payouts, stock dividends, and conversion of capital reserve to share capital after the offering of the Company's shares, the issue price will be adjusted accordingly). (3) Procedures and methods of reducing shares For the procedure for reducing shares after the expiration of the lock-up period, I/this institution will strictly follow the Opinions of the China Securities Regulatory Commission on Further Promoting the IPO System Reform, Rules of the Shanghai Stock Exchange for the Listing of Stocks on the STAR Market, Several	Long term effective	No	Yes	Inapplicable	Inapplicabl e	

			<p>Provisions on the Reduction of Shares Held in a Listed Company by the Shareholders, Directors, Supervisors, and Senior Executives of the Listed Company, Detailed Implementing Rules of the Shanghai Stock Exchange for Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Executives of Listed Companies, and other relevant laws and regulations. The reduction method shall comply with the relevant laws and regulations applicable at that time, including but not limited to the methods by by auction, block trading and agreement transfer, etc.</p> <p>(4) Disclosure of information on reduction of shares For the reduction of shares (through auction), I/this institution will report to the Shanghai Stock Exchange 15 trading days before the first reduction and disclose the share reduction plan in advance. For the reduction of the Company's shares by other means, I will promptly and accurately perform the information disclosure obligation three trading days in advance in accordance with the rules of the securities regulatory authority and the Shanghai Stock Exchange at that time.</p> <p>(5) Others I/this institution will strictly abide by the above commitments. If I/this institution violate the above commitment to reduce my shares, all proceeds from the reduction of shares shall belong to the Company. If I/this institution fail to turn over the proceeds of illegal reduction of shares to the Company, the Company shall have the right to recover the amount of cash dividends payable to me/this institution equal to the proceeds of illegal reduction of shares.</p>					
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II. Non-operational occupation of funds by controlling shareholders and other related parties during the reporting period

☐ Applicable ☒ Not applicable

III. Violation of guarantee

☐ Applicable ☒ Not applicable

IV. Audit of semi-annual report

☐ Applicable ☒ Not applicable

V. Changes and handling of non-standard audit opinions on the annual report of the previous year

☐ Applicable ☒ Not applicable

VI. Matters related to the bankruptcy reorganization

☐ Applicable ☒ Not applicable

VII. Significant lawsuits and arbitrations

☐ The Company has significant litigation or arbitration matters during this reporting period.

☒ The Company has no significant litigation or arbitration matters during this reporting period.

VIII. Violating laws and regulations, punishments and rectifications of listed companies and their directors, supervisors, senior executives, controlling shareholders and actual controllers

☐ Applicable ☒ Not applicable

IX. Credit conditions of the Company and its controlling shareholder and actual controller during the reporting period

☐ Applicable ☒ Not applicable

X. Significant related transactions**(I) Related transactions in association with routine operation****1. Matters that have been disclosed in the interim announcement and have no progress or changes in subsequent implementation**

☐ Applicable ☒ Not applicable

2. Matters that have been disclosed in the interim announcement but have progress or changes in subsequent implementation

☐ Applicable ☒ Not applicable

3. Matters not disclosed in the interim announcement

☐ Applicable ☒ Not applicable

(II) Related transactions arising from the acquisition and sales of asset or equity**1. Matters that have been disclosed in the interim announcement and have no progress or changes in subsequent implementation**

☐ Applicable ☒ Not applicable

2. Matters that have been disclosed in the interim announcement but have progress or changes in subsequent implementation

☐ Applicable ☒ Not applicable

3. Matters not disclosed in the interim announcement

☐ Applicable ☒ Not applicable

4. In case of performance agreement, the performance during the reporting period shall be disclosed.

☐ Applicable ☒ Not applicable

(III) Significant related transactions for joint foreign investment**1. Matters that have been disclosed in the interim announcement and have no progress or changes in subsequent implementation**

☐ Applicable ☒ Not applicable

2. Matters that have been disclosed in the interim announcement but have progress or changes in subsequent implementation

☐ Applicable ☒ Not applicable

3. Matters not disclosed in the interim announcement

☐ Applicable ☒ Not applicable

(IV) Related credit and debt transaction**1. Matters that have been disclosed in the interim announcement and have no progress or changes in subsequent implementation**

☐ Applicable ☒ Not applicable

2. Matters that have been disclosed in the interim announcement but have progress or changes in subsequent implementation

☐ Applicable ☒ Not applicable

3. Matters not disclosed in the interim announcement

☐ Applicable ☒ Not applicable

(V) Financial transactions between the Company and related financial companies, holding financial companies of the Company, and related parties

☐ Applicable ☒ Not applicable

(VI) Other significant related transactions

☐ Applicable ☒ Not applicable

(VII) Others

☐ Applicable ☒ Not applicable

XI. Major contracts and performance thereof

(I) Trusteeship, contracting and leasing matters

☐ Applicable ☒ Not applicable

Significant guarantees fulfilled and not yet fulfilled during the reporting period

☐ Applicable ☒ Not applicable

(II) Other major contracts

☐ Applicable ☒ Not applicable

XII. Explanation on the progress of using the raised funds

☐Applicable ☐Not applicable

(I) Overall usage of raised funds

☒Applicable ☐Not applicable

Unit: RMB

Source of raised funds	Time for raising funds to be in place	Total amount of raised funds	Net funds raised after deducting issue expenses	Total amount of investment committed for raised fund	Total committed investment amount of raised funds after adjustment (1)	Accumulated total amount of raised funds invested as of the end of the reporting period (2)	Accumulated investment progress as of the end of the reporting period (%) (3)=(2)/(1)	Amount invested this year (4)	Proportion of amount invested this year (%) (5)=(4)/(1)
IPO	June 15, 2021	346,288,000.00	294,049,940.83	570,440,000.00	294,049,940.83	192,524,314.58	65.47	13,263,547.70	4.51
Others	June 13, 2023	749,344,798.72	711,817,284.31	-	-	-	-	-	-

Note: On June 13, 2023, the total amount of funds raised by the Company's GDR was USD 104,806,400, equivalent to RMB 749,344,798.72 (on June 13, 2023, the Foreign Exchange Trading Center of the People's Bank of China announced that the RMB central rate against the US dollar was RMB 7.1498). After deducting the issue expenses of RMB 37,527,514.41 (excluding tax), the net funds raised amounted to RMB 711,817,284.31. 50% or more of the net proceeds from the issuance of GDRs by the Company will be used to expand the core business of the Company, mainly for the production and capacity expansion of new energy equipment; approximately 30% of the net proceeds will be used to enhance the Company's global R&D capabilities and expand its overseas sales network; and the remaining proceeds will be used for additional working capital and general corporate purposes. During the reporting period, the funds raised through the GDR were not formally used.

(II) Details of investment projects with raised funds

☒Applicable ☐Not applicable

Unit: RMB

Project name	Nature of project	Whether it involves the	Source of raised funds	Time for raising funds to	Whether to use	Total committed investment	Total investment amount	Accumulated total amount	Accumulated investment	Date of bring the	Accepted or not	Is the investment progress	Specific reasons for not meeting	Whether benefits are realized	Realized benefits or R&D results of	Whether there is the	Amount of surplus and the
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		change in investme nt purpose		be in place	over- raise d fund s	ent amount of project raised funds	of raised funds after adjustm ent (1)	of raised funds invested as of the end of the reportin g period (2)	progress as of the end of the reportin g period (%) (3)= (2)/(1)	project to the intend ed conditi ons for use		ss in line with the planne d progre ss	the plan	during the reportin g period	the project	signifi cant chang e in the feasib ility of the projec t, if yes, please explai n the specif ic situati on.	reasons for its formatio n
PCB Vertic al Conti nuous Electr oplating Equip ment Expan sion (Phase I) Project	Produ ction constr uction	Inapplic able	IPO	June 15, 2021	No	303,980 ,000.00	150,000 ,000.00	104,791 ,762.42	69.86	2023- 6	Yes	Yes	Inapplic able	Yes	Put into productio n	Inappl icable	45,208, 237.58 (accepta nce)
Horiz	Produ	Inapplic	IPO	June 15,	No	116,760	90,000,	52,589,	58.43	2022-	Yes	Yes	Inapplic	Yes	Put into	Inappl	37,410,

ontal equip ment indust rializa tion constr uction projec t	ction constr uction	able		2021		,000.00	000.00	839.95		6			ble		productio n	icable	160.05 (accepta nce)
R & D center constr uction projec t	Resea rch and devel opme nt	Inapplic able	IPO	June 15, 2021	No	69,700, 000.00	54,049, 940.83	35,142, 712.21	65.02	2022- 6	Yes	Yes	Inapplica ble	Inapplic able	Inapplica ble	Inappl icable	18,907, 228.62 (accepta nce)
Reple nishing the worki ng fund	Reple nishm ent of worki ng capita l and repay ment of loans	Inapplic able	IPO	June 15, 2021	No	80,000, 000.00											
Total						570,440 ,000.00	294,049 ,940.83	192,524 ,314.58	65.47								

As of June 30, 2023, the Company's IPO fundraising project has been completed, the production line can stabilize production, meet the scheduled operating conditions, and have been settled.

(III) Changes in fundraising during the reporting period

☐ Applicable ☒ Not applicable

(IV) Other information on the use of raised funds during the reporting period**1. Up-front investment and displacement of the project in which the raised fund is invested**

☒Applicable ☐Not applicable

On July 5, 2021, the 16th Meeting of the First Board of Directors and the 15th meeting of the First Board of Supervisors of the Company examined and approved the Proposal on the Company's Use of Raised Funds to Replace Self-raised Funds for Pre-invested Investment Projects with Raised Funds, agreeing that the Company should use the raised funds of RMB 64,209,096.22 to replace the pre-invested investment projects with raised funds of RMB 57,095,700.00 and the self-raised funds that have paid for the issue expenses of RMB 7,113,396.22. This matter has been verified by ShineWing Certified Public Accountants (Special General Partnership) with the Verification Report on Pre-investment of Raised Funds Investment Project with Self-raised Funds of Kunshan Dongwei Technology Co., Ltd. (No. XYZH/2021GZAA70487). The independent directors and sponsor institutions have respectively issued independent opinions and verification opinions agreeing to the above matters. Due to the address change of the Company's "PCB Vertical Continuous Plating Equipment Expansion (Phase I) Project", the land transfer fee of RMB 12,000,060.00 previously paid has been returned to the Company's fundraising account in 2021. As of June 30, 2023, the Company has essentially replaced the previously invested funds of RMB 52,209,032.84.

2. The idle raised fund used to replenish the working fund temporarily

☐Applicable ☒Not applicable

3. Cash management of idle raised funds and investment in related products

☒Applicable ☐Not applicable

It held the 2nd meeting of the second Board of Directors and the 2nd meeting of the second Board of Supervisors on June 24, 2022, and deliberated and approved the Proposal on Using Temporarily Idle Raised Funds for Cash Management, and agreed that the Company intends to use the idle raised funds not exceeding RMB 150,000,000.00 (inclusive) for cash management to purchase financial products with high security, good liquidity and principal-guaranteed agreement. The

Company held the 13th meeting of the second Board of Directors and the 11th meeting of the second Board of Supervisors on June 16, 2023, and deliberated and approved the Proposal on Using Idle Own Funds for Cash Management, and agreed that the Company intends to use the idle raised funds not exceeding RMB 850,000,000.00 (inclusive) for cash management to purchase financial products with high security, good liquidity and principal-guaranteed agreement, and the use period shall be within 12 months from the date of approval by the Board of Directors. Within the aforesaid limit and term, funds may be used on a revolving basis.

As of June 30, 2023, the specific information on idle raised funds is as follows:

- 1、 From January 1, 2023 to April 30, 2023, the Company used a total of RMB 140,000,000 of idle IPO funds for financial management, and obtained a total of RMB 615,379.86 of financing income.
- 2、 The funds raised by the Company's GDRs were received on June 13, 2023. As of June 30, 2023, the Company has used RMB 350 million to purchase financial products.

4. Permanent replenishment of working capital or repayment of bank loans with over-raised funds

☐ Applicable ☒ Not applicable

5. Others

☐ Applicable ☒ Not applicable

XIII. Notes to other major events

☐ Applicable ☒ Not applicable

Section VII. Change in Shares and Shareholders

I. Changes in equity

(I) Table of Share Changes

1. Table of Share Changes

Unit: share

	Before this change		Increase (+) decrease (-) in current period					After this change	
	Quantity	Proportion (%)	Issuance of new shares	Bonus shares	Shares converted from reserves	Others	Sub-total	Quantity	Proportion (%)
I. Shares with restrictions on sales	57,852,290	39.30			27,769,099	-2,723,200	25,045,899	82,898,189	36.10
1. State holdings									
2. State-owned legal person holdings									
3. Shares held by other domestic funded enterprises	57,852,290	39.30			27,769,099	-2,723,200	25,045,899	82,898,189	36.10
Including: Shares held by domestic non-state legal person									
Shares held by domestic natural persons									
4) Shares held by foreign funded enterprises									
Including: Shares held by foreign legal persons									

Shares held by foreign natural persons									
II. Tradable shares with unrestricted conditions	89,347,710	60.70	11,776,000		42,886,901	2,723,200	57,386,101	146,733,811	63.90
1. RMB ordinary shares	89,347,710	60.70	11,776,000		42,886,901	2,723,200	57,386,101	146,733,811	63.90
2.Domestic listing foreign shares									
3. Overseas listing foreign shares									
4. Others									
C. Total number of shares	147,200,000	100.00	11,776,000		70,656,000	0	82,432,000	229,632,000	100.00

2. Description of changes in shares

√Applicable □Not applicable

(1). The issuance of GDR corresponded to 11,776,000 additional shares

On December 28, 2022, the Company deliberated and passed the proposal on the Company's issuance of GDRs and listing on the SIX Swiss Exchange and the conversion of the Company into an overseas stock company, the proposal on the Company's plan for the issuance of GDRs and listing on the SIX Swiss Exchange and other proposals related to the issuance of GDRs at the general meeting of the Company in 2022, and agreed to the issuance of GDRs and the listing on the SIX Swiss Exchange. The newly added A-shares of the underlying securities represented by the Company's GDR issuance at this time shall not exceed 11,776,000 shares, and shall not exceed 8% of the total ordinary shares of the Company prior to this issuance (not more than 11,776,000 shares according to the total share capital of the Company as of September 30, 2022). According to the Suggestive Announcement on the Listing and Change of the New Underlying A Shares Corresponding to the Issuance of GDRs (Announcement No. 2023-028) published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on June 9, 2023, the number of GDRs issued this time is 5,888,000, of which each GDR represents 2 additional A Shares of the Company, corresponding to 11,776,000 additional underlying A Shares.

(2). 70,656,000 shares of share capital transferred from the reserve funds

On April 28, 2023, the Company deliberated and approved the Proposal on the Annual Profit Distribution Plan and the Plan to Convert Capital Reserve into Share Capital in 2022 at the Meeting of Shareholders General Assembly of the Company in 2022, and agreed to convert 4.8 shares for every 10 shares to all shareholders from the capital reserve based on the total share capital on the registration date of the implementation of equity distribution. The equity distribution was implemented on May 18, 2023 (equity registration date). After the implementation, the total share capital of the Company was changed from 147,200,000 shares to 217,856,000 shares, an increase of 70,656,000 shares. The equity distribution was completed on May 18, 2023. For details, please see the Announcement on the Implementation Results of Annual Equity Distribution in 2022 and Share Offering of Kunshan Dongwei Technology Co., Ltd. (Announcement No.: 2023-021) disclosed by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on May 18, 2023.

(3). Strategic placement, listing and circulation of 2,723,200 shares

The restricted shares listed and circulated are the restricted shares of strategic placement in the Company's initial public offering, and are the restricted shares of strategic placement held by Essence Securities Investment Co., Ltd., a wholly-owned subsidiary of Essence Securities Co., Ltd. (hereinafter referred to as the "Sponsor Institution"). The number of shareholders with restricted shares is 1, corresponding to 2,723,200 shares (including shares increased through the conversion of capital reserve

during the restriction period), accounting for 1.25% of the total share capital of the Company. The restriction period of such shares shall be 24 months from the date of listing of the Company's shares. Now, the restriction period is about to expire and will be available for circulation from June 15, 2023. For details, please refer to the Announcement on Listing and Circulation of Restricted Shares of Strategic Placement in Initial Public Offering (Announcement No.: 2023-023) disclosed by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on June 7, 2023.

3. The impact of changes in shares between the reporting period and the disclosure date of the semi-annual report on earnings per share, net asset value per share and other financial indicators (if any)

☐ Applicable ☒ Not applicable

4. Other contents to be disclosed as the company thinks necessary or the securities regulatory institution required

☐ Applicable ☒ Not applicable

(II) Changed in restricted shares

☒ Applicable ☐ Not applicable

Unit: Shares

Name of shareholder	Number of restricted shares at the beginning of the period	Number of restricted shares unlocked during the reporting period	Number of restricted shares increased during the reporting period	Number of restricted shares at the end of the reporting period	Cause for restriction on sales	Date of unlocking of restriction on sales
Essence Securities Investment Co., Ltd.	1,840,000	2,723,200	883,200	0	Transferring capital reserve to share capital	June 15, 2023
Liu Jianbo	47,600,000	0	22,848,000	70,448,000	Transferring capital reserve to share capital	June 15, 2024
Kunshan Fangfang Yuanyuan Enterprise Management	6,472,290	0	3,106,699	9,578,989	Transferring capital reserve to share capital	June 15, 2024

Center (Limited partnership)						
Kunshan Jiayue Jiayue Enterprise Management Center (Limited partnership)	1,940,000	0	931,200	2,871,200	Transferring capital reserve to share capital	June 15, 2024
Total	57,852,290	2,723,200	27,769,099	82,898,189	/	/

II. Shareholder

(I) Total number of shareholders:

Total number of ordinary shareholders at the end of the reporting period (accounts)	12,996
Total number of preference shareholders (accounts) whose voting rights were recovered as of the end of the reporting period	0
Total number of shareholders holding special voting shares as of the end of the reporting period (accounts)	0

Number of holders of depositary receipts

☒Applicable ☐Not applicable

Total number of holders of depositary receipts as of the end of the reporting period (accounts)	1
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Citibank, National Association is the depositary for the Company's GDRs, and the underlying A-shares corresponding to the GDRs are registered in its name by law.

(II) The top ten shareholders and number of shares held by the top ten shareholders with unlimited sales at the end of the reporting period

Circumstances in which the top ten shareholders simultaneously hold shares through ordinary securities accounts and guaranteed securities account for customer credit transactions of securities companies

☐ Applicable ☒ Not applicable

Unit: share

Shareholding of the top 10 shareholders							
Name of	Increase	Number	Proportio	Number	Number of	Pledging,	Nature of

shareholder (Full Name)	or decrease during the reportin g period	of shares held at the end of the period	n (%)	of the held shares with the restriction s on sales	restricted shares including shares lent through refinancin g	marking or freezing		the shareholder s
						State of share s	Quantit y	
Liu Jianbo	0	70,448,000	30.68	70,448,000	70,448,000	None	0	Domestic natural person
Citibank, National Association	0	11,776,000	5.13	0	0	None	0	Overseas legal person
Xiao Zhiguo	0	10,567,065	4.60	0	0	None	0	Domestic natural person
Kunshan Fangfang Yuanyuan Enterprise Management Center (Limited partnership)	0	9,578,989	4.17	9,578,989	9,578,989	None	0	Others
Xie Yulong	0	8,176,599	3.56	0	0	None	0	Foreign natural persons
Li Yangzhao	0	7,895,007	3.44	0	0	None	0	Domestic natural person
Nie Xiaojian	0	5,924,453	2.58	0	0	None	0	Domestic natural person
Wei Yongjun	0	5,780,073	2.52	0	0	None	0	Domestic natural person
Bank of Communication s Co., Ltd. - HSBC Jintrust Low Carbon Pioneer Stock Securities Investment Fund	0	4,399,261	1.92	0	0	None	0	Others

Jiang Zejun	0	3,688,052	1.61	0	0	None	0	Domestic natural person
Shares held by top 10 shareholders without restriction on sales								
Name of shareholder	Number of tradable shares held in unrestricted conditions	Type and quantity of shares						
		Categories	Quantity					
Citibank, National Association	11,776,000	RMB ordinary shares	11,776,000					
Xiao Zhiguo	10,567,065	RMB ordinary shares	10,567,065					
Xie Yulong	8,176,599	RMB ordinary shares	8,176,599					
Li Yangzhao	7,895,007	RMB ordinary shares	7,895,007					
Nie Xiaojian	5,924,453	RMB ordinary shares	5,924,453					
Wei Yongjun	5,780,073	RMB ordinary shares	5,780,073					
Bank of Communications Co., Ltd. - HSBC Jintrust Low Carbon Pioneer Stock Securities Investment Fund	4,399,261	RMB ordinary shares	4,399,261					
Jiang Zejun	3,688,052	RMB ordinary shares	3,688,052					
Shi Guowei	3,134,909	RMB ordinary shares	3,134,909					
Chen Yijun	2,682,067	RMB ordinary shares	2,682,067					
Repurchase account among the top ten shareholders	Inapplicable							
Explanation of the above shareholders' entrusting, accepting and waiver of voting rights	Inapplicable							
Notes to relationship or concerted action of the above shareholders	Liu Jianbo holds 0.77% of the capital contribution of Fangfang Yuanyuan and serves as the executive partner. Liu Wei, the limited partner of Fangfang Yuanyuan, is the younger brother of Liu Jianbo's spouse, Liu Juan.							
Preferred shareholders and shareholdings with recovered voting rights	Inapplicable							

Shareholding Quantity and Restriction Conditions of the Top Ten Restricted Shareholders

√Applicable □Not applicable

Unit: share

SN	Name of Restricted Shareholder	Number of the held shares with the restrictions on sales	Tradable conditions of restricted shares		Restricted conditions
			Tradable time	Newly added tradable shares	
1	Liu Jianbo	70,448,000	June 15, 2024	0	Initial public offering of restricted shares
2	Kunshan Fangfang Yuanyuan Enterprise Management Center (Limited partnership)	9,578,989	June 15, 2024	0	Initial public offering of restricted shares
3	Kunshan Jiayue Jiayue Enterprise Management Center (Limited partnership)	2,871,200	June 15, 2024	0	Initial public offering of restricted shares
Notes to relationship or concerted action of the above shareholders		<p>Liu Jianbo holds 0.77% of the capital contribution of Fangfang Yuanyuan and serves as the executive partner. Liu Wei, the limited partner of Fangfang Yuanyuan, is the younger brother of Liu Jianbo's spouse, Liu Juan.</p> <p>Liu Jianbo holds 0.77% of the capital contribution of Jiayue Jiayue and serves as the executive partner. Liu Juan, the limited partner of Jiayue Jiayue, is Liu Jianbo's spouse.</p>			

Table of the top ten domestic depositary receipt holders of the Company as of the end of the reporting period

☐ Applicable ☒ Not applicable

Holding quantity and restriction conditions of the top ten holders of restricted depositary receipts

☐ Applicable ☒ Not applicable

(III) Table of top ten shareholders with voting rights as of the end of the reporting period

☒ Applicable ☐ Not applicable

Unit: share

SN	Name of shareholder	Amount of stocks held		Number of voting rights	Ratio of voting rights	Increase or decrease in voting rights	Restrictions on voting rights
		Ordinary shares	Special voting share				

						during the reporting period	
1	Liu Jianbo	70,448,000	0	70,448,000	30.68	0	0
2	Citibank, National Association	11,776,000	0	11,776,000	5.13	0	0
3	Xiao Zhiguo	10,567,065	0	10,567,065	4.6	0	0
4	Kunshan Fangfang Yuanyuan Enterprise Management Center (Limited partnership)	9,578,989	0	9,578,989	4.17	0	0
5	Xie Yulong	8,176,599	0	8,176,599	3.56	0	0
6	Li Yangzhao	7,895,007	0	7,895,007	3.44	0	0
7	Nie Xiaojian	5,924,453	0	5,924,453	2.58	0	0
8	Wei Yongjun	5,780,073	0	5,780,073	2.52	0	0
9	Bank of Communications Co., Ltd. - HSBC Jintrust Low Carbon Pioneer Stock Securities Investment Fund	4,399,261	0	4,399,261	1.92	0	0
10	Jiang Zejun	3,688,052	0	3,688,052	1.61	0	0
Total	/	138,233,499	0	138,233,499	60.21	/	/

(IV) Strategic investors or general legal persons become the top 10 shareholders due to the placement of new shares/DR

√Applicable □Not applicable

Name of strategic investors or general legal persons	Agreed starting date of shareholding	Agreed termination date of shareholding
Citibank, National Association	June 8, 2023	/
Explanation of the agreed shareholding period for strategic investors or general legal persons participating in the placement of new shares	On June 8, 2023, the newly added A-shares of domestic underlying securities corresponding to the GDRs issued this time were registered and deposited with CSDC Shanghai Branch, and the holder is Citibank, National Association, the depositary of the GDRs of the Company.	

III. Information on directors, supervisors, senior management, and core technical personnel**(I) Changes in shareholding of current and outgoing directors, supervisors, senior management, and core technical personnel during the reporting period**

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable

(II) Equity incentives granted to directors, supervisors, senior managers, and core technical personnel during the reporting period**1. Stock options**

☐ Applicable ☒ Not applicable

2. Class I restricted stock

☐ Applicable ☒ Not applicable

3. Class II restricted stock

☐ Applicable ☒ Not applicable

(III) Other notes

☐ Applicable ☒ Not applicable

IV. Changes in controlling shareholder or actual controller

☐ Applicable ☒ Not applicable

V. Implementation and changes in the arrangements related to depositary receipts during the reporting period

☒ Applicable ☐ Not applicable

In accordance with the Notice of Approval of the Initial Public Offering of Global Depositary Receipts and the Listing on the SIX Swiss Exchange of Kunshan Dongwei Technology Co., Ltd. (ZJXK [2023] No. 608) issued by the China Securities Regulatory Commission to the Company and the Decision on Kunshan Dongwei Technology Co., Ltd. issued by SIX Exchange Regulation AG, the Company completed the issuance of GDRs and was officially listed for trading on June 13, 2023. The details of the offering are as follows:

1 Basic information

Name of issuer: Kunshan Dongwei Technology Co., Ltd.

Full name of GDR Securities: Kunshan Dongwei Technology Co., Ltd. GDR

GDR Listing Code: KUDO

Overseas securities market of GDR issuance: SIX Swiss Exchange

2. Implementation process of this GDR issuance

(1) Internal decision-making procedures for this issuance

On December 12, 2022, the Company held the Seventh Meeting of the Second Board of Directors and the First Interim General Meeting of Shareholders in 2022 on December 28, 2022, and deliberated and passed the proposal on the Issuance of GDRs by the Company and listing on the SIX Swiss Exchange and conversion into an overseas public offering company and other proposals related to this public offering. The new A-shares of the underlying securities represented by the GDR will not exceed RMB 11,776,000.

(2) The situation and time of the approval of overseas regulatory authorities for this offering

On February 2, 2023, the Company obtained the conditional approval from SIX Exchange Regulation AG for the issuance of GDRs and listing on the SIX Swiss Exchange, and received the approval from the Prospectus Office of the SIX Exchange Regulation AG for the prospectus for this offering on June 7, 2023 and agreed that the Company will issue GDRs to be listed on the SIX Swiss Exchange in accordance with the Standards for Depositary Receipts of the SIX Swiss Exchange.

(3) Bookkeeping and filing time for this offering

The offering is being made to international markets. The Company launched the offering after the close of the market on June 7, 2023, and determined the GDR offering price, the offering results and other matters on the same night.

(4) Receipt time of funds

The date of receipt of the funds raised by the offering of GDRs is June 13, 2023.

(5) Listing time of securities in this offering

In accordance with the relevant rules of the SIX Swiss Exchange and international market practice, the GDRs in this offering were officially listed on the SIX Swiss Exchange on June 13, 2023 Swiss time.

VI. Special voting shares

☐ Applicable ☒ Not applicable

Section VIII. Relevant Conditions of Preference Shares

☐ Applicable ☒ Not applicable

Section IX. Bond-related information

I. Corporate bonds, corporate bonds and debt financing instruments of non-financial enterprises

☐ Applicable ☒ Not applicable

Convertible corporate bonds

☐ Applicable ☒ Not applicable

Section X. Bond-related information

I. Corporate bonds, corporate bonds and debt financing instruments of non-financial enterprises

☐ Applicable ☒ Not applicable

Convertible corporate bonds

☐ Applicable ☒ Not applicable

Section XI. Financial Report

I. Auditor's Report

☐ Applicable ☒ Not applicable

II. Financial statements

Consolidated Balance Sheet

June 30, 2023

Prepared by: Kunshan Dongwei Technology Co., Ltd.

Unit: yuan Currency: RMB

Item	Notes	June 30, 2023	December 31, 2022
Current assets:			
Cash and bank balance	VII.1	493,814,015.50	169,409,084.36
Provision of settlement fund			
Lendings to Banks and Other Financial Institutions			
Held-for-trading financial assets	VII.2	493,173,125.01	212,382,756.11
Financial derivative assets			
Notes receivable	VII.4	59,809,562.52	60,955,950.86
Accounts receivable	VII.5	606,135,210.62	555,556,435.73
Receivables financing	VII.6	5,516,535.28	14,283,281.00
Prepayments	VII.7	15,004,521.98	21,954,214.26
Premiums receivable			
Cession premiums receivable			
Provision of cession receivable			
Other receivables	VII.8	4,862,067.70	5,172,335.82
Including: Interests receivable			
Dividends receivable			
Redemptory monetary capital for sale			
Inventory	VII.9	389,138,535.63	374,094,322.11
Contract assets	VII.10	48,578,339.75	33,225,303.11
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	VII.13	606,057.64	180,982.75
Total non-current assets		2,116,637,971.63	1,447,214,666.11
Non-current assets:			
Loans and advances			
Debt investment			
Other debt investment			
Long-term accounts receivable			
Long-term equity investment			
Other equity instruments investment			
Other non-current financial assets			
Investment property			

Fixed assets	VII.21	228,141,632.72	153,899,861.62
Construction in progress	VII.22	38,224,659.21	63,696,092.71
Bearer biological assets			
Oil and natural gas assets			
Right-of-use asset	VII.25	6,489,963.89	8,119,614.60
Intangible assets	VII.26	73,395,773.14	72,214,802.53
R&D expenditure			
Goodwill			
Long-term deferred expenses	VII.29	2,461,118.04	2,658,284.10
Deferred tax assets	VII.30	20,106,282.77	19,521,719.68
Other non-current assets	VII.31	1,456,430.00	1,933,122.84
Total non-current assets		370,275,859.77	322,043,498.08
Total assets		2,486,913,831.40	1,769,258,164.19
Current liabilities:			
Short-term borrowings			
Borrowings from the Central Bank			
Borrowings from Banks and Other Financial Institutions			
Held-for-trading financial liabilities			
Financial derivative liabilities			
Notes payable	VII.35	154,028,183.19	138,124,818.71
Accounts payable	VII.36	232,460,305.66	248,006,672.76
Advances from customers			
Contract liabilities	VII.38	245,040,803.66	262,406,417.36
Financial Assets Sold for Repurchase			
Deposits from customers and interbank			
Funds received as agent of stock exchange			
Funds received as securities underwriting			
Employee benefits payable	VII.39	34,822,529.24	41,446,227.57
Taxes payable	VII.40	16,968,583.34	15,282,071.43
Other payables	VII.41	2,526,895.42	3,766,280.35
Including: Interests payable			
Dividends payable			
Handling charges and commissions payable			
Cession insurance premiums payable			
Held-for-sale liabilities			
Non-current liabilities due within one year	VII.43	3,082,292.10	3,101,782.04
Other current liabilities	VII.44	56,913,160.90	73,703,026.31
Total of current liabilities		745,842,753.51	785,837,296.53
Non-current liability:			
Provision for insurance contracts			
Long term borrowings			
Bonds payable			
Including: Preferred stock			

Perpetual bond			
Lease liability	VII.47	3,972,496.97	5,120,025.20
Long-term accounts payable			
Long-term employee benefits payable			
Estimated liabilities	VII.50	39,233,410.16	38,290,734.17
Deferred income	VII.51	7,500,000.00	
Deferred tax liabilities	VII.52	3,137,276.29	2,054,177.69
Other non-current liabilities			
Total of non-current liabilities		53,843,183.42	45,464,937.06
Total Liabilities		799,685,936.93	831,302,233.60
Owner's equity (or shareholders' equity):			
Paid-up capital (or equity)	VII.53	229,632,000.00	147,200,000.00
Other equity instruments			
Including: Preferred stock			
Perpetual bond			
Capital reserve	VII.55	979,691,675.12	350,306,390.81
Less: Treasury stock			
Other comprehensive income			
Special reserves			
Surplus reserve	VII.59	44,596,074.38	38,262,560.14
Provision for normal risks			
Retained earnings	VII.60	433,308,144.97	402,186,979.64
Total Owners' (Shareholders') Equity Attributable to Holding Company		1,687,227,894.47	937,955,930.59
Minority interests			
Total owner's equity (or shareholders' equity)		1,687,227,894.47	937,955,930.59
Total liabilities and owner's equity (or shareholders' equity)		2,486,913,831.40	1,769,258,164.19

Person in charge of the company: Liu Jianbo Chief accountant officer: Zhou Xiangrong Person in charge of accounts: Zhang Zuqing

Parent Company Balance Sheet

June 30, 2023

Prepared by: Kunshan Dongwei Technology Co., Ltd.

Unit: yuan Currency: RMB

Item	Notes	June 30, 2023	December 31, 2022
Current assets:			
Cash and bank balance		414,706,562.70	115,712,869.09
Held-for-trading financial assets		493,173,125.01	192,192,633.33
Financial derivative assets			
Notes receivable		53,051,551.03	53,904,466.64
Accounts receivable	XVII.1	583,117,844.57	534,478,456.99
Receivables financing		3,996,917.78	11,295,997.42
Prepayments		12,308,991.11	20,438,906.59
Other receivables	XVII.2	3,425,442.16	4,135,213.06

Including: Interests receivable			
Dividends receivable			
Inventory		261,624,241.54	242,521,439.57
Contract assets		48,578,339.75	33,225,303.11
Held-for-sale assets			
Non-current assets due within one year			
Other current assets			
Total non-current assets		1,873,983,015.65	1,207,905,285.80
Non-current assets:			
Debt investment			
Other debt investment			
Long-term accounts receivable			
Long-term equity investment	XVII.3	262,000,000.00	211,500,000.00
Other equity instruments investment			
Other non-current financial assets			
Investment property			
Fixed assets		97,696,275.23	99,259,008.17
Construction in progress		13,520,167.09	423,489.63
Bearer biological assets			
Oil and natural gas assets			
Right-of-use asset		960,023.63	1,483,672.86
Intangible assets		10,556,937.30	8,696,492.53
R&D expenditure			
Goodwill			
Long-term deferred expenses		1,177,525.60	1,433,068.51
Deferred tax assets		17,210,540.06	15,492,882.46
Other non-current assets		182,640.00	407,997.91
Total non-current assets		403,304,108.91	338,696,612.07
Total assets		2,277,287,124.56	1,546,601,897.87
Current liabilities:			
Short-term borrowings			
Held-for-trading financial liabilities			
Financial derivative liabilities			
Notes payable		154,028,183.19	133,274,818.71
Accounts payable		309,992,193.44	257,509,638.01
Advances from customers			
Contract liabilities		224,618,861.12	254,685,592.75
Employee benefits payable		19,049,333.32	24,582,429.15
Taxes payable		8,863,912.67	10,653,327.75
Other payables		2,003,132.28	2,102,307.46
Including: Interests payable			
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		983,924.75	1,051,036.18
Other current liabilities		53,519,432.61	70,089,230.90
Total of current liabilities		773,058,973.38	753,948,380.91
Non-current liability:			
Long term borrowings			

Bonds payable			
Including: Preferred stock			
Perpetual bond			
Lease liability		366,072.51	452,375.05
Long-term accounts payable			
Long-term employee benefits payable			
Estimated liabilities		37,127,708.74	35,440,688.20
Deferred income			
Deferred tax liabilities		287,960.48	698,470.93
Other non-current liabilities			
Total of non-current liabilities		37,781,741.73	36,591,534.18
Total Liabilities		810,840,715.11	790,539,915.08
Owner's equity (or shareholders' equity):			
Paid-up capital (or equity)		229,632,000.00	147,200,000.00
Other equity instruments			
Including: Preferred stock			
Perpetual bond			
Capital reserve		979,691,675.12	350,306,390.81
Less: Treasury stock			
Other comprehensive income			
Special reserves			
Surplus reserve		44,596,074.38	38,262,560.14
Retained earnings		212,526,659.95	220,293,031.84
Total owner's equity (or shareholders' equity)		1,466,446,409.45	756,061,982.79
Total liabilities and owner's equity (or shareholders' equity)		2,277,287,124.56	1,546,601,897.87

Person in charge of the company: Liu Jianbo Chief accountant officer: Zhou Xiangrong Person in charge of accounts: Zhang Zuqing

Consolidated Income Statement

From Jan. 2023 to Jun. 2023

Unit: yuan Currency: RMB

Item	Notes	Semi-annual 2023	Semi-annual 2022
I. Total operating income		498,889,634.11	411,770,546.08
Including: Operating income	VII.61	498,889,634.11	411,770,546.08
Interest income			
Insurance premiums earned			
Fee and commission income			
II. Total operating cost		381,856,252.16	313,474,660.11
Including: Operating costs	VII.61	282,735,708.15	231,922,052.91
Interest expenses			
Handling charges and commissions expenses			
Loan Value			
Net payments for insurance claims			
Net Appropriation of Deposit			

for Duty			
Commissions on insurance policies			
Cession charges			
Tax and surcharge	VII.62	3,777,234.40	3,171,771.65
Selling and distribution expenses	VII.63	36,554,718.11	29,079,303.31
General and administrative expenses	VII.64	25,676,269.65	19,241,922.61
R & D expenses	VII.65	39,412,538.21	30,118,638.74
Financial expenses	VII.66	-6,300,216.36	-59,029.11
Including: Interest expense		174,475.05	
Interest income		757,728.90	1,037,458.50
Add: Other income	VII.67	7,137,679.53	8,642,479.49
Investment income (loss expressed with "-")	VII.68	1,535,128.28	2,067,752.27
Including: Investment income from associated enterprises and joint ventures			
Derecognized revenue from financial assets measured at amortized cost (loss expressed with "-")			
Gain on foreign exchange transactions (loss expressed with "-")			
Net exposure hedging gains (losses expressed with "-")			
Gain or loss from changes in fair values (loss expressed with "-")	VII.70	1,383,541.69	2,561,225.10
Loss from credit impairment (loss expressed with "-")	VII.71	-8,517,530.86	-1,906,606.53
Loss from assets impairment (loss expressed with "-")	VII.72	-3,125,466.12	-3,523,879.73
Gain on disposal of assets (loss expressed with "-")	VII.73	-2,279.23	436,966.72
III. Operating profit (loss expressed with "-")		115,444,455.24	106,573,823.29
Add: Non-operating income	VII.74	900.00	800
Less: non-operating expenditure	VII.75	32,429.26	398,534.00
IV. Total profit (total loss expressed with "-")		115,412,925.98	106,176,089.29
Less: income tax expense	VII.76	13,190,246.41	13,052,248.67
V. Net profit (net loss expressed with "-")		102,222,679.57	93,123,840.62
(I) Classification by the continuity of operation			
1. Net profit from continuing operations (net loss expressed with "-")		102,222,679.57	93,123,840.62
2. Net profit from discontinued operations (net loss expressed with "-")			
(II) Classification by ownership attribution			
1. Net profit attributed to shareholders of parent company (net loss expressed with "-")		102,222,679.57	93,123,840.62
2. Minority interests (net loss			

expressed with "-")			
VI. After-tax net income of other comprehensive incomes			
(I) After-tax net income of other comprehensive incomes attributable to owners of parent company			
1. Other comprehensive income which cannot be reclassified into profit or loss			
(1) Re-measure changes in defined benefit plans			
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method			
(3) Changes in fair value of other equity instruments investment			
(4) Changes in fair value of the company's own credit risk			
2. Other comprehensive income which can be reclassified into profit or loss			
(1) Other comprehensive income that can be transferred to profit or loss under the equity method			
(2) Changes in fair value of other debt investments			
(3) Amount of financial assets reclassified into other comprehensive income			
(4). Provision for credit impairment of other debt investments			
(5) Cash flow hedge reserve			
(6) Translation difference in foreign currency financial statements			
(7) Others			
(II) After-tax net income of other comprehensive incomes attributable to minority shareholders			
VII. Total comprehensive income		102,222,679.57	93,123,840.62
(I) Total comprehensive income attributable to owners of parent company		102,222,679.57	93,123,840.62
(II) Total comprehensive income attributable to minority shareholders			
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/Share)		0.64	0.63
(II) Diluted earnings per share (RMB/Share)		0.64	0.63

In case of business merger under the same control in the current period, the net profit realized by the merged party before the merger is: RMB 0, and the net profit realized by the merged party in the previous period is: RMB 0.00.

Person in charge of the company: Liu Jianbo Chief accountant officer: Zhou Xiangrong Person in charge of accounts: Zhang Zuqing

Parent Company Income Statement

From Jan. 2023 to Jun. 2023

Unit: yuan Currency: RMB

Item	Notes	Semi-annual 2023	Semi-annual 2022
I. Operating income	XVII.4	496,451,801.17	393,551,430.36
Less: Operating costs	XVII.4	328,514,963.46	251,201,781.39
Tax and surcharge		1,875,441.01	1,204,837.98
Selling and distribution expenses		35,696,795.55	28,246,053.08
General and administrative expenses		33,524,141.35	30,996,876.43
R & D expenses		29,965,161.83	19,704,386.45
Financial expenses		-6,220,857.78	147,199.91
Including: Interest expense		29,622.29	
Interest income		392,478.54	822,745.00
Add: Other income		4,855,279.53	5,587,058.15
Investment income (loss expressed with "-")	XVII.5	1,298,527.78	1,723,907.97
Including: Investment income from associated enterprises and joint ventures			
Derecognized revenue from financial assets measured at amortized cost (loss expressed with "-")			
Net exposure hedging gains (losses expressed with "-")			
Gain or loss from changes in fair values (loss expressed with "-")		1,383,541.69	1,947,660.79
Loss from credit impairment (loss expressed with "-")		-8,209,602.66	-3,506,402.49
Loss from assets impairment (loss expressed with "-")		-3,089,266.09	-2,928,747.89
Gain on disposal of assets (loss expressed with "-")		3,551.70	590.96
II. Operating profit (loss expressed with "-")		69,338,187.70	64,874,362.61
Add: Non-operating income		900.00	800
Less: non-operating expenditure		28,745.58	307,083.43
III. Total profit (loss expressed with "-")		69,310,342.12	64,568,079.18
Less: income tax expense		5,975,199.77	7,320,685.50
IV. Net profit (net loss expressed with "-")		63,335,142.35	57,247,393.68
(I) Net profit from continuing operations (net loss expressed with "-")		63,335,142.35	57,247,393.68
(II) Net profit from discontinued operations (net loss expressed with "-")			
V. After-tax net income of other comprehensive incomes			
(I) Other comprehensive income which cannot be reclassified into profit or loss			

1. Re-measure changes in defined benefit plans			
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method			
3. Changes in fair value of other equity instruments investment			
4. Changes in fair value of the company's own credit risk			
(II) Other comprehensive income which can be reclassified into profit or loss			
1. Other comprehensive income that can be transferred to profit or loss under the equity method			
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedge reserve			
6. Translation difference in foreign currency financial statements			
7. Others			
VI. Total comprehensive income		63,335,142.35	57,247,393.68
VII. Earnings per share:			
(I) Basic earnings per share (RMB/Share)			
(II) Diluted earnings per share (RMB/Share)			

Person in charge of the company: Liu Jianbo Chief accountant officer: Zhou Xiangrong Person in charge of accounts: Zhang Zuqing

Consolidated Cash Flow Statement

From Jan. 2023 to Jun. 2023

Unit: yuan Currency: RMB

Item	Notes	Semi-annual 2023	Semi-annual 2022
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		373,801,901.08	301,903,762.17
Net increase from customer deposits and interbank deposits			
Net increase from borrowings from the central bank			
Net increase in funds borrowed from other financial institutions			
Cashed received from original insurance contract premiums			
Net cash received from re-guarantee business			
Net increase from insured			

deposits and investments			
Cash from collection of interest, charges and commissions			
Net increase in deposit funds			
Net increase in capital for repurchase			
Net cash received from acting sale of securities			
Refund of tax and levies		4,567,279.02	6,101,518.92
Other cash received relating to operating activities	VII.78	13,418,591.18	6,014,070.54
Sub-total of cash inflow from operating activities		391,787,771.28	314,019,351.63
Cash paid for goods and services		208,140,083.77	203,696,751.38
Net increase in client loans and advances			
Net increase in central bank deposits and interbank deposits			
Cash paid for compensation for original insurance contract			
Net increase in lendings to banks and other financial institutions			
Cash paid for interest, charges and commissions			
Cash paid for policy dividend			
Cash paid to and on behalf of employees		113,788,765.87	95,406,491.69
Cash paid for taxes and surcharges		37,873,043.58	36,167,190.79
Other cash paid relating to operating activities	VII.78	29,372,960.43	19,194,656.94
Sub-total of cash outflow from operating activities		389,174,853.65	354,465,090.80
Net cash flow from operating activities		2,612,917.63	-40,445,739.17
II. Cash flows generated by investment activities:			
Cash received from return of investments		477,932,736.12	529,063,833.33
Cash received from investment income		4,195,564.95	4,232,483.99
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		7,500.00	232,412.00
Net cash received from disposal of subsidiaries and other business entities			
Other cash received relating to investment activities	VII.78		2,320,000.00
Sub-total of cash inflow from investment activities		482,135,801.07	535,848,729.32
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		55,059,165.87	44,124,873.18
Cash paid for investment		760,000,000.00	445,671,694.44
Net increase in loans pledged			

Net cash paid for the acquisition of subsidiaries and other business entities			
Other cash paid relating to investment activities	VII.78		
Sub-total of cash outflow from investment activities		815,059,165.87	489,796,567.62
Net Cash Flows from Investing Activities		-332,923,364.80	46,052,161.70
III. Cash flows generated by financing activities:			
Cash received from investment absorption		726,750,007.91	
Including: Cash received by subsidiaries from minority shareholders			
Cash received from borrowings			
Other cash received relating to financing activities	VII.78		
Sub-total of cash inflow from financing activities		726,750,007.91	
Cash paid for debt repayment			
Cash paid for distribution of dividends and profits or payment of interest		64,768,000.00	44,111,414.82
Including: dividends and profit paid by subsidiaries for minority shareholders,			
Other cash paid relating to financing activities	VII.78	11,488,225.26	
Sub-total of cash outflow from financing activities		76,256,225.26	44,111,414.82
Net Cash Flows from Financing Activities		650,493,782.65	-44,111,414.82
IV. Impact of exchange rate changes on cash and cash equivalents		4,221,595.66	230,101.23
V. Net increase in cash and cash equivalents	VII.79	324,404,931.14	-38,274,891.06
Add: Cash and cash equivalents at the beginning of the period	VII.79	169,409,084.36	190,931,836.86
VI. Balance of cash and cash equivalents at ending of period	VII.79	493,814,015.50	152,656,945.80

Person in charge of the company: Liu Jianbo Chief accountant officer: Zhou Xiangrong Person in charge of accounts: Zhang Zuqing

Parent Company Cash Flow Statement

From Jan. 2023 to Jun. 2023

Unit: yuan Currency: RMB

Item	Notes	Semi-annual 2023	Semi-annual 2022
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		349,548,366.30	292,166,737.71

Refund of tax and levies		4,505,713.53	6,101,518.92
Other cash received relating to operating activities		3,245,002.47	2,660,018.65
Sub-total of cash inflow from operating activities		357,299,082.30	300,928,275.28
Cash paid for goods and services		230,667,229.33	246,812,134.17
Cash paid to and on behalf of employees		68,535,515.70	51,808,795.48
Cash paid for taxes and surcharges		24,310,971.77	21,038,995.82
Other cash paid relating to operating activities		23,411,016.64	12,775,199.28
Sub-total of cash outflow from operating activities		346,924,733.44	332,435,124.75
Net cash flow from operating activities		10,374,348.86	-31,506,849.47
II. Cash flows generated by investment activities:			
Cash received from return of investments		357,932,736.12	439,063,833.33
Cash received from investment income		3,768,841.67	3,651,826.45
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		7,500.00	42,412.00
Net cash received from disposal of subsidiaries and other business entities			
Other cash received relating to investment activities			
Sub-total of cash inflow from investment activities		361,709,077.79	442,758,071.78
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		18,146,146.91	14,569,353.18
Cash paid for investment		710,500,000.00	321,171,694.44
Net cash paid for the acquisition of subsidiaries and other business entities			
Other cash paid relating to investment activities			
Sub-total of cash outflow from investment activities		728,646,146.91	335,741,047.62
Net Cash Flows from Investing Activities		-366,937,069.12	107,017,024.16
III. Cash flows generated by financing activities:			
Cash received from investment absorption		726,750,007.91	
Cash received from borrowings			
Other cash received relating to financing activities			
Sub-total of cash inflow from financing activities		726,750,007.91	
Cash paid for debt repayment			

Cash paid for distribution of dividends and profits or payment of interest		64,768,000.00	44,111,414.82
Other cash paid relating to financing activities		10,449,532.66	20,000,000.00
Sub-total of cash outflow from financing activities		75,217,532.66	64,111,414.82
Net Cash Flows from Financing Activities		651,532,475.25	-64,111,414.82
IV. Impact of exchange rate changes on cash and cash equivalents		4,023,938.62	230,101.23
V. Net increase in cash and cash equivalents		298,993,693.61	11,628,861.10
Add: Cash and cash equivalents at the beginning of the period		115,712,869.09	130,727,156.89
VI. Balance of cash and cash equivalents at ending of period		414,706,562.70	142,356,017.99

Person in charge of the company: Liu Jianbo Chief accountant officer: Zhou Xiangrong Person in charge of accounts: Zhang Zuqing

Consolidated Statement of Changes in Equity

From Jan. 2023 to Jun. 2023

Unit: yuan Currency: RMB

Item	Semi-annual 2023													
	Owners' Equity Attributable to Holding Company													Minority interests
	Paid-up capital (or equity)	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserve	Provision for normal risks	Retained earnings	Others	Sub-total	
		Preferred stock	Perpetual bond	Others										
I. Closing balance of prior year	147,200,000.00				350,306,390.81				38,262,560.14		402,186,979.64		937,955,930.59	
Add: Change in accounting policies														
Correction of prior errors														
Combination of enterprises under the same control														
Others														
II. Opening balance of current year	147,200,000.00				350,306,390.81				38,262,560.14		402,186,979.64		937,955,930.59	
III. Amount of increase or decrease in current period (decrease expressed with "-")	82,432,000.00				629,385,284.31				6,333,514.24		31,121,165.33		749,271,963.88	
(I) Total comprehensive income											102,222,679.57		102,222,679.57	
(II) Capital contribution and reduction from owners	11,776,000.00				700,041,284.31								711,817,284.31	
1. Ordinary shares invested by the	11,776,000.00				700,041,284.31								711,817,284.31	

owner															
2. Capital contribution from holders of other equity instruments															
3. Amount of share-based payment added to owners' equity															
4. Others															
(III) Profit distribution								6,333,514.24		-71,101,514.24		-64,768,000.00			
1. Appropriation of surplus reserves								6,333,514.24		-6,333,514.24					
2. Appropriation of general risk provision															
3. Distribution to owners (shareholders)										-64,768,000.00		-64,768,000.00			
4. Others															
(IV) Internal carry-forward of shareholders' equity	70,656,000.00				-70,656,000.00										
1. Capital reserve transferred to paid-in capital (or equity)	70,656,000.00				-70,656,000.00										
2. Surplus reserve transferred to paid-in capital (or equity)															
3. Surplus reserve for making up losses															
4. Carry-over retained earnings for changes in defined benefit															

plan															
5. Carry-over retained earnings for other comprehensive income															
6. Others															
(V) Special reserve															
1. Appropriation in current period															
2. Used in current period															
(VI) Others															
IV. Closing balance of current period	229,632,000.00					979,691,675.12				44,596,074.38		433,308,144.97		1,687,227,894.47	1,

Item	Semi-annual 2022														
	Owners' Equity Attributable to Holding Company													Minorit y interest s	Total owners', equity
	Paid-up capital (or equity)	Other equity instruments			Capital reserve	Less: Treasur y stock	Other comprehensi ve income	Specia l reserv es	Surplus reserve	Provisio n for normal risks	Retained earnings	Other s	Sub-total		
Preferre d stock		Perpetu al bond	Other s												
I. Closing balance of prior year	147,200,000. 00				350,306,390. 81				25,162,798. 49		246,129,477. 71		768,798,667. 01		768,798,667. 01
Add: Change in accounting policies															
Correction of prior errors															
Combinati on of enterprises under the same control															
Others															

II. Opening balance of current year	147,200,000.00				350,306,390.81				25,162,798.49		246,129,477.71		768,798,667.01		768,798,667.01
III. Amount of increase or decrease in current period (decrease expressed with “-”)									5,724,739.37		43,239,101.25		48,963,840.62		48,963,840.62
(I) Total comprehensive income											93,123,840.62		93,123,840.62		93,123,840.62
(II) Capital contribution and reduction from owners															
1. Ordinary shares invested by the owner															
2. Capital contribution from holders of other equity instruments															
3. Amount of share-based payment added to owners' equity															
4. Others															
(III) Profit distribution									5,724,739.37		-49,884,739.37		-44,160,000.00		-44,160,000.00
1. Appropriation of surplus reserves									5,724,739.37		-5,724,739.37		0.00		
2. Appropriation of general risk provision															

3. Distribution to owners (shareholders)											-44,160,000.00		-44,160,000.00		-44,160,000.00
4. Others															
(IV) Internal carry-forward of shareholders' equity															
1. Capital reserve transferred to paid-in capital (or equity)															
2. Surplus reserve transferred to paid-in capital (or equity)															
3. Surplus reserve for making up losses															
4. Carry-over retained earnings for changes in defined benefit plan															
5. Carry-over retained earnings for other comprehensive income															
6. Others															
(V) Special reserve															
1. Appropriation in current period															

2. Used in current period														
(VI) Others														
IV. Closing balance of current period	147,200,000.00				350,306,390.81				30,887,537.86		289,368,578.96		817,762,507.63	817,762,507.63

Person in charge of the company: Liu Jianbo Chief accountant officer: Zhou Xiangrong Person in charge of accounts: Zhang Zuqing

Parent Company Statement of Changes in Equity

From Jan. 2023 to Jun. 2023

Unit: yuan Currency: RMB

Item	Semi-annual 2023										
	Paid-up capital (or equity)	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserve	Retained earnings	Total owners' equity
		Preferred stock	Perpetual bond	Others							
I. Closing balance of prior year	147,200,000.00				350,306,390.81				38,262,560.14	220,293,031.84	756,061,982.79
Add: Change in accounting policies											
Correction of prior errors											
Others											
II. Opening balance of current year	147,200,000.00				350,306,390.81				38,262,560.14	220,293,031.84	756,061,982.79
III. Amount of increase or decrease in current period (decrease expressed with “-”)	82,432,000.00				629,385,284.31				6,333,514.24	-7,766,371.89	710,384,426.66
(I) Total comprehensive income										63,335,142.35	63,335,142.35
(II) Capital contribution and reduction from owners	11,776,000.00				700,041,284.31						711,817,284.31

1. Ordinary shares invested by the owner	11,776,000.00				700,041,284.31						711,817,284.31
2. Capital contribution from holders of other equity instruments											
3. Amount of share-based payment added to owners' equity											
4. Others											
(III) Profit distribution								6,333,514.24	-71,101,514.24		-64,768,000.00
1. Appropriation of surplus reserves								6,333,514.24	-6,333,514.24		
2. Distribution to owners (shareholders)									-64,768,000.00		-64,768,000.00
3. Others											
(IV) Internal carry-forward of shareholders' equity	70,656,000.00				-70,656,000.00						
1. Capital reserve transferred to paid-in capital (or equity)	70,656,000.00				-70,656,000.00						
2. Surplus reserve transferred to paid-in capital (or equity)											
3. Surplus reserve for making up losses											
4. Carry-over retained earnings for changes in defined benefit plan											
5. Carry-over											

retained earnings for other comprehensive income											
6. Others											
(V) Special reserve											
1. Appropriation in current period											
2. Used in current period											
(VI) Others											
IV. Closing balance of current period	229,632,000.00				979,691,675.12			44,596,074.38	212,526,659.95	1,466,446,409.45	

Item	Semi-annual 2022										
	Paid-up capital (or equity)	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserve	Retained earnings	Total owners' equity
		Preferred stock	Perpetual bond	Others							
I. Closing balance of prior year	147,200,000.00				350,306,390.81				25,162,798.49	146,555,177.04	669,224,366.34
Add: Change in accounting policies											
Correction of prior errors											
Others											
II. Opening balance of current year	147,200,000.00				350,306,390.81				25,162,798.49	146,555,177.04	669,224,366.34
III. Amount of increase or decrease in current period (decrease expressed with "-")									5,724,739.37	7,362,654.31	13,087,393.68
(I) Total comprehensive income										57,247,393.68	57,247,393.68
(II) Capital contribution and reduction from owners											
1. Ordinary shares invested by the owner											
2. Capital contribution from holders of other equity instruments											
3. Amount of share-based											

payment added to owners' equity											
4. Others											
(III) Profit distribution								5,724,739.37	-49,884,739.37	-44,160,000.00	
1. Appropriation of surplus reserves								5,724,739.37	-5,724,739.37		
2. Distribution to owners (shareholders)									-44,160,000.00	-44,160,000.00	
3. Others											
(IV) Internal carry-forward of shareholders' equity											
1. Capital reserve transferred to paid-in capital (or equity)											
2. Surplus reserve transferred to paid-in capital (or equity)											
3. Surplus reserve for making up losses											
4. Carry-over retained earnings for changes in defined benefit plan											
5. Carry-over retained earnings for other comprehensive income											
6. Others											
(V) Special reserve											
1. Appropriation in current period											
2. Used in current period											
(VI) Others											
IV. Closing balance of current period	147,200,000.00				350,306,390.81			30,887,537.86	153,917,831.35	682,311,760.02	

Person in charge of the company: Liu Jianbo Chief accountant officer: Zhou Xiangrong Person in charge of accounts: Zhang Zuqing

III. Basic information of the Company

1. Company Overview

☒Applicable ☐Not applicable

Kunshan Dongwei Technology Co., Ltd. (hereinafter referred to as the "Company", "the Company" or "Dongwei Technology"), formerly known as Kunshan Dongwei Machinery Co., Ltd., obtained the "Enterprise Legal Person Business License *registration number 3205832114100) issued by Suzhou Kunshan Administration for Industry and Commerce on December 29, 2005. The registration number is 3205832114100. The company's registered capital is RMB 500,000.00, of which Liu Jianbo contributed RMB 265,000.00, accounting for 53.00%, Jiang Zejun contributed RMB 37,500.00, accounting for 7.50%, Chen Shihua contributed RMB 30,000.00, accounting for 6.00%, Li Yangzhao contributed RMB 30,000.00, accounting for 6.00%, Cheng Yipeng contributed RMB 30,000.00, accounting for 6.00%, Wei Yongjun contributed RMB 25,000.00, accounting for 5.00%. Li Saiping contributed RMB 22,500.00, accounting for 4.50%, Nie Xiaojian contributed RMB 20,000.00, accounting for 4.00%, Dong Wenze contributed RMB 15,000.00, accounting for 3.00%, Li Yinggao contributed RMB 15,000.00, accounting for 3.00%, and Li Xinggen contributed RMB 10,000.00, accounting for 2.00%.

According to the resolution of the Company's shareholders assembly on June 19, 2006, Liu Jianbo transferred its 3.00% equity of the Company to Chen Yijun. The equity transfer was registered with the industrial and commercial authorities on July 5, 2006.

According to the resolution of the Shareholders General Assembly on January 30, 2007, the company name was changed to "Kunshan Dongwei Electroplating Equipment Technology Co., Ltd.". The name change was registered with the industrial and commercial authorities on February 9, 2007.

According to the resolution of the Company's shareholders assembly on July 13, 2007, Dong Wenze transferred its 3.00% equity of the Company to Dai Hongyan. The equity transfer was registered with the industrial and commercial authorities on July 30, 2007.

According to the resolution of the Company's shareholders assembly on August 8, 2007, Li Saiping transferred its 4.50% equity of the Company to Liu Jianbo, Jiang Zejun, Chen Shihua, Li Yangzhao, Cheng Yipeng, Wei Yongjun, Nie Xiaojian, Dai Hongyan, Li Yinggao, Chen Yijun and Li Xinggen. After the equity transfer, Liu Jianbo contributed RMB 261,780.00, accounting for 52.37%, Jiang Zejun contributed RMB 39,267.00, accounting for 7.85%, Chen Shihua contributed RMB 31,413.50, accounting for 6.28%, Li Yangzhao contributed RMB 31,413.50, accounting for 6.28%, Cheng Yipeng contributed RMB 31,413.50, accounting for 6.28%, Wei Yongjun contributed RMB 26,178.00, accounting for 5.24%, Nie Xiaojian contributed RMB 20,942.50, accounting for 4.19%, Dai Hongyan contributed RMB 15,707.00, accounting for 3.14%, Li Yinggao contributed RMB 15,707.00, accounting for 3.14%, Chen Yijun contributed RMB 15,707.00, accounting for 3.14%, and Li Xinggen contributed RMB 10,471.00, accounting for 2.09%. The equity transfer was registered with the industrial and commercial authorities on August 16, 2007.

According to the resolution of the Company's shareholders assembly on September 9, 2007, Jiang Zejun, Chen Shihua, and Dai Hongyan respectively transferred their 7.85%, 6.28%, and 3.14% equity of the Company to Liu Jianbo, Li Yangzhao, Cheng Yipeng, Wei Yongjun, Nie Xiaojian, Li Yinggao, Chen Yijun, and Li Xinggen, and each shareholder was transferred according to their shareholding ratio. After the equity transfer, shareholder Liu Jianbo contributed RMB 316,455.60, accounting for 63.30%, Li Yangzhao contributed RMB 37,974.55, accounting for 7.59%, Cheng

Yipeng contributed RMB 37,974.55, accounting for 7.59%, Wei Yongjun contributed RMB 31,645.55, accounting for 6.33%, Nie Xiaojian contributed RMB 25,316.55, accounting for 5.06%, Li Yinggao contributed RMB 18,987.60, accounting for 3.80%, Chen Yijun contributed RMB 18,987.60, accounting for 3.80%, and Li Xinggen contributed RMB 12,658.00, accounting for 2.53%. The equity transfer was registered with the industrial and commercial authorities on October 16, 2007.

According to the resolution of the Company's shareholders assembly on November 28, 2007, Li Yinggao transferred its 3.80% equity of the Company to Liu Jianbo. The equity transfer was registered with the industrial and commercial authorities on January 20, 2008.

According to the resolution of the Company's shareholders assembly on April 28, 2012, Liu Jianbo transferred his 2.00% equity of the Company to Jiang Zejun; The registered capital of the Company has been increased to RMB 3,000,000.00, and the newly increased registered capital shall be subscribed by the Company's shareholders in proportion to their shareholding. After the equity transfer and capital increase, Liu Jianbo contributed RMB 1,952,659.20, accounting for 65.10%, Li Yangzhao contributed RMB 227,847.30, accounting for 7.59%, Cheng Yipeng contributed RMB 227,847.30, accounting for 7.59%, Wei Yongjun contributed RMB 189,873.30, accounting for 6.33%, and Nie Xiaojian contributed RMB 151,899.30, accounting for 5.06%, Chen Yijun contributed RMB 113,925.60, accounting for 3.80%, Li Xinggen contributed RMB 75,948.00, accounting for 2.53%, and Jiang Zejun contributed RMB 60,000.00, accounting for 2.00%. The equity transfer was registered with the industrial and commercial authorities on May 31, 2012.

According to the resolution of the Company's shareholders assembly on October 22, 2012, Cheng Yipeng transferred its 7.59% equity of the Company to Xie Yulong. The equity transfer was registered with the industrial and commercial authorities on November 7, 2012.

According to the resolution of the Company's shareholders assembly on May 22, 2015, the Company's registered capital was increased to 10,000,000.00, and the newly added registered capital was subscribed by Liu Jianbo for RMB 3,262,569.92, Nie Xiaojian for RMB 308,401.61, Wei Yongjun for RMB 264,672.15, Li Yangzhao for RMB 462,599.06, Xie Yulong for RMB 583,427.25, Li Xinggen for RMB 63,288.36, Chen Yijun for RMB 176,758.04, Jiang Zejun for RMB 239,192.70, Zhang Weizhong for RMB 90,909.09, Shi Guowei for RMB 181,818.18, Zhong Jincai for RMB 90,909.09, Xia Mingkai for RMB 90,909.09, Liu Tao for RMB 90,909.09, Jiang Jinli for RMB 27,272.73, Li Shuangfang for RMB 27,272.73, Xiao Zhiguo for RMB 909,090.91, Tan Ruishan for RMB 100,000.00, and Luo Donghua for RMB 30,000.00. After the capital increase, Liu Jianbo contributed RMB 5,215,229.12, accounting for 52.16%, Xiao Zhiguo contributed RMB 909,090.91, accounting for 9.09%, Xie Yulong contributed RMB 811,274.55, accounting for 8.11%, Li Yangzhao contributed RMB 690,446.36, accounting for 6.90%, Nie Xiaojian contributed RMB 460,300.91, accounting for 4.60%, Wei Yongjun contributed RMB 454,545.45, accounting for 4.55%, Jiang Zejun contributed RMB 299,192.70, accounting for 2.99%, Chen Yijun contributed RMB 290,683.64, accounting for 2.91%, Shi Guowei contributed RMB 181,818.18, accounting for 1.82%, Li Xinggen contributed RMB 139,236.36, accounting for 1.39%, Tan Ruishan contributed RMB 100,000.00, accounting for 1.00%, Zhang Weizhong contributed RMB 90,909.09, accounting for 0.91%, Zhong Jincai contributed RMB 90,909.09, accounting for 0.91%, Xia Mingkai contributed RMB 90,909.09, accounting for 0.91%, Liu Tao contributed RMB 90,909.09, accounting for 0.91%, Luo Donghua contributed RMB 30,000.00, accounting for 0.30%, Li Shuangfang contributed RMB 27,272.73, accounting for 0.27%, Zhu Jinping contributed RMB 20,000.00, accounting for 0.20%, Jiang Jinli contributed RMB 27,272.73, accounting for 0.27%,

and Li Shuangfang contributed RMB 27,272.73, accounting for 0.27%. The equity capital increase was registered with the industrial and commercial authorities on June 4, 2015.

According to the resolution of the Company's shareholders assembly on May 6, 2017, Liu Jianbo, Nie Xiaojian, Wei Yongjun, Li Yangzhao, Xie Yulong, Shi Guowei, Li Xinggen, Chen Yijun, Jiang Zejun, Xia Mingkai, Liu Tao, Jiang Jinli, Xiao Zhiguo, and Tan Ruishan transferred equity to 9 people (companies) including Kunshan Fangfang Yuanyuan Enterprise Management Center (Limited Partnership), Kunshan Jiayue Jiayue Enterprise Management Center (Limited Partnership), Chen Yuan and Tu Shihua. After the equity transfer, Liu Jianbo contributed RMB 4,760,000.02, accounting for 47.60%, Xiao Zhiguo contributed RMB 813,990.91, accounting for 8.14%, Kunshan Fangfangyuanyuan Enterprise Management Center (Limited Partnership) contributed RMB 647,229.10, accounting for 6.47%, Xie Yulong contributed RMB 586,374.55, accounting for 5.86%, Li Yangzhao contributed RMB 533,446.36, accounting for 5.33%, Wei Yongjun contributed RMB 414,545.45, accounting for 4.15%, Nie Xiaojian contributed RMB 400,300.91, accounting for 4.00%, Shi Guowei contributed RMB 281,818.18, accounting for 2.82%, Jiang Zejun contributed RMB 249,192.70, accounting for 2.49%, Chen Yijun contributed RMB 240,683.64, accounting for 2.41%, Zhong Jincai contributed RMB 150,909.09, accounting for 1.51%, Li Xinggen contributed RMB 119,236.36, accounting for 1.19%, Kunshan Jiayue Jiayue Enterprise Management Center (Limited Partnership) contributed RMB 114,000.00, accounting for 1.14%, Chen Yuan contributed RMB 100,000.00, accounting for 1.00%, Zhang Weizhong contributed RMB 90,909.09, accounting for 0.91%, Liu Tao contributed RMB 80,909.09, accounting for 0.81%, Wu Tianxiang contributed RMB 74,500.00, accounting for 0.75%, Tu Shihua contributed RMB 70,000.00, accounting for 0.70%, Shao Wenqing contributed RMB 60,000.00, accounting for 0.60%, Xia Mingkai contributed RMB 50,909.09, accounting for 0.51%, Zhang Jun contributed RMB 40,000.00, accounting for 0.40%, Luo Donghua contributed RMB 30,000.00, accounting for 0.30%, Li Shuangfang contributed RMB 27,272.73, accounting for 0.27%, Zhu Jinping contributed RMB 20,000.00, accounting for 0.20%, Xu Zhiguang contributed RMB 20,000.00, accounting for 0.20%, Jiang Jinli contributed RMB 17,272.73, accounting for 0.17%, and Zhang Zhen contributed RMB 6,500.00, accounting for 0.07%. The equity transfer was registered with the industrial and commercial authorities on August 18, 2017.

According to the resolution of the Company's shareholders assembly on February 25, 2019, Chen Yuan transferred its 0.80% equity of the Company to Kunshan Jiayue Jiayue Enterprise Management Center (Limited Partnership). The equity transfer was registered with the industrial and commercial authorities on February 27, 2019.

According to the resolution of the Shareholders General Assembly of the limited company on April 30, 2019, the limited company was changed into a joint stock company limited as a whole. The shareholding ratio of each shareholder remained unchanged before and after the change. Based on the audited and evaluated net assets of the limited company as of February 28, 2019, the shares held by the shareholders were converted into the share capital of the joint stock company limited based on the proportion of each shareholder's equity in the limited company. After the application for change, the registered capital of the Company was RMB 100,000,000.00, and the company name was changed to Kunshan Dongwei Technology Co., Ltd.

On June 12, 2019, in accordance with the resolutions of the Company's meeting of the shareholders assembly and the revised articles of association, the Company applied to increase its registered capital by RMB 1,733,333.00, in which, Zhang Zhen subscribed RMB 135,000.00, Zhou Xiangrong subscribed RMB 800,000.00, Qin Yifa subscribed RMB 798,333.00, and the changed registered

capital was RMB 101,733,333.00. The equity change was registered with the industrial and commercial authorities on July 11, 2019.

On July 26, 2019, in accordance with the resolutions of the Company's meeting of the shareholders assembly and the revised articles of association, the Company applied to increase its registered capital by RMB 8,666,667.00, in which, Suzhou International Development Xinxing Phase II Venture Capital Partnership (Limited partnership) subscribed RMB 4,000,000.00, Ningbo Yuxi Investment Management Partnership (Limited partnership) subscribed RMB 333,334.00, Kunshan Yuqiao Yongji Venture Capital Partnership (Limited partnership) subscribed RMB 1,333,333.00 yuan, and the registered capital after the change was RMB 110,400,000.00. Of which: Liu Jianbo contributed RMB 47,600,000.00, accounting for 43.12% of the registered capital after the change; Xiao Zhiguo contributed RMB 8,139,909.00, accounting for 7.37% of the registered capital after the change; Kunshan Fangfang Yuanyuan Enterprise Management Center (Limited Partnership) contributed RMB 6,472,290.00, accounting for 5.86% of the registered capital after the change; Xie Yulong contributed RMB 5,863,746.00, accounting for 5.31% of the registered capital after the change; Li Yangzhao contributed RMB 5,334,464.00, accounting for 4.83% of the registered capital after the change; Wei Yongjun contributed RMB 4,145,455.00, accounting for 3.75% of the registered capital after the change; Nie Xiaojian contributed RMB 4,003,009.00, accounting for 3.63% of the registered capital after the change; Shi Guowei contributed RMB 2,818,182.00, accounting for 2.55% of the registered capital after the change; Jiang Zejun contributed RMB 2,491,927.00, accounting for 2.26% of the registered capital after the change; Chen Yijun contributed RMB 2,406,836.00, accounting for 2.18% of the registered capital after the change; Zhong Jincan contributed RMB 1,509,091.00, accounting for 1.37% of the registered capital after the change; Li Xinggen contributed RMB 1,192,364.00, accounting for 1.08% of the registered capital after the change; Kunshan Jiayue Jiayue Enterprise Management Center (Limited Partnership) contributed RMB 1,940,000.00, accounting for 1.76% of the registered capital after the change; Chen Yuan contributed RMB 200,000.00, accounting for 0.18% of the registered capital after the change; Zhang Weizhong contributed RMB 909,091.00, accounting for 0.82% of the registered capital after the change; Liu Tao contributed RMB 809,091.00, accounting for 0.73% of the registered capital after the change; Wu Tianxiang contributed RMB 745,000.00, accounting for 0.67% of the registered capital after the change; Tu Shihua contributed RMB 700,000.00, accounting for 0.63% of the registered capital after the change; Shao Wenqing contributed RMB 600,000.00, accounting for 0.54% of the registered capital after the change; Xia Mingkai contributed RMB 509,091.00, accounting for 0.46% of the registered capital after the change; Zhang Jun contributed RMB 400,000.00, accounting for 0.36% of the registered capital after the change; Luo Donghua contributed RMB 300,000.00, accounting for 0.27% of the registered capital after the change; Li Shuangfang contributed RMB 272,727.00, accounting for 0.25% of the registered capital after the change; Zhu Jinping contributed RMB 200,000.00, accounting for 0.18% of the registered capital after the change; Xu Zhiguang contributed RMB 200,000.00, accounting for 0.18% of the registered capital after the change; Jiang Jinli contributed RMB 172,727.00, accounting for 0.16% of the registered capital after the change; Zhang Zhen contributed RMB 200,000.00, accounting for 0.18% of the registered capital after the change; Zhou Xiangrong contributed RMB 800,000.00, accounting for 0.72% of the registered capital after the change; Qin Yifa contributed RMB 798,333.00, accounting for 0.72% of the registered capital after the change; Suzhou International Development Xinxing Phase II Venture Capital Partnership (Limited Partnership) contributed RMB 4,000,000.00, accounting for 3.62% of the registered capital after the change; Ningbo Yuxi Investment Management Partnership (Limited Partnership) contributed RMB 3,333,334.00, accounting for 3.02% of the registered capital after the change; Kunshan Yuqiao

Yongji Venture Capital Partnership (Limited Partnership) contributed RMB 1,333,333.00, accounting for 1.21% of the registered capital after the change. The equity change was registered with the industrial and commercial authorities on July 31, 2019.

In accordance with the Reply on Approval of the Registration of Initial Public Offering of Shares of Kunshan Dongwei Technology Co., Ltd. issued by the China Securities Regulatory Commission (ZJXX [2021] No. 1585), the Company publicly offered 36.8 million ordinary shares (A shares) in June 2021, with a par value of RMB 1 per share. The stock abbreviation is “Dongwei Technology” and the stock code is “688700”. After the offering, the Company’s share capital was changed to RMB 147,200,000.

In accordance with the resolution of the Meeting of Shareholders General Assembly 2022 held on April 28, 2023 and the amended articles of association, the Company converted a total of 70,656,000 shares with a par value of RMB 1.00 per share to all shareholders through the capital reserve fund at the ratio of 4.8 shares for every 10 shares. The total increase in share capital was RMB 70,656,000.00, and the share capital after the change was RMB 217,856,000.00.

In accordance with the Notice on the Approval of the Initial Public Offering of Global Depositary Receipts and the Listing on the SIX Swiss Exchange of Kunshan Dongwei Technology Co., Ltd.. (ZJXX [2023] No. 608) issued by the China Securities Regulatory Commission to the Company, the Company publicly offered 5,888,000 global depositary receipts (hereinafter referred to as “GDRs”) on the SIX Swiss Exchange on June 13, 2023. The corresponding underlying securities were 11,776,000 A-shares with a par value of RMB 1.00 per share and the listing code of the GDR is KUDO. After the offering, the Company’s share capital was changed to RMB 229,632,000.00.

The Company is located at No. 505, Dongding Road, Bacheng Town, Kunshan City, Unified Social Credit Code: 913205837820996571.

The Company is engaged in the manufacturing of special equipment.

The business scope of the Company includes technology development, technical services, technical consulting, technology transfer, and related equipment maintenance in the field of mechanical equipment; production and sales of electroplating equipment and automated production equipment; development, sales, and after-sales service of embedded software for automation control equipment; installation and maintenance of mechanical equipment; sales of equipment parts and consumables; import and export business of self-operated and agency goods and technology.

The Company’s actual controller is Liu Jianbo.

The financial statements have been approved and reported by the Board of Directors resolution on July 21, 2023.

2. Scope of consolidated financial statement

☒Applicable ☐Not applicable

As of June 30, 2023, the subsidiaries within the scope of the Company's consolidated financial statements are as follows:

Name of subsidiary	Whether included in the scope of consolidated financial statements
Guangde Dongwei Technology Co., Ltd.	Yes
Shenzhen Kunshan Dongwei Technology Co., Ltd.	Yes
Dongguan Dongwei Technology Co., Ltd.	Yes

Changshu Dongwei Technology Co., Ltd.	Yes
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Note: Please refer to Note VIII “Changes of Consolidation Scope” and Note IX “Equity in Other Entities” for the scope and changes of the consolidated financial statements in this period.

IV. Basis of preparation of financial statements

1. Basis of preparation

The financial statements of the Company is prepared based on the going-concern in accordance with the actual transactions and events, the Accounting Standards for Business Enterprises and relevant provisions thereof as well as the accounting policy and accounting estimates stated in Note V: Important accounting policies and accounting estimates.

2. Going concern

☒Applicable ☐Not applicable

Determination and accounting treatment of the expected credit losses of contract assets

The Company has a history of recent profitable operations and financial resources support, and it is considered reasonable to prepare financial statements based on going-concern.

V. Important accounting policies and accounting estimates

Tips for specific accounting policies and accounting estimates:

☒Applicable ☐Not applicable

The Company and its subsidiaries are mainly engaged in the research and development, design, production, and sales of high-end precision electroplating equipment and its supporting equipment. The Company and its subsidiaries have prepared and developed certain specific accounting policies and accounting estimates for transactions and events such as revenue recognition in accordance with the actual production and operation characteristics and pursuant to relevant accounting standards. For details, please refer to the description of Item 38 “Revenue recognition principles and measurement methods” of Note V.

1. Statement of compliance with accounting standards for business enterprises

The financial statements prepared by this company conform to the requirements of the Accounting Standards for Business Enterprises and provide a true and complete reflection of the company’s financial position, operating results, changes in shareholders' equity and cash flows, etc. .

2. Accounting period

The accounting year of the company shall be as of January 1 to December 31 on the Gregorian Calendar.

3. Business cycle

☒Applicable ☐Not applicable

The Company takes 12 months as a business cycle and partition criterion of the liquidity of the assets and liabilities.

4. Recording currency

The recording currency of the Company shall be RMB.

5. Accounting treatment method of business combination under common control and non-common control

☒Applicable ☐Not applicable

As a merging party, the assets and liabilities acquired by the Company under the same control of the business combination shall be measured at the book value in the consolidated statement of the ultimate controller at the combination date. If the difference between the book value of the net assets and the book value of the merger consideration paid, and the adjustment of the capital reserve; if the capital reserve is not sufficient to offset, the retained earnings shall be adjusted.

The identifiable assets, liabilities and contingent liabilities of the acquiree acquired in the enterprise merger not under the same control shall be measured at fair value on the acquisition date. The cost of enterprise merger shall refer to the fair value of the cash or non-cash assets, the issued or assumed liabilities, the issued equity securities which are paid by the Company to obtain control of the acquiree on the acquisition date, and the sum of the direct related expenses (for the enterprise merger achieved through multiple transactions in a step-by-step manner, the cost of the merger shall be the sum of the costs of each individual transaction). In the case that the combination cost is higher than the share of fair value of net identifiable assets acquired from the acquiree, the balance shall be recognized as goodwill; in the event that the combination cost is less than the share of fair value of net identifiable assets acquired from the acquiree at the acquisition date, the fair value of the identifiable assets, liabilities and contingent liabilities acquired in the merger, and the fair value of the non-cash assets or the issued equity securities, etc. shall be reviewed firstly; if the combination cost is still less than the share of fair value of net identifiable assets acquired from the acquiree, the balance shall be included in the current profits and losses.

6. Preparation method of consolidated financial statements

☒Applicable ☐Not applicable

The Company includes all controlled subsidiaries in the scope of the consolidated financial statements.

At the time of preparing the Consolidated Financial Statements, if the accounting policies or accounting periods adopted by the subsidiaries are inconsistent with those of the Company, the necessary adjustments shall be made to the financial statements of the subsidiaries in accordance with the accounting policies or accounting periods of the Company.

All major internal transactions, current balances and unrealized profits within the scope of consolidation shall be offset in the preparation of the consolidated statements. The portion not attributable to the parent company in the subsidiary's owner's equity and the portion of minority equity in the current net profit or loss, other comprehensive income and total comprehensive income shall be presented separately in the "Minority Equity, Minority Interest Income, Other

Comprehensive Income Attributable to Minority Shareholders" in the consolidated financial statements.

For the subsidiary acquired by merger of enterprises under the same control, its operating results and cash flows shall be included in the consolidated financial statements from the beginning of the current period of consolidation. In the preparation of comparative consolidated financial statements, the relevant items of the financial statements of the previous year shall be adjusted, and it shall be deemed that the reporting entity formed after the consolidation has been existing since the time when the ultimate controlling party began to control.

If the equity of the investee under the same control is obtained through multiple transactions and the final merger is formed, the handling method in the consolidated financial statements shall be supplemented in the reporting period in which the control is obtained. For example, for the shares in the invested organization under the same control acquired through multiple transactions step by step, finally resulting in the enterprise merger, the current status shall be deemed as existing for adjustment when the final controlling party starts to control when preparing the consolidated financial statements; when preparing the comparative statements, the relevant assets and liabilities of the merged party shall be consolidated into the comparative statements in the consolidated financial statements of the Company prior to the time point at which the Company and the merged party is put under the same control of the final controlling party, and the relevant item under the owner's equity in the comparative statement shall be adjusted for the net assets increased arising from such merger. In order to avoid double counting the value of the net assets of the merged party, for the long-term equity investment held by the company before the merger is reached, the changes in profit or loss, other comprehensive income and other net assets have been recognised between the date of obtaining the original equity and the date when the combined party and the combining party are under the final control of the same party, whichever is later, and the combination date, the retained earnings at the beginning of the year of the comparative report and the current profit and loss should be written off separately.

For the subsidiary acquired by merger of enterprises not under the same control, the operating results and cash flows shall be included in the consolidated financial statements from the date when the Company acquired the control. In the preparation of the consolidated financial statements, the financial statements of the subsidiaries shall be adjusted based on the fair values of the identifiable assets, liabilities and / or contingent liabilities determined on the acquisition date.

If the equity of the investee not under the same control is obtained through multiple transactions and the final merger is formed, the handling method in the consolidated financial statements shall be supplemented in the reporting period in which the control is obtained. For example, for the step-by-step acquisition of the equity of the investee under the same control through multiple transactions, when the merger is finally formed and the consolidated statement is prepared, the equities of the acquiree held before the purchase date shall be re-measured according to the fair value of the equities on the purchase date and the difference between the fair value and the book value shall be included in the investment revenues of the current period; the equity of the acquiree held before the relevant purchase date relates to other comprehensive income under the equity method and net profit and loss, other comprehensive income and Changes in other owners' equity other than profit distribution are transferred to investment gains and losses on the date of purchase, except for other comprehensive income arising from the remeasurement of the net benefit or net assets of the defined benefit plan.

The Company partly disposes the long-term equity investments in the subsidiaries when the control is not lost. In the consolidated financial statements, the capital premium or share premium shall be adjusted according to the difference between the disposal price and net asset share in the subsidiaries corresponding to the disposed long-term equity investments from the acquisition date or the combination date. If the capital reserve is insufficient for write-off, the retained earnings shall be adjusted.

In the event that the Company lost the control over the investee for disposal of part of the equity investments or other reasons, the remaining equity shall be re-calculated at the fair value on the date when the control is lost in the preparation of the consolidated financial statements. The difference between the sum of the consideration obtained from the disposal of equity and the fair value of the remaining shares and the share of net assets in the original subsidiary to be enjoyed from the acquisition date or the combination date shall be included into the investment profit and loss of the period when the control power is lost. Meanwhile, the goodwill shall be offset. Other comprehensive income related to the equity investment in the original subsidiary shall be transferred to the current investment profit and loss when the control power is lost.

When the Company has disposed of the equity investment in the subsidiaries step by step through multiple transactions until the loss of control, if all the transactions that dispose of the equity investment of the subsidiary until the loss of control belong to the package deal, such transactions shall be conducted accounting treatment as a transaction that disposes of the subsidiary and loses control. But, before the loss of control power, the difference between every disposal cost and the share of net assets of the subsidiary corresponding to the disposed investment shall be recognized as other comprehensive income in the consolidated financial statement and shall be included into the current investment profits and losses in the period when the control power is lost.

7. Classification of joint arrangement and accounting treatment method of joint operation

☒Applicable ☐Not applicable

The joint arrangements of the Company includes the joint operations and joint ventures. For the project under the joint operation, the Company shall, as the joint venturing party in the joint operation, shall recognize the assets and liabilities held separately, as well as the assets and liabilities held and assumed according to the shares, and shall recognize the relevant incomes and expenses separately or according to the shares. In the event that he purchase and sale under the joint operation does not constitute the transaction in assets of the business, only the part of the profits and losses arising from such transaction attributable to the other participants in the joint operation shall be recognized.

8. Determination criteria on cash and cash equivalents

The Cash listed in the cash flow statement shall refer to the cash on hand and the deposits payable at any time. The cash equivalents referred to in the cash flow statement shall mean the short-term (no more than 3 months) investments with strong liquidity and little value change risk, which are readily convertible into known amount of cash.

9. Translation of foreign currency transaction and foreign currency statements

√Applicable □Not applicable

(1) Translation method of foreign currency transactions

At the time of initial recognition, the foreign currency transaction of the Company is converted into the recording currency amount as per the exchange rate at the beginning of the month on the transaction date (usually refers to the median price of the exchange rate on the day announced by the People's Bank of China, the same below) at the transaction date. However, the business or transaction related to foreign currency of the Company is converted into the recording currency amount as per the actual exchange rate.

(2) Translation method of foreign currency monetary items and foreign currency non-monetary items

The foreign currency monetary items are converted as per the spot exchange rate at the balance sheet date, and the arising balance of exchange is accounted into the current profit or loss, excluding: 1) The translation differences arising from the special foreign currency borrowings related to the acquisition of assets conforming to the capitalization conditions shall be accounted for in accordance with the principle of capitalization of the borrowing costs; and 2) Except that the exchange difference arising from the changes in the other book balances other than the amortized cost is included in the other comprehensive income, the available-for-sale foreign currency monetary items shall be included in the current profit and loss.

The foreign currency non-monetary items measured at historical cost are calculated using the recording currency amount converted at per the spot exchange rate at the transaction date. The foreign currency non-monetary items measured at fair value are calculated as per the spot rate at the confirmation date of fair value; the balance between the converted bookkeeping base currency amount and the original recording currency amount is handled as the change in fair value (including the change of foreign exchange rate), and is accounted into the current profit or loss or other comprehensive income.

10. Financial Instruments

√Applicable □Not applicable

The Company confirms a financial asset or financial liability when it becomes a party of the financial tool contract.

1. Financial assets**(1) Classification, recognition basis and measurement method of financial assets**

The Company classifies financial assets into financial assets measured at amortized cost, the financial assets measured at fair value through other comprehensive income and the financial assets measured at fair value through current profit and loss based on the business model of the financial assets management and the contractual cash flow characteristics of the financial assets.

The Company classifies the financial assets that meet the following conditions into financial assets measured at amortized cost: 1) The business model for managing the financial assets is aimed at collecting contractual cash flows. 2) According to the terms of the contract on the financial assets, the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding amount of principal. Such financial assets are initially measured at fair value,

and related transaction expenses are included in the initial recognition amount; which are subsequently measured at amortized cost. Such financial assets that are not part of any hedging relationship shall be included in the current profits and losses in accordance with the gains or losses arising from amortization by effective interest method, impairment, exchange gains and losses and derecognition.

The Company classifies the financial assets that meet the following conditions into the financial assets measured at fair value through other comprehensive income: 1) the business model for managing the financial assets is aimed at both collecting contractual cash flows and selling such financial assets. 2) According to the terms of the contract on the financial assets, the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding amount of principal. Such financial assets shall be initially measured at fair value, and related transaction expenses shall be included in the initial recognition amount. For all gains or losses arising from such financial assets that are not part of any hedging relationship, other gains or losses from such financial assets, except for the credit impairment losses or gains, exchange gains and losses and interest on the financial assets calculated by the effective interest method, shall be included in other comprehensive income; When the financial assets are de-recognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income into current profit or loss.

The Company recognizes the interest income by the effective interest method. The interest income shall be calculated based on the book balance of financial assets multiplied by the effective interest rate with the following exceptions: 1) For purchased or original financial assets that have suffered credit impairment, the interest income shall be determined based on the amortized cost of the financial assets and the effective interest rate adjusted by credit from the initial recognition. 2) For purchased or original financial assets without credit impairment but becomes financial assets with credit impairment in the subsequent period, the interest income shall be determined based on the amortized cost of the financial assets and the effective interest rate in the subsequent period.

The Company designates the non-trading equity instrument investment that meets the following conditions as the financial assets measured at fair value through other comprehensive income. The designation shall be irrevocable once made. The non-trading equity instrument investment measured at fair value through other comprehensive income designated by the Company shall be initially measured at fair value, and the relevant transaction expenses shall be included in the initial recognition amount; Except that the dividends earned (except for the recovered investment costs) are included in current profit and loss, other related gains and losses (including exchange gains and losses) shall be included in other comprehensive income and shall not be subsequently transferred to current profit and loss. In the event of de-recognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income into retained earnings.

Except for above financial assets that are classified as financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income, the Company classifies them as measured at fair value through current profit and loss of financial assets. Such financial assets shall be initially measured at fair value, and the related transaction expenses shall be directly included in current profit and loss. The gains or losses on such financial assets shall be included in current profit and loss.

In the event that the contingent consideration recognized by the Company in a business merger not under the same control constitutes a financial asset, such financial asset shall be classified as a financial asset measured at fair value through current profit or loss.

In the initial recognition, if the accounting mismatch can be eliminated or significantly reduced, the Company may irrevocably designate financial assets that should be amortized cost measurement or fair value measurement through other comprehensive income as financial assets that should be measured by fair value through current profit and loss.

All affected financial assets concerned are reclassified if the Company changes the business model for managing financial assets.

(2) Recognition and measurement of transfer of financial assets

A financial asset shall be de-recognized if any of the following conditions is met: 1) The contractual right to collect the cash flow of the financial asset is terminated; 2) the financial asset has been transferred and almost all risks and rewards on the ownership of the financial asset have been transferred to the transferee; 3) the financial asset has been transferred and the Company neither transferred, nor reserved almost all risks and rewards on the ownership of the financial asset, but has waived the control over the financial asset.

If the entire transfer of financial assets meets the derecognition criteria, the balance between the book value of transferred financial assets on the date of derecognition and the sum of consideration received from transfer and accumulated amount (the financial assets involved in the transfer also meet the following conditions: the group's business model for managing the financial assets is to collect the contractual cash flow; the contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of interest based on the principal amount) due to changes in fair value originally recorded in other comprehensive income is accounted into the current profit or loss.

In the event that the partial transfer of financial assets meets the conditions for de-recognition, the book value of the whole transferred financial assets will be apportioned between the derecognized portion and the non-derecognized portion according to their respective fair values; the difference between the sum of the consideration received from the transfer and the amount corresponding to the derecognized part in the cumulative amount of changes in fair value originally included in other comprehensive income that should be allocated to the derecognized part (the financial assets involved in the transfer also meet the following conditions: the group's business model for managing the financial assets is to collect the contractual cash flow; the contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of interest based on the principal amount), and the allocated book value of the above financial assets shall be included in current profit and loss.

2. Financial liabilities

(1) Classification, recognition basis and measurement method of financial liabilities

Except for the following items, the Company classifies financial liabilities as financial liabilities measured at amortized cost, and adopts the effective interest rate method for subsequent measurement according to amortized cost:

1) The financial liabilities (including derivative instruments belonging to financial liabilities) measured at fair value through current profit and loss, including the financial liabilities held for trading, and the financial liabilities designated as financial assets measured at fair value through

current profit and loss, shall be measured subsequently at fair value; the gains or losses arising from changes in the fair value, as well as the dividends and interest expenditures shall be included in current profit and loss.

2) The financial liabilities formed by transfer of financial assets not confirming to the de-recognition conditions or by the continued involvement of transferred financial assets. Such financial liabilities are measured by the company in accordance with the relevant standards for the transfer of financial assets.

3) The financial guarantee contracts that do not fall into the above case 1) or 2), and the loan commitments that do not fall into the above case 1), and are lower than the loans at market rate. If the Company is the issuer of such financial liabilities, after initial recognition, it shall be measured according to the higher of the amount of loss reserves determined in accordance with the relevant standards for impairment of financial instruments and the balance of the initially recognized amount after deducting the accumulated amortization determined in accordance with the relevant provisions of the income standards.

The financial liabilities formed by contingent consideration recognized by the Company as the acquirer in the business merger not under the same control shall be accounted for at the fair value through profit or loss.

(2) De-recognition condition of financial liabilities

When the current obligations of the financial liabilities are dissolved in whole or in part, the financial liabilities or the part thereof shall be de-recognized accordingly. The Company enters into the agreement with the creditor, to undertake a new way to replace the existing financial liabilities, and the contractual terms of the new financial liabilities are substantially different from those of the existing financial liabilities. The existing financial liabilities are derecognized, and the new financial liabilities are recognized at the same time. If substantial changes are made to all or part of the contractual terms of existing financial liabilities, the existing financial liabilities or part of them shall be de-recognized; meanwhile, the financial liabilities after the modification of the terms shall be recognized as a new financial liability. The difference between the book value of the derecognized portion and the consideration paid shall be included in current profit or loss.

3. Determination method on fair value of financial assets and financial liabilities

The Company measures the fair value of financial assets and financial liabilities at the prices of leading markets. Where there is no leading market, the fair value of financial assets and financial liabilities shall be measured at the most favorable market price with the valuation techniques that are applicable at the time and have sufficient data and other information support. The input values used in fair value measurement are divided into three levels: the first level input value shall be the unadjusted quoted price of the identical asset or liability in active markets that can be obtained on the measurement date; the second level input value shall be the directly or indirectly observable input value of the relevant asset or liability other than the input value at the first level; the third level input value shall be the unobservable input value of the relevant asset or liability. The Company prefers to use the first level input values, and finally use the third level input values.

The Company's investment in equity instruments shall be measured at fair value. However, in limited circumstances, if the recent information used to determine the fair value is insufficient, or the possible estimated amount of fair value is widely distributed, and the cost represents the best estimate of the fair value within the scope, the cost may represent the appropriate estimate of the fair value within such distribution scope.

4. Offset of financial assets and financial liabilities

The financial assets and financial liabilities of the Company should be respectively listed in the balance sheet, not offsetting each other. However, if both of the following conditions are met, the net amount after offsetting shall be listed in the balance sheet: (1) The Company shall have the statutory right to offset the recognized amount, and such statutory right is currently enforceable; (2) The Company plans to settle with net amount, or to realize the financial assets and pay off the financial liabilities.

5. Distinction and related treatment method of financial liabilities and equity instruments

The Company distinguishes financial liabilities and equity instruments according to the following principles: (1) If the Company is unable to avoid unconditionally performing a contractual obligation by delivering cash or other financial assets, the contractual obligation shall comply with the definition of financial liabilities. Some financial instruments, although not explicitly containing the terms and conditions of delivery of cash or other financial assets obligations, may indirectly form contractual obligations through other terms and conditions. 2) If a financial instrument shall or may be settled with the Company's own equity instruments, it is necessary to consider if the Company's equity instruments used to settle the instrument are the substitute for cash or other financial assets, or enable the holder of the instrument to enjoy the residual equity of the asset after the issuer deducts all liabilities. For the former case, such instrument shall be the financial liabilities of the issuer; for the latter case, the instrument shall be the equity instrument of the issuer. In the event that a financial instrument contract requires that the Company shall or may settle the financial instrument with its equity instrument, and that the amount of contractual rights or contractual obligations equals to the product by multiplying the number of equity instruments available or to be delivered by the fair value in the settlement, whether the amount of the contractual rights or contractual obligations is fixed, or is variable with the prices of the variables (including interest rate, the price of certain commodity price or certain financial instrument) other than the market price of the Company's equity instrument in whole or in part, the contract shall be classified as financial liabilities.

The Company has taken all terms and conditions between the group members and the holders of financial instruments when it classifies financial the financial instruments (or their components) in a consolidated statement. If the Group as a whole assumes the obligations to pay cash, other financial assets or make settlement in other means of causing the instrument to become a financial liability, such instrument shall be classified as a financial liability.

For financial instruments or its components that are financial liabilities, the relevant interest, dividends, gains, losses, and gains or losses arising from redemption or refinancing shall be included in the current profits and losses.

Where a financial instrument or a component thereof is an equity instrument, the Company's issuance (including refinancing), repurchase, sale or cancellation shall be accounted for as a change in equity and shall not recognize the changes in the fair value of the equity instrument.

6. Impairment of Financial Instruments

The financial assets of which the Company requires to recognize the impairment loss are the financial assets measured at amortized cost and debt instrument investments measured at fair value through other comprehensive income, and lease receivables, mainly including notes receivable, accounts receivable, other receivables, debt investment, other debt investment, long-term receivables, etc. In addition, for contract assets and some financial guarantee contracts, the

provision for impairment and recognition of credit impairment losses are also made in accordance with the accounting policies described in this section.

(1) Recognition method of provision for impairment

Based on the expected credit loss, the Company makes impairment provision and recognizes the credit impairment loss for the above items according to the applicable expected credit loss measurement method (general method or simplified method).

Credit loss shall refer to the difference between all contractual cash flows receivable from the contract, which are discounted at the original actual interest rate, and all cash flows expected to be received by the Company, that is, the present value of all cash shortages. In which, for the purchased or sourced financial assets that have suffered credit impairment, the company discounts the financial assets at the credit-adjusted actual interest rate.

The general method of expected credit loss measurement is to evaluate whether the credit risk of financial assets [including other applicable items such as contract assets, the same below] has increased significantly since the initial recognition on each balance sheet date of the Company. If the credit risk has increased significantly since the initial recognition, the Company shall measure the loss provision according to the amount of expected credit losses over the whole duration; if the credit risk has not increased significantly since the initial recognition, the Company shall measure the loss provision according to the amount of expected credit losses over next 12 months of the financial instruments. The Company considers all reasonable and valid information, including forward-looking information, when evaluating expected credit losses.

For financial instruments with low credit risk on the balance sheet date, the Company assumes that their credit risk has not increased significantly since initial recognition and measures the loss provisions based on expected credit losses within the next 12 months.

(2) Criteria for judging whether the credit risk has increased significantly since the initial recognition.

If the probability of default of a financial asset in the expected duration determined on the balance sheet date is significantly higher than that in the expected duration determined in the initial recognition, it indicates that the credit risk of the financial asset has increased significantly. Except in special cases, the Company uses the change in default risk that may occur within the next 12 months as a reasonable estimate of the change in default risk that may occur throughout the duration to determine whether the credit risk has increased significantly since initial recognition.

(3) Portfolio method to assess expected credit risk on a portfolio basis

The Company separately evaluates the credit risk for financial assets with significantly different credit risks, such as: receivables from related parties; receivables in dispute with the other party or involving litigation and arbitration; receivables for which there is a clear indication that the debtor is likely to be unable to meet repayment obligations, etc.

In addition to financial assets of which the credit risk is individually assessed, the Company divides financial assets into different combinations based on common risk characteristics, and assesses credit risk on the basis of the portfolio.

(4) Accounting method of impairment of financial assets

The Company calculates the expected credit losses of various financial assets at the end of the period. If the expected credit losses are greater than the book value of the current impairment

provision, the difference shall be recognized as an impairment loss; if the expected credit losses are less than the book value of the current impairment provision, the difference shall be recognized as an impairment gain.

11. Notes receivable

Determination and accounting treatment of the expected credit losses of notes receivable

☒Applicable ☐Not applicable

The Company measures the loss provision for notes receivable at an amount equal to the expected credit loss for the entire duration. Based on the credit risk characteristics, notes receivable are divided into different portfolios:

Item	Basis for determining combination
Portfolio 1: Banker's acceptance with acceptor as bank	The acceptor is a bank
Portfolio 2: Banker's acceptance with acceptor as finance company	The portfolio takes the aging as the credit risk characteristics.
Portfolio 3: commercial acceptance bills	The portfolio takes the aging as the credit risk characteristics.

For the measurement of impairment loss of this account, please refer to "10. Financial Instruments 6. Impairment of Financial Instruments (4) Accounting Treatment Method for Impairment of Financial Assets" in this report.

12. Accounts receivable

Determination and accounting treatment of the expected credit losses of accounts receivable

☒Applicable ☐Not applicable

For accounts receivable that does not contain a significant financing component, the Company measures the loss provision based on the expected credit loss amount over the whole duration.

For accounts receivable, contract assets and lease receivables that contain a significant financing component, the Company chooses to always measure the loss provision based on the expected credit loss amount over the whole duration.

Except for accounts receivable and contract assets of which the credit risk is individually assessed, receivables are divided into different portfolios based on their credit risk characteristics:

Item	Portfolio determination basis
Aging portfolio	Aging of receivables as credit risk characteristics.
Related party portfolios within the scope of consolidation	Credit risk characteristics based on whether the debtor is a related party within the scope of consolidation

The Company calculates the expected credit loss on accounts receivable on the balance sheet date. If the expected credit loss is greater than the carrying amount of the current impairment provision for accounts receivable, the Company will recognize the difference as an impairment loss for accounts receivable, debit the "credit impairment loss" and credit the "bad debt provision". On the contrary, the Company will recognize the difference as impairment gains and keep the opposite accounting record.

If the Company has actually incurred a credit loss and determines that the relevant accounts receivable cannot be recovered, the Company shall debit the "bad debt provision" and credit the "accounts receivable" according to the approved write-off amount. If the write-off amount is greater

than the loss provision already drawn, the "credit impairment loss" shall be debited according to the difference.

On the balance sheet date, the Company makes provision for impairment of contract assets with reference to the treatment method of expected credit losses of accounts receivable.

13. Receivables financing

☒Applicable ☐Not applicable

The Company endorses or discounts some bank acceptance bills in its daily fund management, both for the purpose of collecting contractual cash flows and for the sale of financial assets. Therefore, the Company reclassified these notes receivable into financial assets measured at fair value through other comprehensive income on and after January 1, 2019 and presented them as receivables financing.

14. Other receivables

Determination and accounting treatment of the expected credit losses of other receivables

☒Applicable ☐Not applicable

Based on whether the credit risk of other receivables has significantly increased since the initial recognition, the Company measures the impairment loss according to the amount equivalent to the expected credit loss within the next 12 months or the whole duration. Except for other receivables of which the credit risk is individually assessed, receivables are divided into different portfolios based on their credit risk characteristics:

Item	Basis for determining combination
Aging portfolio	Aging of receivables as credit risk characteristics.
Related party portfolios within the scope of consolidation	Credit risk characteristics based on whether the debtor is a related party within the scope of consolidation

For the measurement of impairment loss of this account, please refer to "10. Financial Instruments 6. Impairment of Financial Instruments (4) Accounting Treatment Method for Impairment of Financial Assets" in this report.

15. Inventory

☒Applicable ☐Not applicable

1. Classification of inventory

The Company's inventories mainly include raw materials, work in progress, stocked goods and goods sold, etc.

2. Measurement method for the acquisition and delivery of inventories

Inventories are valued at actual cost when acquired; the inventory costs include purchase costs, processing costs and other costs. They are valued by the weighted average method when used and issued.

3. The recognition of net realizable value of the inventories and the calculation method of inventory impairment provision

Net realisable value is the estimated selling price of inventories minus the estimated cost of completion, estimated selling expenses and related taxes and fees in daily activities. The recognition

of the net realizable value of inventories shall be based on the sure evidence obtained; Meanwhile, the purpose of inventories held and the impact of events after the balance sheet date shall be taken into account.

The inventories shall be measured at the lower of cost and net realizable value on the balance sheet date. The inventory depreciation reserve is drawn when its net realizable value is lower than the cost. The inventory depreciation reserve is drawn based on the difference that the cost of a single inventory item is greater than its net realizable value.

After the provision for inventory depreciation is made, it should be carried forwarded within the amount that has been originally provision for inventory depreciation if the influencing factors of the previously written down inventory value have disappeared, resulting in the net realizable value of the inventories being higher than its book value, and then the amount transferred back shall be included in the profit and loss for current period.

4. The inventory system of the inventory is perpetual.

5. Amortization method of low-value consumables and packaging

The low-cost consumables shall be amortized by the one-off amortization method. The packages shall be amortized by one-time write-off method on requisition.

16. Contract assets

(1) Recognition method and standard of contract assets

☒Applicable ☐Not applicable

Contractual assets shall mean that the company has transferred goods to a customer and have the right to receive the consideration, and the right depends on other factors than the passage of time. In the event that the company sells two clearly distinguishable goods to a customer and thus has the right to receive the payment because one of the goods has been delivered, but the payment depends on the delivery of another kind of goods, the Company shall take the right to collection right as a contractual asset.

(2) Determination and accounting treatment of the expected credit losses of contract assets

☒Applicable ☐Not applicable

For the determination method of asset impairment losses of contract assets, please refer to "Note V. 10. Financial Instruments (6) Impairment of Financial Instruments".

Accounting treatment method, the Company calculates the asset impairment provision for contract assets on the balance sheet date. If the asset impairment provision is greater than the book amount of the current contract asset impairment provision, the Company will recognize the difference as impairment loss, debit "asset impairment loss" and credit "contract asset impairment provision". On the contrary, the Company will recognize the difference as impairment gains and keep the opposite accounting record.

If the Company has actually incurred a credit loss and determines that the relevant contract assets cannot be recovered, the Company shall debit the "contract asset impairment provision" and credit the "contract asset" according to the approved write-off amount. If the write-off amount is greater

than the loss provision already drawn, the "asset impairment loss" shall be debited according to the difference.

17. Held-for-sale assets

☐ Applicable ☒ Not applicable

18. Debt investment

Determination and accounting treatment of the expected credit losses of debt investments

☐ Applicable ☒ Not applicable

19. Other debt investment

Determination and accounting treatment of the expected credit losses of other debt investments

☐ Applicable ☒ Not applicable

20. Long-term accounts receivable

Determination and accounting treatment of the expected credit losses of long-term receivables

☐ Applicable ☒ Not applicable

21. Long-term equity investment

☒ Applicable ☐ Not applicable

The long-term equity investments of the Company include the investments in subsidiaries, associated enterprises and joint ventures.

The Company's judgment on joint control is based on the collective control of the arrangement by all participants or groups of participants, and the policies of the relevant activities of the arrangement shall be unanimously agreed by the participants who collectively control the arrangement.

In the event that the Company directly or indirectly through a subsidiary owns 20% or more, but less than 50% of the voting rights of the investee, it shall be generally considered to have a significant impact on the investee. In the event that it holds less than 20% of the voting rights of the investee, it shall be taken into consideration that whether the Group appoints representatives in the board of directors or similar authority of the investee, participates in the formulation of the financial and operating policies of the investee, has important transactions with the investee, appoints management personnel to the investee, provides key technical information to the investee, or other facts or circumstances that have a significant impact on the investee.

An entity controlled by the Company shall be a subsidiary of the Group. The long-term equity investment from the enterprise merger under common control shall be taken as the initial investment cost of long-term equity investment according to the share of book value of the net assets of the acquiree in the consolidated statement of the ultimate controller on the combination date. In the event that the book value of the net assets of the merged party on the combination date is negative, the costs of long-term equity investment shall be recognized as zero.

If the equity of the investee under the same control is obtained through multiple transactions and the final merger is formed, the handling method of the long-term equity investment in the financial statements of the parent company shall be supplemented in the reporting period in which the control is obtained. For example: if the equity of the investee under the same control is obtained through multiple transactions and the final merger formed belongs to a package deal, the Company will

account for the transactions as the transaction of acquisition of control. If it does not belong to a package deal, the initial investment cost of long-term equity investment shall be recognized according to the share of book value of the owner's equity of the acquiree in the consolidated statement of the ultimate controller on the combination date. The capital reserve shall be adjusted according to the difference between the initial investment cost of the long-term equity investment and the sum of book value of the long-term equity investment prior to the combination and the book value of the consideration paid for the shares obtained on the combination date. If the capital reserve is insufficient for write-off, the retained earnings shall be offset.

For the long-term equity investments acquired in business merger not under the same control, the cost of combination shall be the initial investment cost.

If the equity of the investee under the same control is obtained through multiple transactions and the final merger is formed, the handling method of the long-term equity investment cost in the financial statements of the parent company shall be supplemented in the reporting period in which the control is obtained. For example: if the equity of the investee not under the same control is obtained through multiple transactions and the final merger formed belongs to a package deal, the Company will account for the transactions as the transaction of acquisition of control. If it is not a "package transaction", the book value of equity investment originally held plus the sum of the new investment costs shall be used as the initial investment cost of the long-term equity investment accounted for by the cost method. If the equity held before the acquisition date is accounted for using the equity method, the relevant other comprehensive income accounted for using the equity method shall not be temporarily adjusted; In the disposal of the investment, it shall be accounted for on the same basis of the relevant assets or liabilities directly disposed by the investee. If the equity held before the date of acquisition is a non-trading equity instrument designated to be measured at fair value through other comprehensive income, the accumulated changes in fair value originally included in other comprehensive income shall not be transferred to current profit or loss.

Except for the long-term equity investment acquired by business combination, the paid-in purchase price shall be the initial investment cost of the long-term equity investments acquired by payment in cash; for the long-term equity investment obtained by issuing the equity securities, the fair value of the issued equity securities shall be taken as the investment cost; for the long-term equity investment made by the investor, the investment cost shall be determined according to the value agreed upon in the investment contract or agreement.

The Company accounts for the investments in subsidiary companies using the cost method, and accounts for the investments in associated enterprises and joint ventures using the equity method.

For the long-term equity investment accounted for by the cost method in subsequent measurement, the book value of the costs of long-term equity investments shall be increased as per the fair value of the costs paid and the related transaction costs incurred in the additional investment. The cash dividends or profits declared by the investee to be distributed shall be recognized as the current investment income as per the amount due.

For the long-term equity investments accounted for using the equity method in subsequent measurement, increase or decrease the book value of the long-term equity investments as the changes in the owner's equity of the investee. In the recognition of the share of the net profit or loss of the investee, based on the fair value of the identifiable assets of the investee when the investment is acquired and in accordance with the accounting policies and accounting period of the Company, after offsetting the gains and losses of the internal transactions between the associates and joint

venture calculated as per the shareholding ratio attributable to the investing enterprise, the net profit of the investee shall be recognized after adjustment.

In the disposal of the long-term equity investment, the difference between the book value and the actual purchase price shall be included in the current profits. For long-term equity investments accounted for adopting the equity method, the relevant other comprehensive income previously accounted for adopting the equity method shall be accounted for on the same basis as the invested entity's direct disposal of related assets or liabilities when the equity method is terminated. For the owner's equity recognized due to changes in other owner's equity of the investee other than net profit and loss, other comprehensive income and profit distribution, it shall be fully transferred to the current investment income when the equity method is terminated.

If the joint control or significant influence on the investee is lost due to the disposal of part of the equity investment, the remaining equity after disposal shall be accounted for in accordance with the Accounting Standards for Business Enterprises No. 22- Recognition and Measurement of Financial Instruments (C.K. [2017] No. 7). The difference between the fair value and book value of the remaining equity on the date of loss of joint control or significant impact shall be included in the current profit and loss. For other comprehensive income recognized in the original equity investment due to the adopting of equity method accounting, when the equity method accounting is terminated, it shall be treated on the same basis as the direct disposal of relevant assets or liabilities by the invested entity and carried forward proportionally. For the owner's equity recognized due to changes in owner's equity of the invested party other than net profit and loss, other comprehensive income, and profit distribution, it shall be transferred proportionally to the current investment income.

If the control over the investee for the disposal of part of the long equity investment, the remaining equity after the disposal that may impose common control or significant influence on the investee shall be accounted for by the equity method; the difference between the book value of disposed equity and the disposal consideration shall be included in investment income and shall be deemed to have been adjusted by the equity method as acquired; for the remaining equity after the disposal may not impose common control over or significant influence on the investee, accounting treatment shall be carried out in accordance with the Accounting Standards for Business Enterprises No. 22- Recognition and Measurement of Financial Instruments (Accounting [2017] No. 7); the difference between the book value of the disposed equity and the disposal consideration shall be included in the income investment; the difference between the fair value and book value on the date that control ceases shall be included in the current profit and loss.

In the event that the transactions disposing the equity step-by-step to the loss of control are not a package deal, each transaction shall be accounted for separately. If the transactions belong to a package deal, the transactions shall be accounted for as a transaction disposing the subsidiary and losing the control. Before the loss of control, the difference between every disposal cost and the book value of long-term equity investment corresponding to the disposed equity shall be recognized as other comprehensive income and then will be included into the current profit and loss on loss of control when the control right is lost.

22. Investment property

(1) If the cost measurement model is adopted

Method of depreciation or amortization

Inapplicable

23. Fixed assets

(1) Recognition conditions

☒Applicable ☐Not applicable

The Company's fixed assets shall refer to the tangible assets held for the producing goods, providing service or leasing or operating management with a service life more than 1 accounting year. Fixed assets are only recognized if the economic benefits associated with the fixed assets are likely to flow into the Company and their costs can be reliably measured. Fixed assets are initially measured at cost and taking into account the impact of projected abandonment costs.

(2) Depreciation methods

☒Applicable ☐Not applicable

Category	Depreciation methods	Depreciable life (year)	Residual value rate	Annual depreciation rate
Houses and buildings	Straight-line method	20-30	5	3.17-4.75
Machinery equipment	Straight-line method	10	5	9.5
Transportation Equipment	Straight-line method	5	5	19
Office equipment	Straight-line method	5	5	19
Electronic equipment	Straight-line method	5	5	19
Decoration of fixed assets	Straight-line method	3-10	-	10.00-33.33
Others	Straight-line method	3-5	5	19.00-31.67

As of the following month when the fixed assets reach the expected usable status, the depreciation is calculated over the useful life using the straight-line method. The service life, estimated net residual value and annual depreciation rate of various fixed assets are as above.

Estimated net residual value refers to the amount currently obtained by the Company from the disposal of the asset after deducting the estimated disposal expenses when the expected status of estimated useful life of fixed assets expires and at the end of its useful life.

(3) Recognition basis, measurement method and depreciation method of fixed assets acquired under finance leases

☐Applicable ☒Not applicable

24. Construction in progress

☒Applicable ☐Not applicable

The construction in progress shall be carried forward to fixed assets as per the estimated value according to the construction budget, construction cost and actual cost from the date the when it

reaches the intended use; the depreciation shall be made from the following month; the original value of the fixed assets shall be adjusted after the final account for completion.

25. Borrowing costs

☒Applicable ☐Not applicable

The borrowing costs shall include the interest on borrowings, the amortization and auxiliary expenses of the discount or premium, as well as the exchange difference incurred on borrowings in foreign currencies. For the borrowing costs directly attributable to the construction or production of the asset meeting the condition of capitalization, when the asset expenditures have occurred, the borrowing costs have incurred, and the construction or production activities necessary for the asset to reach the intended serviceable or marketable condition have started, the borrowing costs shall be capitalized. When the constructed or produced asset eligible for capitalization reaches the expected available or marketable state, the capitalization shall be terminated. Other borrowing costs shall be recognized as expenses as incurred.

The interest expense of special borrowings incurred in current period shall be recognized after deducting the bank interest income from the unused borrowing funds or the investment income from temporary investment; For the general borrowings, the amount to be capitalized shall be determined by multiplying the weighted average of the asset expenditure that the accumulative asset expenditure exceeds the special borrowings by the weighted average interest rate rate of the used general borrowings

The assets that meet the capitalization conditions shall refer to the fixed assets, investment properties, inventories and other assets that can reach the expected available or marketable state through long-term (usually refers to more than 1 year) construction or production activities.

In case of over 3 months' abnormal interruption of the asset eligible for capitalization in the construction or production, the capitalization of borrowing costs shall be suspended until the restart of the construction or production activities.

26. Biological assets

☐ Applicable ☒ Not applicable

27. Oil and natural gas assets

☐ Applicable ☒ Not applicable

28. Right-of-use asset

☒Applicable ☐Not applicable

The right-of-use asset refers to the right of the Company as the lessee to use the leased assets during the lease term.

1. Initial measurement

On the beginning date of the lease term, the Company initially measures right-of-use assets at cost. This cost includes the following four items: 1) the initial measurement amount of the lease liability; 2) for the lease payment paid on or before the beginning date of the lease term, if there is a lease incentive, the relevant amount of the lease incentive already enjoyed shall be deducted; 3) the initial direct costs incurred are the incremental costs incurred in reaching the lease; 4) costs expected to be incurred for dismantling and removing the leased assets, restoring the site where the leased assets are located, or restoring the leased assets to the state stipulated in the lease terms, except those incurred for the production of inventories.

2. Subsequent measurement

After the beginning date of the lease term, the Company adopts a cost model for subsequent measurement of the right of use assets, which is to measure the right of use assets at cost minus accumulated depreciation and accumulated impairment losses. If the Company remeasures the lease liabilities in accordance with the relevant provisions of the lease standards, the book value of the right of use assets shall be adjusted accordingly.

3. Depreciation for right-of-use assets

From the beginning date of the lease term, the Company shall accrue depreciation for the right to use assets. The right of use assets are usually depreciated from the beginning of the lease term in the current month. The depreciation amount provisioned is included in the cost or current profit and loss of the relevant assets based on the purpose of the right to use asset.

When determining the depreciation method for the right of use assets, the Company makes a decision based on the expected consumption of economic benefits related to the right of use assets, and depreciates the right of use assets adopting the straight-line method.

When determining the depreciation period of the right to use assets, the Company follows the following principles: if it can be reasonably determined that the ownership of leased assets can be obtained at the expiration of the lease term, the fixed assets shall be depreciated within the remaining service life of the leased assets; if it cannot be reasonably determined that the ownership of leased assets can be obtained at the expiration of the lease term, the fixed assets shall be depreciated within the shorter of the lease term and the remaining service life of the leased assets

4. Impairment of right-of-use asset

If the right-of-use asset is impaired, the Company will carry out subsequent depreciation based on the book value of the right-of-use asset after deducting the impairment loss.

29. Intangible assets

(1) Valuation method, service life and impairment test

☒Applicable ☐Not applicable

Intangible assets shall mean the identifiable non-physical non-monetary assets held or controlled by the Company.

The intangible assets shall be initially measured at the actual cost. Expenditure related to intangible assets is included in the cost of intangible assets if the relevant economic benefits are likely to flow to the Company and its costs can be measured reliably. Expenditure on other items otherwise is recognized in profit or loss for the current period during which it is incurred.

The acquired land use rights are usually accounted for as intangible assets. Self-developed buildings and other constructions, and expenditures of related land use rights and costs of building construction are accounted for as intangible assets and fixed assets, respectively. In the event of houses and buildings that are externally purchased, the relevant price is distributed between the land use rights and the buildings. If it is difficult to allocate the same reasonably, all of them are treated as fixed assets.

For intangible assets with a finite useful life, their original value are amortized on a straight-line basis over their estimated useful lives, as of the time when they are available for use. Intangible assets with an indefinite useful life are not amortized.

At the end of the year, the service life and amortization method of intangible assets with limited service life are reviewed, and in case of changes, they are treated as changes in accounting estimates. Besides, the service life of intangible assets with uncertain service life is reviewed. If there is evidence that the time limit for the intangible asset to bring economic benefits to the enterprise is foreseeable, its useful life is estimated and amortized according to the amortization policy of intangible assets with a limited useful life.

(2) Accounting policy for internal R&D expenditure

☒Applicable ☐Not applicable

The expenditure of internal research and development project of the Company is divided into research stage expenditure and development stage expenditure.

Expenses during research phase are charged to current profit and loss.

Expenditures in the development stage that meet the following conditions are recognized as intangible assets, and expenditures in the development stage that cannot meet the following conditions are included in the profit and loss for the current period:

1. It is technically feasible to complete the intangible asset so that it can be used or sold;
2. With the intention of completing the intangible asset for using or selling;
3. The ways of intangible asset to generate economic benefits include the ability to prove that the goods produced with the intangible asset have market or the intangible asset has market; for the intangible asset to be used internally, the usefulness shall be proved;
4. With sufficient technical, financial, and other resources to support the development of the intangible asset and the ability to use or sell the intangible asset;
5. The expenditures attributable to the development stage of the intangible asset can be reliably measured.

If it is impossible to distinguish between expenditures in the research phase and those in the development phase, all R&D expenditures incurred will be included in the profit and loss for the current period.

30. Long-term Asset Impairment

☒Applicable ☐Not applicable

With respect to fixed assets, construction in progress, intangible assets with limited useful life, investment property measured by cost model, and non-current non-financial assets such as long-term equity investments in subsidiaries, joint ventures, and affiliates, the Company shall judge whether there is any indication of impairment on the balance sheet date. In case of an indication of impairment, the recoverable amount is estimated, and the impairment test is made. Goodwill, intangible assets with indefinite useful lives and intangible assets that have not yet reached the usable condition are tested for impairment annually, irrespective of whether there is any indication of impairment.

If the result of impairment test indicates that the recoverable amount of the asset is lower than its book value, the impairment provision is made based on the difference and is included in the impairment loss. The recoverable amount shall be the higher of the net amount by deducting the disposal cost from the fair value of the asset and the present value of the future cash flow of the asset. The fair value of an asset is determined based on the price of sales agreement in the fair trade. Where there is no sales agreement but with an active market for the asset, the fair value is determined by the buyer's bid for the asset. If there is no sales agreement and an active market for the asset, the fair value of the asset is estimated based on the best available information. Disposal expenses include legal fees related to the disposal of assets, related taxes, handling fees, and direct costs incurred in bringing the assets to a saleable state. The present value of estimated future cash flows of an asset is determined by discounting the estimated future cash flows generated by the asset during its continuous use and final disposal by virtue of an appropriate discount rate. Asset impairment provision is calculated and confirmed on the basis of individual assets; if it is difficult to estimate the recoverable amount of the single asset, the recoverable amount of the asset portfolio shall be recognized based on the asset portfolio which the asset belongs to. Asset group is the smallest portfolio of assets that can generate cash inflows independently.

After the impairment test, if the book value of the asset exceeds its recoverable amount, the difference shall be recognized as impairment loss. The impairment loss of the above asset shall not be reversed in the subsequent accounting period once recognized.

31. Long-term deferred expenses

☒Applicable ☐Not applicable

Long-term deferred expenses refer to the expenses that have occurred but are to be borne by the reporting period and subsequent periods, with amortization period of more than one year. The long-term deferred expenses of the Company mainly include decoration and molds. Long-term deferred expenses are amortized on a straight-line basis over the anticipated period of benefit.

32. Contract liabilities

Recognition method of contract liabilities

☒Applicable ☐Not applicable

Contract liabilities reflect the obligation of the Company to transfer goods to and from customers in consideration of the customer's consideration. Before the Company transfers the goods to the customer, if the customer has already paid the contract consideration or the Company has obtained the unconditional right to receive the contract consideration, At the early stage of the customer's

actual payment and due payment, the contract liability is recognized according to the amount received or receivable.

33. Employee benefits

(1) Accounting treatment method of short-term benefits

☒Applicable ☐Not applicable

Short-term compensation mainly includes wages, bonuses, allowances and subsidies; employee benefits, medical insurance premium, maternity insurance premium, industrial injury insurance premium, housing provident fund; labor union fund, employee education fund and non-monetary benefits, etc. During the accounting period in which the employee provides services to the Company, the actual short-term employee benefits shall be recognized as a liability, and included in the current profit or loss or relevant asset cost. The non-monetary benefits shall be measured at fair value.

(2) Accounting treatment method of post-employment benefits

☒Applicable ☐Not applicable

Post-employment benefits mainly include basic pension insurance and unemployment insurance. The post-employment benefit plan includes defined contribution plans. Where a defined contribution plan is adopted, the corresponding amount due shall be included in the relevant asset cost or profit and loss for the current period as incurred.

(3) Accounting treatment method of the termination benefits

☒Applicable ☐Not applicable

Termination of employment relationship with employees before the employment contracts or to encourage employees to accept voluntary redundancy compensation proposal, the employee compensation liabilities from the termination benefits shall be recognized and included in current profit and loss on the earlier of (i) the date when the Company cannot unilaterally withdraw the termination benefits provided for the plan on the termination of labor relationship or the redundancy proposal, and (ii) the date when the Company recognizes the costs related to the reorganization of the termination benefits. If, however, the dismissal benefits are not expected to be fully paid within twelve months after the end of the annual reporting period, it is required to be treated in accordance with other long-term employee benefits. The internal retirement plan for employees shall be treated in the same way as the above-mentioned dismissal benefits. The Company proposes to pay the salary of the retired staff and social insurance premiums during the period from the employee's cessation of service to the normal retirement date, and such amount will be included in the profit and loss (dismissal benefits) for the current period when the conditions for the recognition of the estimated liabilities are met.

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

☒Applicable ☐Not applicable

If other long-term employee benefits provided by the Company to the employees are in line with the defined contribution plan, it is necessary to perform accounting treatment according to the defined contribution plan; otherwise, the accounting treatment is carried out according to the defined benefit plan.

34. Lease liability

☒Applicable ☐Not applicable

1. Initial measurement

The Company initially measures lease liabilities based on the present value of the unpaid lease payments at the beginning date of the lease term.

(1) Lease payments

Lease payments refer to the payments made by the Company to the lessor related to the right to use the leased asset during the lease term, including: 1) fixed payment amount and substantial fixed payment amount, if there is a lease incentive, deduct the amount related to the lease incentive; 2) the variable lease payment amount depends on the index or ratio, which is determined at the initial measurement based on the index or ratio on the start date of the lease term; 3) the Company reasonably determines the exercise price of the purchase option when exercising it; 4) the lease term reflects the amount to be paid when the Company exercises the option to terminate the lease; 5) the estimated amount to be paid based on the remaining value of the guarantee provided by the Company.

(2) Discount rate

When calculating the present value of lease payments, the Company uses the interest rate implicit in the lease as the discount rate. This interest rate refers to the rate at which the sum of the present value of the lessor's lease proceeds and the present value of the unsecured residual value equals the sum of the fair value of the leased asset and the lessor's initial direct expenses.

2. Subsequent measurement

After the beginning date of the lease term, the Company shall measure the lease liabilities in accordance with the following principles: 1) when recognizing the interest on lease liabilities, increase the carrying amount of the lease liabilities; 2) when paying lease payments, reduce the carrying amount of lease liabilities; 3) when the lease payment amount changes due to revaluation or lease changes, the carrying amount of the lease liability is remeasured.

The Company calculates the interest expense of the lease liability during each period of the lease term according to a fixed periodic interest rate, and includes it in the current profit and loss, except for those that should be capitalized. The periodic interest rate refers to the discount rate adopted by the Company when initially measuring the lease liability, or the revised discount rate adopted by the Company when the lease liability needs to be remeasured according to the revised discount rate due to changes in lease payments or lease changes.

3. Re-measurement

After the beginning date of the lease term, when the following situations occur, the Company remeasures the lease liability based on the present value of the changed lease payments and adjusts the book value of the right to use assets accordingly. If the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the Company will

include the remaining amount in the current profit and loss. 1) There is a change in the actual fixed payment amount (in this case, the original discount rate is used to discount); 2) The estimated payable amount of the residual value of the guarantee changes (in this case, the original discount rate is used to discount); 3) The index or ratio used to determine the lease payment changes (in this case, the revised discount rate is used to discount); 4) The evaluation result of the purchase option changes (in this case, the revised discount rate is used to discount); 5) The evaluation result or actual exercise of the option to renew the lease or the option to terminate the lease changes (in this case, the revised discount rate is used to discount).

35. Estimated liabilities

☒Applicable ☐Not applicable

The obligation in relation to contingent event is recognized as an estimated liability when meeting following conditions (1) the obligation is the current obligation assumed by the Company; (2) the performance of the obligation is likely to result in outflow of economic benefits; (3) the amount of the obligation can be reliably measured.

On the balance sheet date, the estimated liabilities are measured according to the best estimate of the expenditure required to perform relevant current obligations after taking into account such factors as risks, uncertainties and time value of money related to contingent events.

If all or part of the expenses required to settle the estimated liabilities are expected to be compensated by a third party, the compensation amount shall be separately recognized as an asset when it is basically determined to be received, and the recognized compensation amount shall not exceed the book value of the estimated liabilities.

36. Share-based payments

☐ Applicable ☒ Not applicable

37. Preferred stocks outstanding, perpetual bonds and other financial instruments.

☐ Applicable ☒ Not applicable

38. Income

(1) Accounting policies adopted for revenue recognition and measurement

☒Applicable ☐Not applicable

The operating income of the Company mainly consists of revenue from sales of goods and income from rendering of services. The income recognition principle is as follows:

The Company shall recognize the income after it has fulfilled its performance obligations in the Contract, that is, when the customer obtains the control of the relevant goods or services.

Where the Contract includes two or more performance obligations, the Company shall, at the beginning of the Contract, allocate the transaction price to each individual performance obligation according to the relative proportion of the individual sales price of the goods or services promised

by each individual performance obligation, and measure the income according to the transaction price allocated to each individual performance obligation.

The transaction price is the amount of consideration that the Company is expected to receive from the transfer of goods or services to customers, which does not include the payments received on behalf of third parties. The transaction price recognized by the Company does not exceed the amount that the accumulated revenue is likely to not be significantly reversed when the relevant uncertainty is eliminated. As a liability, the amount that is expected to be refunded to the customer shall not be included in the transaction price. Where there is a significant financing component in the Contract, the Company shall determine the transaction price based on the amount payable in cash when the customer obtains the control of the goods or services. The difference between the transaction price and the contract consideration shall be amortized using the effective interest method during the term of the Contract. On the effective date of the Contract, if the Company expects that the interval between the date when the customer obtain the control over the purchase of goods or services and the date of the payment of the price is not more than one year, the major financing components existing in the Contract will not be taken in to consideration.

When one of the following conditions is met, the Company fulfills the performance obligation during a certain period of time; otherwise, it fulfills the performance obligation at a certain point of time:

- 1) The customer obtains and consumes the economic benefits brought by the performance by the Company while the Company is performing the obligation.
- 2) The customer is able to control the goods under construction during the Company's performance.
- 3) The goods produced during the performance by the Company have irreplaceable uses, and the Company has the right to receive payment for performed part that has been completed so far throughout the term of the Contract.

For the performance obligations performed during a certain period of time, the Company shall recognize the income according to the progress of the performance during the period, and determine the progress of the performance by the input method. If the progress of the performance cannot be reasonably determined, and the costs incurred by the Company are expected to be compensated, the income shall be recognized according to the amount of costs incurred, until the progress of the performance can be reasonably determined.

For the performance obligation fulfilled at a certain point of time, the Company shall recognize the income when the customer obtains the control of the relevant goods or services. The Company shall consider the following signs in the determination of whether the customer has acquired the control of goods or services:

- 1). The Company has the current right to charge on the goods or services.
- 2) The Company has transferred the legal ownership of the goods to the customer.
- 3). The Company has transferred the goods in kind to the customer.
- 4). The Company has transferred the principal risks and rewards of the ownership of the goods to the customer.
- 5) The customer has accepted the goods or services.

The Company's right to receive the consideration of the goods or services transferred to the customer shall be presented as contract assets. The contract assets shall be depreciated based on the

asset impairment loss. The Company's right to unconditionally receive consideration from the customer shall be presented as receivables. The obligation of the Company to transfer goods or services to the customer after the consideration has been received or receivable from the customer shall be presented as contract liabilities.

The Company's business of selling goods often includes a performance obligation to transfer the goods:

- ① For goods that require installation and commissioning, when the goods are shipped out or declared for export, when the installation and debugging of the goods are completed according to the contract agreement and the customer's acceptance documents are obtained after the goods are shipped or declared for export, the control of the goods is transferred, and the Company recognizes sales revenue at that time point;
- 2) For goods that do not require installation and commissioning, when the products are transferred to the other party or declared for export according to the contract, the control of the products is transferred, and the Company recognizes the sales revenue at this point.

(2) Differences in revenue recognition accounting policies caused by different business models of the same business

☐ Applicable ☒ Not applicable

39. Contract cost

☐ Applicable ☒ Not applicable

40. Government subsidies

☒ Applicable ☐ Not applicable

Government subsidies include the asset-related government subsidies and income-related government subsidies. The asset-related government subsidies shall mean the government subsidies obtained by the Company for the construction of long-term assets or otherwise method forming the long-term assets; the income-related government subsidies shall refer to the government subsidies other than the asset-related government subsidies. In the event that the subsidy object is not clearly specified in the government document, and that the Company has difficulty to make judgment according to the above-mentioned distinction principle, it shall be classified as income-related government subsidy in whole.

The government subsidies which are monetary assets shall be measured in accordance with the amount received; for the subsidies paid according to fixed quota standards, or when there is conclusive evidence at the end of the year that it can meet the relevant conditions stipulated in the financial support policy and is expected to receive financial support funds, it shall be measured according to the amount receivable; the government subsidies which are non-monetary assets shall be measured at fair value. If the fair value cannot be obtained reliably, it shall be measured at the nominal amount (RMB 1.00).

The asset-related government subsidies recognized as deferred income shall be included in the profits and losses of current period by stages over the service life of the related asset in a reasonable

and systematic method. If the related assets are sold, transferred, abandoned or damaged before the end of the service life, the undistributed balance of the deferred income shall be transferred to the profit and loss of the asset disposal period.

The income-related government subsidies used as compensation for the relevant expenses or losses in subsequent period shall be recognized as deferred income, and shall be included in the current profits and losses during the period when the relevant cost expenses or losses are recognized. The government subsidies related to the daily activities shall be included in other gains or offset the related costs and expenses in accordance with the nature of the economic business. The government subsidies that are unrelated to the daily activities shall be included in the non-operating income and expense.

If the government subsidy confirmed by the Company needs to be returned, it shall be accounted for according to the following provisions in the current period in which the government subsidy needs to be returned:

1. If the book value of the relevant assets is written off at the initial recognition, the book value of the assets will be adjusted.
2. If there is any relevant deferred income, the book balance of the relevant deferred income shall be written down and the excess shall be included in current profit and loss.
3. If it belongs to other circumstances, it shall be directly included in the current profit and loss.

41. Deferred income tax assets/deferred income tax liabilities

☒Applicable ☐Not applicable

The deferred income tax assets and deferred income tax liabilities of the Company shall be calculated and recognized based on the difference (temporary difference between the tax base of assets and liabilities and their carrying amounts. For the deductible losses that can offset the taxable income in the subsequent year in accordance with the tax law, the corresponding deferred income tax assets shall be recognized. For the temporary difference arising from the initial recognition of goodwill, the deferred income tax liabilities shall not be recognized. For the temporary difference formed in the initial recognition of the assets or liabilities generated in the non-business combination transaction that neither affect the accounting profits nor affect the taxable income (or deductible loss), the deferred tax assets and deferred tax liabilities shall not be recognized. On the balance sheet date, the deferred income tax assets and deferred income tax liabilities shall be measured in accordance with the applicable tax rate of the period when the assets are expected to be recovered or the liabilities are expected to be liquidated.

The Company shall recognize the deferred income tax assets with the future taxable income possibly obtained to offset the deductible temporary differences, deductible losses and tax credits as limit.

42. Leasing

(1) Accounting treatment method of operating lease

☒Applicable ☐Not applicable

Handling of rental

1) During each period of the lease term, the company uses the straight-line method to recognize the lease receipts from operating leases as rental income.

Incentives provided

2) If the rent free period is provided, the Company will allocate the total rent in the whole lease period without deducting the rent free period according to the straight-line method, and the rent income shall be recognized during the rent free period. If the Company bears some expenses of the lessee, the expenses shall be deducted from the total rental income and distributed within the lease term according to the balance of rental income after deduction.

3) Initial direct expense

The initial direct expenses incurred by the Company related to the operating lease shall be capitalized to the cost of the leased object asset and included in the current profit and loss by stages on the same recognition basis as the rental income during the lease term.

4) Depreciation

The fixed assets under operating leases shall be depreciated based on the depreciation policy of the similar assets by the Company; other assets under operating leases shall be amortized with a systematic and reasonable method.

5) Variable lease payments

The variable lease payments obtained by the Company related to the operating lease and not included in the lease receipt shall be recorded into the current profits and losses when actually occurring.

6) Change of operating lease

If there is a change in the operating lease, the Company will treat it as a new lease for accounting treatment from the effective date of the change, and the amount of the advance or the amount of the lease receivables related to the lease before the change shall be regarded as the receipt of the new lease.

(2) Accounting treatment method of financial leases

☒Applicable ☐Not applicable

1) Initial measurement

On the starting date of the lease term, the company recognizes the financial lease receivables for the financial lease and terminates the recognition of the financial lease assets. When the company initially measures the financial lease receivables, the net lease investment is used as the entry value of the financial lease receivables.

The net lease investment is the sum of the unguaranteed residual value and the present value of the lease payment not yet received at the beginning of the lease term, discounted at the interest rate implicit in the lease. Lease collection refers to the amount that the lessor should collect from the lessee due to the transfer of the right to use the leased asset during the lease term, including: 1) fixed payment amount and substantial fixed payment amount to be paid by the lessee; if there is lease incentive, the relevant amount of lease incentive shall be deducted; 2) the amount of variable lease payments depending on the index or ratio, which is determined at the initial measurement according to the index or ratio on the beginning date of the lease term; 3) the exercise price of the

purchase option, provided that it is reasonably determined that the lessee will exercise the option; 4) the amount to be paid by the lessee to exercise the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease; 5) the guaranteed residual value provided by the lessee, the party related to the lessee and the independent third party with the financial ability to perform the guarantee obligation to the lessor.

2). Subsequent measurement

The company calculates and recognizes the interest income during each period of the lease term based on a fixed periodic interest rate. The periodic interest rate refers to the implicit discount rate used to determine the net investment of the lease (in the case of sublease, if the implicit interest rate of the sublease cannot be determined, the discount rate of the original lease shall be used (adjusted according to the initial direct expenses related to sublease)), or the change of the financial lease is not accounted for as a separate lease, and if the change takes effect on the lease commencement date, the revised discount rate determined according to relevant regulations when the lease will be classified as a financial lease.

3). Accounting treatment of lease change

If the financial lease is changed and the following requirements are met at the same time, the Company will regard the change as a separate lease for accounting treatment: 1) the change expands the lease scope by adding the right to use one or more lease assets; 2) the increased consideration is equivalent to the amount of the individual price of the expanded lease scope adjusted according to the conditions of the contract.

If the change of the financial lease is not accounted for as a separate lease, and if the change takes effect on the lease commencement date, the lease will be classified into an operating lease, and the Company will make accounting treatment as a new lease from the effective date of the lease change, and take the net lease investment before the effective date of the lease change as the book value of the lease asset.

(3) Determination and accounting treatment of the lease under the new lease standard

☒Applicable ☐Not applicable

Please refer to 42. Lease (1) for details.

43. Other significant accounting policies and accounting estimates

☐ Applicable ☒ Not applicable

44. Changes in significant accounting policies and accounting estimates

(1). Changes in significant accounting policies

☐ Applicable ☒ Not applicable

(2). Changes in major accounting estimates

☐ Applicable ☒ Not applicable

(3). The first implementation of the new accounting standards or the interpretations from 2023 involves the adjustment of the financial statements at the beginning of the first implementation year

√Applicable □Not applicable

Explanation of the reasons for adjusting the financial statements at the beginning of the year

1) Starting from January 1, 2023, the Company and its subsidiaries have implemented the provisions of the "Interpretation of Accounting Standards for Business Enterprises No. 16" issued by the Ministry of Finance, which states that "deferred income tax related to assets and liabilities arising from individual transactions shall not be subject to the accounting treatment of initial recognition exemption". This accounting policy change has the following impact on the company's financial statements:

Consolidated Balance Sheet

Unit: yuan Currency: RMB

Item	December 31, 2022	January 1, 2023	Adjusted figures
Current assets:			
Cash and bank balance	169,409,084.36	169,409,084.36	
Provision of settlement fund			
Lendings to Banks and Other Financial Institutions			
Held-for-trading financial assets	212,382,756.11	212,382,756.11	
Financial derivative assets			
Notes receivable	60,955,950.86	60,955,950.86	
Accounts receivable	555,556,435.73	555,556,435.73	
Receivables financing	14,283,281.00	14,283,281.00	
Prepayments	21,954,214.26	21,954,214.26	
Premiums receivable			
Cession premiums receivable			
Provision of cession receivable			
Other receivables	5,172,335.82	5,172,335.82	
Including: Interests receivable			
Dividends receivable			
Redemptory monetary capital for sale			
Inventory	374,094,322.11	374,094,322.11	
Contract assets	33,225,303.11	33,225,303.11	
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	180,982.75	180,982.75	
Total non-current assets	1,447,214,666.11	1,447,214,666.11	
Non-current assets:			
Loans and advances			
Debt investment			
Other debt investment			
Long-term accounts			

receivable			
Long-term equity investment			
Other equity instruments investment			
Other non-current financial assets			
Investment property			
Fixed assets	153,899,861.62	153,899,861.62	
Construction in progress	63,696,092.71	63,696,092.71	
Bearer biological assets			
Oil and natural gas assets			
Right-of-use asset	8,119,614.60	8,119,614.60	
Intangible assets	72,214,802.53	72,214,802.53	
R&D expenditure			
Goodwill			
Long-term deferred expenses	2,658,284.10	2,658,284.10	
Deferred tax assets	17,952,528.79	19,521,719.68	1,569,190.89
Other non-current assets	1,933,122.84	1,933,122.84	
Total non-current assets	320,474,307.19	322,043,498.08	1,569,190.89
Total assets	1,767,688,973.30	1,769,258,164.19	1,569,190.89
Current liabilities:			
Short-term borrowings			
Borrowings from the Central Bank			
Borrowings from Banks and Other Financial Institutions			
Held-for-trading financial liabilities			
Financial derivative liabilities			
Notes payable	138,124,818.71	138,124,818.71	
Accounts payable	248,006,672.76	248,006,672.76	
Advances from customers			
Contract liabilities	262,406,417.36	262,406,417.36	
Financial Assets Sold for Repurchase			
Deposits from customers and interbank			
Funds received as agent of stock exchange			
Funds received as securities underwriting			
Employee benefits payable	41,446,227.57	41,446,227.57	
Taxes payable	15,282,071.43	15,282,071.43	
Other payables	3,766,280.35	3,766,280.35	
Including: Interests payable			
Dividends payable			
Handling charges and commissions payable			
Cession insurance premiums payable			
Held-for-sale liabilities			
Non-current liabilities due	3,101,782.04	3,101,782.04	

within one year			
Other current liabilities	73,703,026.31	73,703,026.31	
Total of current liabilities	785,837,296.53	785,837,296.53	
Non-current liability:			
Provision for insurance contracts			
Long term borrowings			
Bonds payable			
Including: Preferred stock			
Perpetual bond			
Lease liability	5,120,025.20	5,120,025.20	
Long-term accounts payable			
Long-term employee benefits payable			
Estimated liabilities	38,290,734.17	38,290,734.17	
Deferred income			
Deferred tax liabilities	504,438.42	2,054,177.69	1,549,739.27
Other non-current liabilities			
Total of non-current liabilities	43,915,197.79	45,464,937.06	1,549,739.27
Total Liabilities	829,752,494.32	831,302,233.60	1,549,739.27
Owner's equity (or shareholders' equity):			
Paid-up capital (or equity)	147,200,000.00	147,200,000.00	
Other equity instruments			
Including: Preferred stock			
Perpetual bond			
Capital reserve	350,306,390.81	350,306,390.81	
Less: Treasury stock			
Other comprehensive income			
Special reserves			
Surplus reserve	38,262,264.06	38,262,560.14	296.08
Provision for normal risks			
Retained earnings	402,167,824.11	402,186,979.64	19,155.53
Total Owners' (Shareholders') Equity Attributable to Holding Company	937,936,478.98	937,955,930.59	19,451.61
Minority interests			
Total owner's equity (or shareholders' equity)	937,936,478.98	937,955,930.59	19,451.61
Total liabilities and owner's equity (or shareholders' equity)	1,767,688,973.30	1,769,258,164.19	1,569,190.89

Parent Company Balance Sheet

Unit: yuan Currency: RMB

Item	December 31, 2022	January 1, 2023	Adjusted figures
Current assets:			
Cash and bank balance	115,712,869.09	115,712,869.09	
Held-for-trading financial assets	192,192,633.33	192,192,633.33	
Financial derivative assets			
Notes receivable	53,904,466.64	53,904,466.64	

Accounts receivable	534,478,456.99	534,478,456.99	
Receivables financing	11,295,997.42	11,295,997.42	
Prepayments	20,438,906.59	20,438,906.59	
Other receivables	4,135,213.06	4,135,213.06	
Including: Interests receivable			
Dividends receivable			
Inventory	242,521,439.57	242,521,439.57	
Contract assets	33,225,303.11	33,225,303.11	
Held-for-sale assets			
Non-current assets due within one year			
Other current assets			
Total non-current assets	1,207,905,285.80	1,207,905,285.80	
Non-current assets:			
Debt investment			
Other debt investment			
Long-term accounts receivable			
Long-term equity investment	211,500,000.00	211,500,000.00	
Other equity instruments investment			
Other non-current financial assets			
Investment property			
Fixed assets	99,259,008.17	99,259,008.17	
Construction in progress	423,489.63	423,489.63	
Bearer biological assets			
Oil and natural gas assets			
Right-of-use asset	1,483,672.86	1,483,672.86	
Intangible assets	8,696,492.53	8,696,492.53	
R&D expenditure			
Goodwill			
Long-term deferred expenses	1,433,068.51	1,433,068.51	
Deferred tax assets	15,267,370.78	15,492,882.46	225,511.68
Other non-current assets	407,997.91	407,997.91	
Total non-current assets	338,471,100.39	338,696,612.07	225,511.68
Total assets	1,546,376,386.19	1,546,601,897.87	225,511.68
Current liabilities:			
Short-term borrowings			
Held-for-trading financial liabilities			
Financial derivative liabilities			
Notes payable	133,274,818.71	133,274,818.71	
Accounts payable	257,509,638.01	257,509,638.01	
Advances from customers			
Contract liabilities	254,685,592.75	254,685,592.75	
Employee benefits payable	24,582,429.15	24,582,429.15	
Taxes payable	10,653,327.75	10,653,327.75	
Other payables	2,102,307.46	2,102,307.46	
Including: Interests payable			
Dividends payable			

Held-for-sale liabilities			
Non-current liabilities due within one year	1,051,036.18	1,051,036.18	
Other current liabilities	70,089,230.90	70,089,230.90	
Total of current liabilities	753,948,380.91	753,948,380.91	
Non-current liability:			
Long term borrowings			
Bonds payable			
Including: Preferred stock			
Perpetual bond			
Lease liability	452,375.05	452,375.05	
Long-term accounts payable			
Long-term employee benefits payable			
Estimated liabilities	35,440,688.20	35,440,688.20	
Deferred income			
Deferred tax liabilities	475,920.00	698,470.93	222,550.93
Other non-current liabilities			
Total of non-current liabilities	36,368,983.25	36,591,534.18	222,550.92
Total Liabilities	790,317,364.16	790,539,915.09	222,550.92
Owner's equity (or shareholders' equity):			
Paid-up capital (or equity)	147,200,000.00	147,200,000.00	
Other equity instruments			
Including: Preferred stock			
Perpetual bond			
Capital reserve	350,306,390.81	350,306,390.81	
Less: Treasury stock			
Other comprehensive income			
Special reserves			
Surplus reserve	38,262,264.06	38,262,560.14	296.08
Retained earnings	220,290,367.16	220,293,031.84	2,664.68
Total owner's equity (or shareholders' equity)	756,059,022.03	756,061,982.79	2,960.76
Total liabilities and owner's equity (or shareholders' equity)	1,546,376,386.19	1,546,601,897.87	225,511.68

45. Others

☐ Applicable ☒ Not applicable

VI. Taxes**1. Major taxes and tax rates**

Major taxes and tax rates

☒ Applicable ☐ Not applicable

Tax categories	Tax basis	Tax rate
Value-added tax	Taxable sales	Output tax is calculated for taxable income at the rate of 13% and 6%, and VAT is levied according to the difference after the deduction of the deductible input VAT.
Consumption tax		

Business tax		
Urban maintenance and construction tax	Turnover tax payable	Paid on the basis of 7% and 5% of turnover tax actually paid.
Enterprise income tax		See table below.
Education surcharge	Turnover tax payable	Paid on the basis of 3% of turnover tax actually paid.
Local education surcharge	Turnover tax payable	Paid on the basis of 2% of turnover tax actually paid.

If there are taxpayers with different enterprise income tax rates, the information shall be disclosed

☒Applicable ☐Not applicable

Name of taxpayers	Income tax rate (%)
Kunshan Dongwei Technology Co., Ltd.	15%
Guangde Dongwei Technology Co., Ltd. (hereinafter referred to as "Guangde Dongwei")	15%
Shenzhen Dongwei Technology Co., Ltd. (hereinafter referred to as "Shenzhen Dongwei")	20%
Dongguan Dongwei Technology Co., Ltd. (hereinafter referred to as "Dongguan Dongwei")	20%
Changshu Dongwei Technology Co., Ltd. (hereinafter referred to as "Changshu Dongwei")	25%

2. Tax incentives

☒Applicable ☐Not applicable

(1) VAT

According to the provisions of the "Notice on VAT Policies for Software Products (CS [2011] No. 100) issued by the Ministry of Finance and the State Taxation Administration and the "Notice on Issuing Several Policies to Further Encourage the Development of the Software Industry and Integrated Circuit Industry (GF [2011] No. 4) issued by the State Council, for the sales of self-developed and produced software products by the Company, after levying VAT at a statutory tax rate of 13%, the actual tax burden exceeding 3% will be subject to a policy of immediate collection and refund.

(2) Enterprise income tax:

On October 12, 2022, the Company obtained the high-tech enterprise certificate jointly issued by the Department of Science and Technology of Jiangsu Province, the Department of Finance of Jiangsu Province, and the State Taxation Administration, Jiangsu Taxation Bureau. The certificate number is GR202232000259, and the validity period is three years. According to relevant tax regulations, the Company will enjoy relevant preferential tax policies for high-tech enterprises for three consecutive years from 2022 to 2024, and pay enterprise income tax at a preferential rate of 15%.

On October 18, 2022, Guangde Dongwei Technology Co., Ltd., a subsidiary of the Company, obtained the high-tech enterprise certificate jointly issued by the Department of Science and Technology of Anhui Province, the Department of Finance of Anhui Province, and the State Taxation Administration, Anhui Taxation Bureau. The certificate number is GR202234002929, and the validity period is three years. According to relevant tax regulations, Guangde Dongwei Technology Co., Ltd., a subsidiary of the Company, will enjoy relevant preferential tax policies for high-tech enterprises for three consecutive years from 2022 to 2024, and pay enterprise income tax at a preferential rate of 15%.

According to the Notice of the Ministry of Finance and the State Administration of Taxation on the Implementation of Inclusive Tax Reduction and Exemption Policies for SME (CS [2019] No. 13), the Announcement of the State Taxation Administration on Issues Related to the Implementation of Inclusive Income Tax Reduction and Exemption Policies for SME (State Taxation Administration Announcement No. 2 in 2019) and the relevant regulations of the Ministry of Finance and the State Administration of Taxation Announcement No. 12 in 2021, from January 1, 2021 to December 31, 2022, for the portion of the annual taxable income of a SME not exceeding RMB 1 million, which shall be included in the taxable income at 12.5%, and the enterprise income tax shall be paid at the rate of 20%; for the portion of the annual taxable income exceeding RMB 1 million but not exceeding RMB 3 million, 50% shall be included in the taxable income and the enterprise income tax shall be paid at the rate of 20%. The Company's subsidiaries Shenzhen Kunshan Dongwei Technology Co., Ltd. and Dongguan Dongwei Technology Co., Ltd. will pay corporate income tax at a reduced rate of 20% in 2022.

3. Others

☐ Applicable ☒ Not applicable

VII. Notes to consolidated financial statement

In the data to be disclosed in the following financial statements, unless otherwise stated, the beginning of period refers to January 1, 2023, the end of period refers to June 30, 2023, the current period refers to January 1, 2023 to June 30, 2023, and the previous year refers to January 1, 2022 to June 30, 2022, and the currency unit is RMB.

1. Cash and bank balance

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB		
Item	Closing balance	Opening balance
Cash on hand	24,042.70	10,008.30
Cash in bank	493,789,972.80	169,399,076.06
Other cash and bank balance		
Total	493,814,015.50	169,409,084.36
Including: total amount deposited overseas		
Amount deposited in finance company		

Other notes:

None

2. Held-for-trading financial assets

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB		
Item	Closing balance	Opening balance

Financial assets measured at fair value through profit or loss	493,173,125.01	212,382,756.11
Including:		
Financial management product	493,173,125.01	212,382,756.11
2. Specified financial assets measured at fair value through profit or loss		
Including:		
Total	493,173,125.01	212,382,756.11

Other notes:

☐ Applicable ☒ Not applicable**3. Financial derivative assets**☐ Applicable ☒ Not applicable**4. Notes receivable****(1) List of notes receivable by categories**☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptance	48,837,881.18	58,394,721.68
Trade acceptance	11,929,169.79	3,086,229.18
Provision for bad debts	-957,488.45	-525,000.00
Total	59,809,562.52	60,955,950.86

(2) Pledged notes receivable by the company at the end of the period.☐ Applicable ☒ Not applicable**(3) The closing notes receivable endorsed or discounted by the Company not matured at the balance sheet date**☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Closing amount derecognized	Closing amount not derecognized
Bank acceptance	31,355,800.79	35,737,616.87
Trade acceptance		1,374,437.29
Total	31,355,800.79	37,112,054.16

(4) The notes of the Company which are transferred as receivables due to the non-compliance by the drawer at the end of period.☐ Applicable ☒ Not applicable**(5) Disclosure by classification of bad debt accrual methods**☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book Value	Book balance		Provision for bad debts		Book Value
	Amount	Proportion (%)	Amount	Additions		Amount	Proportion (%)	Amount	Additions	

				proportion (%)					proportion (%)	
Accrued bad-debt provision by individual										
Including:										
Accrued bad-debt provision by portfolio	60,767,050.97	100	957,488.45	1.58	59,809,562.52	61,480,950.86	100.00	525,000.00	0.85	60,955,950.86
Including:										
Portfolio 1	48,837,881.18	80.37			48,837,881.18	58,480,950.86	95.12			58,480,950.86
Portfolio 2	11,187,566.91	18.41	776,631.70	6.94	10,410,935.21	2,000,000.00	3.25	225,000.00	11.25	1,775,000.00
Portfolio 3	741,602.88	1.22	180,856.75	24.39	560,746.13	1,000,000.00	1.63	300,000.00	30.00	700,000.00
Total	60,767,050.97	/	957,488.45	/	59,809,562.52	61,480,950.86	/	525,000.00	/	60,955,950.86

Accrued bad-debt provision by individual:

☐ Applicable ☒ Not applicable

Accrued bad-debt provision by portfolio:

☒ Applicable ☐ Not applicable

Portfolio accrual items: portfolio 2

Unit: yuan Currency: RMB

Name	Closing balance		
	Notes receivable	Provision for bad debts	Additions proportion (%)
Within 1 year	10,074,000.00	503,700.00	5.00
1-2 years	305,691.89	30,569.19	10.00
2-3 years	807,875.02	242,362.51	30.00
3-4 years			
Total	11,187,566.91	776,631.70	6.94

Portfolio accrual items: portfolio 3

Name	Closing balance		
	Notes receivable	Provision for bad debts	Additions proportion (%)
Within 1 year	166,496.45	8,324.82	5.00
1-2 years			
2-3 years	575,106.43	172,531.93	30.00
Total	741,602.88	180,856.75	24.39

Recognition criteria and description of bad debts accrued by portfolio

☐ Applicable ☒ Not applicable

If the provision for bad debts is made according to the general model of expected credit losses, please refer to the disclosure of other receivables:

☐ Applicable ☒ Not applicable

(6) Bad debt provision

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Category	Opening balance	Amount changed in current period			Closing balance
		Provision	Recovered or reversed	Write-off	
Provision for bad debt of notes receivable	525,000.00	432,488.45			957,488.45
Total	525,000.00	432,488.45			957,488.45

Of which: the bad debt provision recovered or reversed with important amount in the current period:

☐ Applicable ☒ Not applicable

Other notes:

None

(7) Notes receivable with actual written-off during the current period

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

5. Accounts receivable

(1) Disclosed by aging

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Aging	Ending book balance
Within 1 year	
Including: Subitems within 1 year	
Within 1 year	449,050,582.92
Within 1 year in subtotal	449,050,582.92
1-2 years	170,820,088.35
2-3 years	31,661,015.39
More than 3 years	
3-4 years	8,293,357.88
4-5 years	1,492,438.11
More than 5 years	6,600,875.43
Total	667,918,358.08

(2) Disclosure by classification of bad debt accrual methods

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book Value	Book balance		Provision for bad debts		Book Value
	Amount	Proportion (%)	Amount	Additions proportion (%)		Amount	Proportion (%)	Amount	Additions proportion (%)	
Accrued bad-debt provision by individual	9,353,975.17	1.40	5,789,975.17	61.9	3,564,000.00	9,603,975.17	1.58	5,914,975.17	61.59	3,689,000.00
Including:										
Client 1	834,419.23	0.12	834,419.23	100		834,419.23	0.14	834,419.23	100.00	
Client 2	7,128,000.00	1.07	3,564,000.00	50	3,564,000.00	7,128,000.00	1.16	3,564,000.00	50.00	3,564,000.00
Client 3	1,391,555.94	0.21	1,391,555.94	100		1,391,555.94	0.23	1,391,555.94	100.00	
Client 4						250,000.00	0.04	125,000.00	50.00	125,000.00
Accrued bad-debt provision by portfolio	658,564,382.91	98.60	55,993,172.29	8.50	602,571,210.62	599,604,545.74	98.42	47,737,110.01	7.96	551,867,435.73
Including:										
Aging portfolio	658,564,382.91	98.60	55,993,172.29	8.50	602,571,210.62	599,604,545.74	98.42	47,737,110.01	7.96	551,867,435.73
Total	667,918,358.08	/	61,783,147.46	/	606,135,210.62	609,208,520.91	/	53,652,085.18	/	555,556,435.73

Accrued bad-debt provision by individual:

√Applicable □Not applicable

Unit: yuan Currency: RMB

Name	Closing balance			
	Book balance	Provision for bad debts	Additions proportion (%)	Reasons for withdrawal
Client 1	834,419.23	834,419.23	100.00	Not expected to be recovered
Client 2	7,128,000.00	3,564,000.00	50.00	Expected unrecoverable in part
Client 3	1,391,555.94	1,391,555.94	100.00	Not expected to be recovered
Total	9,353,975.17	5,789,975.17	61.90	/

Description of accrued bad-debt provision by individual:

□ Applicable √ Not applicable

Accrued bad-debt provision by portfolio:

√Applicable □Not applicable

Portfolio accrual items: aging portfolio

Unit: yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debts	Additions proportion (%)
Aging portfolio	658,564,382.91	55,993,172.29	8.50
Total	658,564,382.91	55,993,172.29	8.50

Recognition criteria and description of bad debts accrued by portfolio:

□ Applicable √ Not applicable

If the provision for bad debts is made according to the general model of expected credit losses, please refer to the disclosure of other receivables:

□ Applicable √ Not applicable

(3) Bad debt provision

√Applicable □Not applicable

Unit: yuan Currency: RMB

Category	Opening balance	Amount changed in current period				Closing balance
		Provision	Recovered or reversed	Write-off	Other changes	
Provision for bad debts of accounts receivable	53,652,085.18	8,359,062.28	125,000.00	103,000.00		61,783,147.46
Total	53,652,085.18	8,359,062.28	125,000.00	103,000.00		61,783,147.46

Of which: the bad debt provision recovered or reversed with important amount in the current period:

√Applicable □Not applicable

Unit: yuan Currency: RMB

Name of entity	Amount recovered or reversed	Withdrawal mode
Entity I	125,000.00	Wire transfer
Total	125,000.00	/

Other notes:

None

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

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount written-off
Accounts receivable actually written-off	103,000.00

Including: significant written-off of accounts receivable

√Applicable □Not applicable

Unit: yuan Currency: RMB

Name of entity	Nature of accounts receivable	Amount written-off	Reason for written-off	Write-off procedures fulfilled	Whether the payment is generated by related-party transactions
Entity I	Fund for equipment	103,000.00	Not expected to be recovered	Approved on the meeting of general manager office	No
Total	/	103,000.00	/	/	/

Write-off notes for accounts receivable:

□ Applicable √ Not applicable

(5) Top five accounts receivable for closing balance collected by the debtor

√Applicable □Not applicable

Name of entity	Closing amount	Proportion in total balance of accounts receivable at the end of period (%)	Closing balance of bad debts reserve
Client 1	42,492,000.00	6.36	2,151,600.00
Client 2	37,238,113.08	5.58	1,861,905.65
Client 3	30,749,339.71	4.6	2,836,675.36
Client 4	19,363,384.15	2.9	1,154,151.26
Client 5	19,250,000.00	2.88	962,500.00
Total	149,092,836.94	22.32	8,966,832.27

(6) Derecognized receivables due to transfer of financial assets

□ Applicable √ Not applicable

(7) Amounts of assets and liabilities from transferring receivables and involved

□ Applicable √ Not applicable

Other notes:

□ Applicable √ Not applicable

6. Receivables financing

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
------	-----------------	-----------------

Notes receivable	5,516,535.28	14,283,281.00
Including: Bank acceptance bill	5,516,535.28	14,283,281.00
Total	5,516,535.28	14,283,281.00

Changes in increase and decrease of receivables financing and changes in fair in the current period:

☐ Applicable ☒ Not applicable

If the provision for bad debts is made according to the general model of expected credit losses, please refer to the disclosure of other receivables:

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

7. Prepayments

(1) Prepayments are listed by aging

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	13,867,146.82	92.42	20,876,726.63	95.09
1-2 years	919,970.15	6.13	1,077,487.63	4.91
2-3 years	217,405.01	1.45		
More than 3 years				
Total	15,004,521.98	100.00	21,954,214.26	100.00

Notes on the reason for the non-timely settlement of the advance payment with important amount aging more than 1 year:

None

(2) Top five advance payments for the closing balance per the objects of advance payment

☒ Applicable ☐ Not applicable

Name of entity	Closing balance	Proportion in total closing balance of prepayments (%)
Entity I	1,507,614.94	10.05
Entity II	1,468,852.45	9.79
Entity III	1,296,000.00	8.64
Entity IV	1,044,092.91	6.96
Entity V	637,500.00	4.25
Total	5,954,060.30	39.69

Other notes

☐ Applicable ☒ Not applicable

8. Other receivables

Listed by item

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Interests receivable		
Dividends receivable		

Other receivables	4,862,067.70	5,172,335.82
Total	4,862,067.70	5,172,335.82

Other notes:

☐ Applicable ☒ Not applicable**Interests receivable****(1) Classification of interests receivable**☐ Applicable ☒ Not applicable**(2) Significant overdue interest**☐ Applicable ☒ Not applicable**(3) Information of bad-debt provision**☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable**Dividends receivable****(1) Dividends receivable**☐ Applicable ☒ Not applicable**(2) Important dividends receivable aging over 1 year**☐ Applicable ☒ Not applicable**(3) Information of bad-debt provision**☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable**Other receivables****(1) Disclosed by aging**☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Aging	Ending book balance
Within 1 year	
Including: Subitems within 1 year	
Within 1 year	3,374,470.66
Within 1 year in subtotal	3,374,470.66
1-2 years	1,062,518.00
2-3 years	115,238.07
More than 3 years	
3-4 years	1,236,175.47
4-5 years	6,500.00
More than 5 years	9,550.00
Less: Provision for bad debts	-942,384.50
Total	4,862,067.70

(2) Classification by nature of fund☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Nature of fund	Ending book balance	Opening book balance
Deposit and margin	3,556,218.47	4,837,332.28
Employee reserve fund	1,563,083.23	782,389.75
Others	685,150.50	644,018.16
Provision for bad debts	-942,384.50	-1,091,404.37
Total	4,862,067.70	5,172,335.82

(3) Information of bad-debt provision

√Applicable □Not applicable

Unit: yuan Currency: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance as of January 1, 2023	1,091,404.37			1,091,404.37
Balance on January 1, 2023 in the current period				
--Transfer to the stage 2				
--Transfer to the stage 3				
--Transfer back to the stage 2				
--Transfer back to the stage 1				
Provision for the current period	-149,019.87			-149,019.87
Reversed in current period				
Written off in current period				
Write-off in this period				
Other changes				
Balance as of June 30, 2023	942,384.50			942,384.50

Explanation of the significant changes in the book balance of other receivables for which the provision for loss has changed in the current period:

□ Applicable √ Not applicable

The amount of provision for bad debts in the current period and the basis for assessing whether the credit risk of financial instruments has significantly increased:

□ Applicable √ Not applicable

(4) Bad debt provision

√Applicable □Not applicable

Unit: yuan Currency: RMB

Category	Opening balance	Amount changed in current period				Closing balance
		Provision	Recovered or reversed	Write-off	Other changes	

Bad debt provision for other receivables	1,091,404.37	-149,019.87				942,384.50
Total	1,091,404.37	-149,019.87				942,384.50

Import reversed or recovered amount from non-performing debt during the period:

☐ Applicable ☒ Not applicable

(5) Other accounts receivable with actual write-off during the period.

☐ Applicable ☒ Not applicable

(6) Top five other accounts receivable for closing balance collected by the debtor.

☒ Applicable ☐ Not applicable

		Unit: yuan		Currency: RMB	
Name of entity	Nature of fund	Closing balance	Aging	Proportion in total closing balance of other receivables (%)	Provision for bad debts Closing balance
Entity I	Deposit and margin	1,010,000.00	3-4 years	17.4	505,000.00
Entity II	Deposit and margin	500,000.00	1-2 years	8.61	50,000.00
Entity III	Deposit and margin	423,000.00	Within 1 year	7.29	21,150.00
Entity IV	Employee reserve fund	206,866.20	Within 1 year	3.56	10,343.31
Entity V	Deposit and margin	200,000.00	1-2 years	3.45	20,000.00
Total	/	2,339,866.20	/	40.31	606,493.31

(7) Receivables related to government subsidy

☐ Applicable ☒ Not applicable

(8) Derecognized other receivables due to transfer of financial assets

☐ Applicable ☒ Not applicable

(9) Amount from transferring other receivables and further involving assets and liabilities:

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

9. Inventory

(1) Inventory classification

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Inventory depreciation reserve / depreciation reserve for contract performance costs	Book value	Book balance	Inventory depreciation reserve / depreciation reserve for contract performance costs	Book value
Raw materials	62,445,486.65	316,559.67	62,128,926.98	61,069,273.56	270,206.23	60,799,067.33
Work in progress	79,385,405.56		79,385,405.56	39,447,889.52		39,447,889.52
Stocked goods	73,890,522.26	4,970,891.96	68,919,630.30	82,950,065.98	4,780,822.86	78,169,243.12
Reusable materials						
Consumable biological assets						
Contract performance cost						
Goods shipped	181,850,846.53	3,146,273.74	178,704,572.79	198,739,081.21	3,060,959.07	195,678,122.14
Total	397,572,261.00	8,433,725.37	389,138,535.63	382,206,310.27	8,111,988.16	374,094,322.11

(2) Inventory depreciation reserve and the depreciation reserve for contract performance costs

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Amount of increase in current period		Amount of decrease in current period		Closing balance
		Provision	Others	Reversals or written-off	Others	
Raw materials	270,206.23	46,353.44				316,559.67
Work in progress						
Stocked goods	4,780,822.86	535,023.15		344,954.05		4,970,891.96
Reusable materials						
Consumable biological assets						
Contract performance cost						
Goods shipped	3,060,959.07	1,751,824.45		1,666,509.78		3,146,273.74
Total	8,111,988.16	2,333,201.04		2,011,463.83		8,433,725.37

(3) Closing balance of inventory excludes the amount of capitalization of borrowing costs.

☐ Applicable ☒ Not applicable

(4) Description of the current amortization amount of contract performance costs

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

10. Contract assets**(1) Profile of contract assets**

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Sales contract payment	51,135,094.47	2,556,754.72	48,578,339.75	34,989,792.75	1,764,489.64	33,225,303.11
Total	51,135,094.47	2,556,754.72	48,578,339.75	34,989,792.75	1,764,489.64	33,225,303.11

(2) The amount and reason for the significant change in the book value during the reporting period

☐ Applicable ☒ Not applicable

(3) Provision for impairment of contract assets in the current period

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Provision for the current period	Reversed in current period	Write-off/verification in current period	Cause
Sales contract payment	792,265.08			Refer to the treatment method for expected credit losses of accounts receivable to make provision for impairment
Total	792,265.08			/

If the provision for bad debts is made according to the general model of expected credit losses, please refer to the disclosure of other receivables:

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

11. Held-for-sale assets

☐ Applicable ☒ Not applicable

12. Non-current assets due within one year

☐ Applicable ☒ Not applicable

13. Other current assets

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Contract acquisition cost		
Return cost receivable		
Prepaid taxes, input tax to be certified, and retained tax amount	606,057.64	180,982.75
Total	606,057.64	180,982.75

Other notes:

None

14. Debt investment**(1) Debt investment**

☐ Applicable ☒ Not applicable

(2) Important debt investment at the end of the period

☐ Applicable ☒ Not applicable

(3) Withdraw of impairment provision

☐ Applicable ☒ Not applicable

15. Other debt investment**(1) Other debt investment**

☐ Applicable ☒ Not applicable

(2) Other important debt investment at the end of the period

☐ Applicable ☒ Not applicable

(3) Withdraw of impairment provision

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

16. Long-term accounts receivable**(1) Long-term accounts receivable**

☐ Applicable ☒ Not applicable

(2) Information of bad-debt provision

☐ Applicable ☒ Not applicable

(3) Derecognized long-term receivables due to transfer of financial assets

☐ Applicable ☒ Not applicable

(4) Amounts of assets and debts from transfer of long-term receivables and further involving assets and liabilities.

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

17. Long-term equity investment

☐ Applicable ☒ Not applicable

18. Other equity instruments investment**(1) Investment in other equity instruments**

☐ Applicable ☒ Not applicable

(2) Investment in non-trading equity instruments

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

19. Other non-current financial assets

☐ Applicable ☒ Not applicable

20. Investment property

Measurement mode of investment property

None

21. Fixed assets**Listed by item**

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	228,141,632.72	153,899,861.62
Disposal of fixed assets		
Total	228,141,632.72	153,899,861.62

Other notes:

None

Fixed assets**(1) Fixed assets**

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Houses and buildings	Machinery equipment	Transportation Equipment	Office and electronic equipment	Decoration of fixed assets	Others	Total
I. Original book value							
1. Opening balance	87,697,158.49	47,630,356.60	11,368,185.52	11,673,034.03	26,468,960.44	1,498,933.11	186,336,628.19
2. Amount of increase in current period	64,521,033.02	3,336,393.92	135,962.66	939,557.68	13,174,739.73		82,107,687.01
(1) Purchase	53,233.12	3,336,393.92	135,962.66	939,557.68	141,505.36		5,880,204.74
(2) Transferred from construction in progress	64,467,799.90				11,759,682.37		76,227,482.27
(3) Increase caused by business combination							
3.		148,801.77		30,113.67			178,915.44

Amount of decrease in current period							
(1). Disposal or retirement		148,801.77		30,113.67			178,915.44
4. Closing balance	152,218,191.51	50,817,948.75	11,504,148.18	12,582,478.04	39,643,700.17	1,498,933.11	268,265,399.76
II. Accumulated depreciation							
1. Opening balance	12,243,775.05	8,993,442.44	5,009,794.89	3,625,265.77	1,983,691.48	580,796.94	32,436,766.57
2. Amount of increase in current period	3,017,894.89	2,245,372.46	788,246.41	994,667.72	688,266.40	115,686.76	7,850,134.64
(1) Additions	3,017,894.89	2,245,372.46	788,246.41	994,667.72	688,266.40	115,686.76	7,850,134.64
3. Amount of decrease in current period		135,412.54		27,721.63			163,134.17
(1). Disposal or retirement		135,412.54		27,721.63			163,134.17
4. Closing balance	15,261,669.94	11,103,402.36	5,798,041.30	4,592,211.86	2,671,957.88	696,483.70	40,123,767.04
III. Impairment provision							
1. Opening balance							
2. Amount of increase in current period							
(1) Additions							
3. Amount of decrease in current period							
(1). Disposal or retirement							
4. Closing balance							
IV. Book value							
1. Ending book value	136,956,521.57	39,714,546.39	5,706,106.88	7,990,266.18	36,971,742.29	802,449.41	228,141,632.72
2. Beginning book value	75,453,383.44	38,636,914.16	6,358,390.63	8,047,768.26	24,485,268.96	918,136.17	153,899,861.62

(2) Fixed assets temporarily idle
☐ Applicable ☒ Not applicable
(3) Fixed assets leased-in through finance lease
☐ Applicable ☒ Not applicable

(4) Fixed assets leased-out through operating lease

☐ Applicable ☒ Not applicable

(5) Fixed asset requiring the collection of certificate of title

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

Disposal of fixed assets

☐ Applicable ☒ Not applicable

22. Construction in progress**Listed by item**

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	38,224,659.21	63,696,092.71
Construction materials		
Total	38,224,659.21	63,696,092.71

Other notes:

None

Construction in progress**(1) Profile of construction in progress**

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Factory building and office building	37,824,659.21		37,824,659.21	63,696,092.71		63,696,092.71
Plant greening works	400,000.00		400,000.00			
Total	38,224,659.21		38,224,659.21	63,696,092.71		63,696,092.71

(2) Changes to important construction in process in current period

√Applicable □Not applicable

Unit: yuan Currency: RMB

Project name	Budget	Opening Balance	Amount of increase in current period	Amount transfers to fixed assets in current period	Amount of other decreases in current period	Ending Balance	Proportion of accumulated project input in budget (%)	Project progress	Cumulative amount of interest capitalization	Including: amount of interest capitalization of current period	Proportion of interest capitalization in current period (%)	Sources of funds
PCB Vertical Continuous Electroplating Equipment Expansion (Phase I) Project (Plant Construction) of Guangde Dongwei Technology Co., Ltd.	154,300,000.00	59,140,157.44	17,087,324.83	76,227,482.27		0.00	49.40	Completed				Fundraising
New Energy Equipment Expansion Workshop (Factory Construction) of Kunshan Dongwei Technology Co., Ltd.	70,000,000.00	423,489.63	13,096,677.46			13,520,167.09	19.31	Incomplete				Own Fund
High-end Surface Treatment Equipment Production Base of Changshu Dongwei	81,000,000.00	4,132,445.64	20,172,046.48			24,304,492.12	30.01	Incomplete				Own Fund

Plant greening works	500,000.00		400,000.00			400,000.00	80.00	Incomplete				Own Fund
Total	305,800,000.00	63,696,092.71	50,756,048.77	76,227,482.27		38,224,659.21	/	/			/	/

(3) Construction in progress with provision for impairment during this reporting period:

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

Construction materials

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

(2) Productive biological assets using the fair value measurement model

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

24. Oil and natural gas assets

☐ Applicable ☒ Not applicable

25. Right-of-use asset

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Houses and buildings	Total
I. Original book value		
1. Opening balance	9,403,754.09	9,403,754.09
2. Amount of increase in current period		
3. Amount of decrease in current period		
4. Closing balance	9,403,754.09	9,403,754.09
II. Accumulated depreciation		
1. Opening balance	1,284,139.49	1,284,139.49
2. Amount of increase in current period	1,629,650.71	1,629,650.71
(1) Additions	1,629,650.71	1,629,650.71
3. Amount of decrease in current period		
(1) Disposal		
4. Closing balance	2,913,790.20	2,913,790.20
III. Impairment provision		
1. Opening balance		
2. Amount of increase in current period		
(1) Additions		
3. Amount of decrease in current period		
(1) Disposal		
4. Closing balance		
IV. Book value		
1. Ending book value	6,489,963.89	6,489,963.89
2. Beginning book value	8,119,614.60	8,119,614.60

Other notes:

None

26. Intangible assets**(1) Profile of intangible assets**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Land use rights	Patent rights	Non-patented technology	Software licenses	Total
I. Original book value					
1. Opening balance	71,777,817.56	50,000.00	1,796,116.51	3,804,772.47	77,428,706.54
2. Amount of increase in current period	2,294,803.96			50,734.68	2,345,538.64
(1) Purchase	2,294,803.96			50,734.68	2,345,538.64
(2) Internal research and development					
(3) Increase caused by business combination					
3. Amount of decrease in current period					
(1) Disposal					
4. Closing balance	74,072,621.52	50,000.00	1,796,116.51	3,855,507.15	79,774,245.18
II. Accumulated amortization					
1. Opening balance	1,867,118.58	32,083.32	1,017,799.48	2,296,902.63	5,213,904.01
2. Amount of increase in current period	802,572.30	2,499.96	89,805.84	269,689.93	1,164,568.03
(1) Additions	802,572.30	2,499.96	89,805.84	269,689.93	1,164,568.03
3. Amount of decrease in current period					
(1) Disposal					
4. Closing balance	2,669,690.88	34,583.28	1,107,605.32	2,566,592.56	6,378,472.04
III. Impairment provision					
1. Opening balance					
2. Amount of increase in current period					
(1) Additions					
3. Amount of decrease in current period					
(1) Disposal					

4. Closing balance					
IV. Book value					
1. Ending book value	71,402,930.64	15,416.72	688,511.19	1,288,914.59	73,395,773.14
2. Beginning book value	69,910,698.98	17,916.68	778,317.03	1,507,869.84	72,214,802.53

At the end of the period, intangible assets which are formed through the company's internal research and development account for 0% of intangible assets balance.

(2) The Company's land use rights requiring the collection of certificate of title.

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

27. R&D expenditure

☐ Applicable ☒ Not applicable

28. Goodwill

(1) Original book value of goodwill

☐ Applicable ☒ Not applicable

(2) Provision for impairment of goodwill

☐ Applicable ☒ Not applicable

(3) Relevant information on the assets group or portfolio of asset groups on which the goodwill is contained

☐ Applicable ☒ Not applicable

(4) Explain the business reputation impairment test process, key parameters (e.g. the growth rate in the forecasting period, the growth rate in the stable period, the profit margin, the discount rate, and the forecast period, if applicable) and the recognition method for business reputation impairment loss

☐ Applicable ☒ Not applicable

(5) Impact of business reputation impairment test

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

29. Long-term deferred expenses

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Amount of increase in current period	Amount of amortization in current period	Other amount of increase	Closing balance
Decoration costs	2,029,260.93		500,228.64		1,529,032.29
Molds	500,100.94	60,176.99	157,186.55		403,091.38
Others	128,922.23	897,701.67	497,629.53		528,994.37

Total	2,658,284.10	957,878.66	1,155,044.72		2,461,118.04
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Other notes:

None

30. Deferred income tax assets/deferred income tax liabilities**(1) Deferred tax assets without offsetting**

√Applicable □Not applicable

Unit: yuan Currency:RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax Assets	Deductible temporary difference	Deferred income tax Assets
Assets impairment provision	74,673,570.50	11,261,813.82	66,071,475.55	9,961,645.53
Unrealized profits from internal transactions	5,763,400.52	864,510.08	11,168,114.77	1,675,217.22
Deductible losses				
Estimated liabilities	39,233,410.16	5,888,064.62	38,290,734.17	5,746,663.22
Lease liability	7,054,789.06	1,343,457.95	8,221,807.24	1,569,190.89
Employee benefits payable	4,989,575.34	748,436.30	3,793,352.14	569,002.82
Total	131,714,745.58	20,106,282.77	127,545,483.87	19,521,719.68

(2) Deferred tax liability without offsetting

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax Liabilities	Taxable temporary differences	Deferred income tax Liabilities
Value-added estimation of enterprise merger under different control				
Changes in fair value of other debt investments				
Changes in fair value of other equity instruments investment				
Changes of fair value of held-for-trading financial assets	510,236.13	76,535.42	3,362,922.80	504,438.42
Right-of-use asset	6,489,963.88	1,249,991.59	8,119,614.60	1,549,739.27
Accelerated depreciation of fixed assets	12,071,661.88	1,810,749.28		
Total	19,071,861.89	3,137,276.29	11,482,537.40	2,054,177.69

(3) Deferred income tax assets or liabilities in net amount after offsetting

□ Applicable √ Not applicable

(4) List of unrecognized deferred income tax assets

□ Applicable √ Not applicable

(5) Deductible losses of deferred income tax assets unrecognized will mature in the following year.

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

31. Other non-current assets

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Contract acquisition cost						
Contract performance cost						
Return cost receivable						
Contract assets						
Prepayment for equipment	1,456,430.00		1,456,430.00	1,933,122.84		1,933,122.84
Total	1,456,430.00		1,456,430.00	1,933,122.84		1,933,122.84

Other notes:

None

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

☐ Applicable ☒ Not applicable

(2) Short-term borrowings overdue but outstanding:

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

33. Held-for-trading financial liabilities

☐ Applicable ☒ Not applicable

34. Financial derivative liabilities

☐ Applicable ☒ Not applicable

35. Notes payable

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Categories	Closing balance	Opening balance
Commercial acceptance bills		
Bank Acceptance Bill	154,028,183.19	138,124,818.71
Total	154,028,183.19	138,124,818.71

The total amount of unpaid notes payable at the end of the period is RMB 0.

36. Accounts payable

(1) List of accounts payable

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Material fund	209,439,032.94	236,853,928.96
Payments for project and equipment	11,850,248.87	5,982,060.34
Others	11,171,023.85	5,170,683.46
Total	232,460,305.66	248,006,672.76

(2) Significant accounts payable with an aging of over 1 year

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

37. Advances from customers

(1) List of advances from customers

☐ Applicable ☒ Not applicable

(2) Significant advances from customers aged over one year.

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

38. Contract liabilities

(1) Contract liabilities

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Contract payment in advance	245,040,803.66	262,406,417.36
Total	245,040,803.66	262,406,417.36

(2) The amount and reason for the significant change in the book value during the reporting period

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

39. Employee benefits payable

(1) List of employee benefits payable

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Short-term remuneration	41,426,741.49	102,795,736.33	109,401,120.14	34,821,357.68
II. Post-employment benefits - defined contribution plans	19,486.08	5,479,801.53	5,498,116.05	1,171.56
III. Termination benefits				
IV. Other benefits due within				

one year				
Total	41,446,227.57	108,275,537.86	114,899,236.19	34,822,529.24

(2) Presentation of short-term salary

√Applicable □Not applicable

		Unit: yuan		Currency: RMB
Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Salaries, bonuses, allowances and subsidies	41,423,439.77	95,975,262.99	102,593,313.66	34,805,389.10
II. Employee welfare		2,166,610.23	2,166,610.23	
III. Social insurance premiums	3,183.72	2,411,075.94	2,413,993.44	266.22
Including: Medical insurance premiums	2,275.75	1,911,214.82	1,913,298.61	191.96
Work-related injury insurance premiums	215.22	332,149.94	332,349.32	15.84
Maternity insurance premiums	692.75	167,711.18	168,345.51	58.42
IV. Housing Provident Fund	118.00	2,211,785.00	2,211,903.00	
V. Labor union funds, employee education funds		31,002.17	15,299.81	15,702.36
VI. Short-term compensated absences				
VII. Short-term profit-sharing plan				
Total	41,426,741.49	102,795,736.33	109,401,120.14	34,821,357.68

(3) List of defined contribution plan

√Applicable □Not applicable

		Unit: yuan		Currency: RMB
Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
1. Basic pension insurance premiums	18,840.08	5,313,944.74	5,331,676.58	1,108.24
2. Unemployment insurance premiums	646.00	165,856.79	166,439.47	63.32
3. Enterprise annuity payment				
Total	19,486.08	5,479,801.53	5,498,116.05	1,171.56

Other notes: None

□ Applicable √ Not applicable

40. Taxes payable

√Applicable □Not applicable

		Unit: yuan	Currency: RMB
Item	Closing balance	Opening balance	
Value-added tax	6,918,247.78	7,374,802.71	
Consumption tax			
Business tax			
Enterprise income tax	8,268,805.64	6,173,350.65	
Personal Income Tax	298,891.93	342,805.79	
Urban maintenance and	349,034.30	416,936.45	

construction tax		
Education surcharge	186,723.29	224,489.77
Local education surcharge	124,482.19	149,658.85
Stamp duty	215,354.04	155,653.26
Property tax	355,824.83	234,536.82
Land use taxes	227,577.59	186,866.34
Water conservancy construction fund	23,613.76	22,960.14
Others	27.99	10.65
Total	16,968,583.34	15,282,071.43

Other notes:

None

41. Other payables**Listed by item**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Interests payable		
Dividends payable		
Other payables	2,526,895.42	3,766,280.35
Total	2,526,895.42	3,766,280.35

Other notes:

None

Interests payable

□ Applicable √ Not applicable

Dividends payable

□ Applicable √ Not applicable

Other payables**(1) Other payables presented by nature of fund**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Accrued expenses	1,873,553.45	3,716,279.73
Others	653,341.97	50,000.62
Total	2,526,895.42	3,766,280.35

(2) Significant other accounts payable with an aging of over 1 year

□ Applicable √ Not applicable

Other notes:

□ Applicable √ Not applicable

42. Held-for-sale liabilities

□ Applicable √ Not applicable

43. Non-current liabilities due within one year

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term loan due within one year		
Bonds payable maturing within one year		
Long-term payables due within one year		
Lease liabilities due within one year	3,082,292.10	3,101,782.04
Total	3,082,292.10	3,101,782.04

Other notes:

None

44. Other current liabilities

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Short-term bonds payable		
Payment for return payable		
Endorsed acceptance bill that has not yet expired	37,112,054.16	49,504,616.60
Failure to meet VAT obligations Output tax to be carried forward	19,801,106.74	24,198,409.71
Total	56,913,160.90	73,703,026.31

Increasing or decreasing of short-term bonds payable

□ Applicable √ Not applicable

Other notes:

□ Applicable √ Not applicable

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

□ Applicable √ Not applicable

Other notes, including interest rate intervals:

□ Applicable √ Not applicable

46. Bonds payable**(1) Bonds payable**

□ Applicable √ Not applicable

(2) Increasing or decreasing of bonds payable: (excluding preferred stock, perpetual bond and other financial tools not classified as financial liabilities)

□ Applicable √ Not applicable

(3) Description of conversion conditions and stock conversion time of convertible company bonds:

□ Applicable √ Not applicable

(4) Description of other financial instruments divided into financial liabilities

Basic statement preferred stocks outstanding at the end of the period, perpetual bonds and other financial instruments.

☐ Applicable ☒ Not applicable

Statement of changes in preferred stocks outstanding at the end of the period, perpetual bonds, and other financial instruments.

☐ Applicable ☒ Not applicable

Statement of basis of other financial instruments divided as financial liabilities

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

47. Lease liability

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Undiscounted amount of lease payments payable	7,625,485.71	8,966,978.91
Less: Unrecognized financing costs	570,696.64	745,171.67
The part due within one year	3,082,292.10	3,101,782.04
Total	3,972,496.97	5,120,025.20

Other notes:

None

48. Long-term accounts payable

Listed by item

☐ Applicable ☒ Not applicable

Long-term accounts payable

☐ Applicable ☒ Not applicable

Special payables

☐ Applicable ☒ Not applicable

49. Long-term employee benefits payable

☐ Applicable ☒ Not applicable

50. Estimated liabilities

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Closing balance	Causes
External guarantee			
Pending litigation			
Product quality assurance	38,290,734.17	39,233,410.16	Product after-sales service during warranty period
Restructuring obligations			
The onerous contracts			

to be executed			
Payment for return payable			
Others			
Total	38,290,734.17	39,233,410.16	/

Other notes, including related significant assumptions about important projected liabilities and interpretation of estimation:

None

51. Deferred income

Details of deferred proceeds

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance	Causes
Government subsidies		7,500,000.00		7,500,000.00	Subsidies for infrastructure
Total		7,500,000.00		7,500,000.00	/

Other notes:

☐ Applicable ☒ Not applicable

52. Other non-current liabilities

☐ Applicable ☒ Not applicable

53. Equity

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

	Opening balance	Increase (+) decrease (-) in current period					Closing balance
		Issuance New share	Bonus shares	Provident fund Stock conversion	Others	Sub-total	
Total number of shares	147,200,000.00	11,776,000.00		70,656,000.00		82,432,000.00	229,632,000.00

Other notes:

None

54. Other equity instruments

(1) Basic statement preferred stocks outstanding at the end of the period, perpetual bonds and other financial instruments.

☐ Applicable ☒ Not applicable

(2) Statement of changes in preferred stocks outstanding at the end of the period, perpetual bonds, and other financial instruments.

☐ Applicable ☒ Not applicable

Changing status and its reason for increase or decrease of other equity instruments, and related basis of accounting treatment:

☐ Applicable ☒ Not applicable

Other description:

☐ Applicable ☒ Not applicable

55. Capital reserve

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Capital premium (Equity premium)	350,306,390.81	700,041,284.31	70,656,000.00	979,691,675.12
Other capital reserves				
Total	350,306,390.81	700,041,284.31	70,656,000.00	979,691,675.12

Other description, including description of increasing or decreasing and such changes:

None

56. Treasury stock

☐ Applicable ☒ Not applicable

57. Other comprehensive income

☐ Applicable ☒ Not applicable

58. Special reserves

☐ Applicable ☒ Not applicable

59. Surplus reserve

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserve	38,262,560.14	6,333,514.24		44,596,074.38
Discretionary surplus reserve				
Reserve fund				
Enterprise Development Fund				
Others				
Total	38,262,560.14	6,333,514.24		44,596,074.38

"Description of surplus public reserve fund, including change of increasing or decreasing period and description of cause for change: "

According to relevant regulations, the statutory surplus reserve shall be withdrawn at 10% of the parent company's current net profit. If accumulated amount of statutory surplus reserve is more than 50% of registered capital, no withdrawal is made.

60. Retained earnings

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Current period	Previous Year
Retained earnings at the end of the previous period before adjustment	402,186,979.64	246,129,477.71
Total adjusted undistributed profit at the beginning of period (increase +, decrease -)		
Beginning retained earnings after adjustment	402,186,979.64	246,129,477.71
Add: Net profit attributed to owners of parent company in current period	102,222,679.57	213,316,967.50
Less: Appropriation of statutory surplus reserve	6,333,514.24	13,099,465.57
Appropriation of discretionary surplus reserve		
Appropriation of general risk provision		
Common shares dividends payables	64,768,000.00	44,160,000.00
Ordinary shares dividends converted to shares		
Ending retained earnings	433,308,144.97	402,186,979.64

Details of adjustment of undistributed profits at the beginning of the period:

1. Due to the retrospective adjustment of the Accounting Standards for Business Enterprises and related new regulations, the undistributed profit at the beginning of the period was affected by RMB 19,155.53.
2. Due to change of accounting policy, the undistributed profit at the beginning of the period was affected by RMB 0.
3. Due to correction of significant account errors, the undistributed profit at the beginning of the period was affected by RMB 0.
4. Due to change of scope of consolidation under the same control, the undistributed profit at the beginning of the period was affected by RMB 0.
5. The total impact of other adjustments on the undistributed profit at the beginning of the period is RMB 0.

61. Operating income and operating costs

(1). Situation of operating income and operating costs

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Main business	496,689,390.66	282,695,298.42	410,393,314.13	231,892,236.63
Other operations	2,200,243.45	40,409.73	1,377,231.95	29,816.28
Total	498,889,634.11	282,735,708.15	411,770,546.08	231,922,052.91

(2). Revenue generated by contracts

√Applicable □Not applicable

Unit: yuan Currency: RMB

Contract classification	Amount incurred in the current period	Total
Goods type	498,889,634.11	498,889,634.11
Including: equipment and other main	496,689,390.66	496,689,390.66

businesses		
Other operations	2,200,243.45	2,200,243.45
Classified by business area	498,889,634.11	498,889,634.11
Including: domestic	456,650,608.96	456,650,608.96
Overseas	42,239,025.15	42,239,025.15
Type of Contract	498,889,634.11	498,889,634.11
Including: purchases and sales contract	498,889,634.11	498,889,634.11
Classification by time of goods transfer	498,889,634.11	498,889,634.11
Including: recognize at a certain time point	498,889,634.11	498,889,634.11
Classification by sales channel	498,889,634.11	498,889,634.11
Including: direct sales	478,658,782.46	478,658,782.46
Distribution	20,230,851.65	20,230,851.65
Total	498,889,634.11	498,889,634.11

Description of the revenue generated by contracts:
None

(3). Description of performance obligations

☐ Applicable ☒ Not applicable

(4). Description of allocation to remaining performance obligations

☐ Applicable ☒ Not applicable

Other notes:

None

62. Tax and surcharge

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Consumption tax		
Business tax		
Urban maintenance and construction tax	1,157,680.38	1,031,468.09
Education surcharge	610,010.15	505,879.34
Resource tax		
Property tax	590,361.65	371,429.67
Land use taxes	495,866.43	275,605.52
Vehicle and vessel use tax	4,740.00	3,055.00
Stamp duty	370,185.22	380,239.66
Local education surcharge	406,674.46	337,252.92
Farmland conversion tax	0.00	129,066.60
Water conservancy fund	141,682.56	137,760.83
Others	33.55	14.02
Total	3,777,234.40	3,171,771.65

Other notes:

Please refer to Note VI-Taxes for the details of the calculation criteria of business tax and the surcharge.

63. Selling and distribution expenses

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee benefits	15,899,276.05	10,420,454.16
After-sales service costs	13,654,210.20	11,054,457.58
Freight and miscellaneous charges	56,667.21	1,233,496.69
Travel expenses	1,325,715.21	747,901.74
Business entertainment expenses	1,399,401.87	897,744.60
Advertising and business promotion fee	930,559.96	486,932.76
Others	3,288,887.61	4,238,315.78
Total	36,554,718.11	29,079,303.31

Other notes:

None

64. General and administrative expenses

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee benefits	14,716,165.93	12,066,661.15
Travel expenses	471,889.16	155,700.37
Business entertainment expenses	293,861.47	298,600.90
Asset depreciation and amortization expenses	3,463,083.50	979,737.05
Property rental fees	930,510.55	1,456,514.23
Administrative expenses	440,515.85	212,648.17
Vehicle fee	641,438.30	362,131.57
Intermediary service fee	1,583,300.53	1,662,972.58
Others	3,135,504.36	2,046,956.59
Total	25,676,269.65	19,241,922.61

Other notes:

None

65. R & D expenses

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee benefits	24,786,999.47	20,273,845.79
Material fee	8,026,482.50	6,148,367.79
Asset depreciation and amortization expenses	2,361,668.04	902,626.98
Travel expenses	923,537.52	732,038.67
Rent	1,145,125.47	818,637.51
Others	2,168,725.21	1,243,122.00
Total	39,412,538.21	30,118,638.74

Other notes:

None

66. Financial expenses

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expenses		
Interest income	-757,728.90	-1,037,458.50
Exchange gains and losses	-5,732,578.96	960,535.83
Handling charges	15,616.45	17,893.56
Interest expense	174,475.05	
Total	-6,300,216.36	-59,029.11

Other notes:

None

67. Other income

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Software tax refund income	4,491,979.53	5,041,358.15
Government subsidies	2,645,700.00	3,601,121.34
Total	7,137,679.53	8,642,479.49

Other notes:

None

68. Investment income

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income accounted by equity method		
Investment income from disposal of long-term equity investment		
Investment gains from financial assets held for trading during the holding period		
Dividend income from other equity instrument investments during the holding period		
Interest income from debt investment during the holding period		
Other interest income from debt investment during the holding period		
Investment gains from disposal of financial assets held for trading		
Investment gains from disposal of other equity instrument investments		
Investment gains from disposal of debt investments		
Investment gains from disposal of other debt investments		
Income from debt restructuring		
Investment income from bank financial	1,535,128.28	2,067,752.27

products		
Total	1,535,128.28	2,067,752.27

Other notes:

None

69. Net exposure hedge income

☐ Applicable ☒ Not applicable

70. Income from change in fair value

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Source of income from change in fair value	Amount incurred in the current period	Amount incurred in the previous period
Held-for-trading financial assets	1,383,541.69	2,561,225.10
Including: Income from changes in fair value caused by derivative financial instruments		
Held-for-trading financial liabilities		
Investment property measured at fair value		
Total	1,383,541.69	2,561,225.10

Other notes:

None

71. Credit impairment loss

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Bad debt loss on notes receivable	-432,488.45	-350,626.15
Loss from bad debts of accounts receivable	-8,234,062.28	-1,636,411.40
Loss from bad debts of other receivables	149,019.87	45,271.12
Loss from debt investment impairment		
Loss from other debt investment impairment		
Loss from bad debts of long-term receivables		
Loss from contract assets impairment		35,159.90
Total	-8,517,530.86	-1,906,606.53

Other notes:

None

72. Loss from assets impairment

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Losses from bad debt		
II. Inventory falling price loss and contract performance cost impairment	-2,333,201.04	-3,523,879.73

loss		
III. Impairment loss on long-term equity investment		
IV. Impairment losses of investment property		
V. Impairment loss of fixed assets		
VI. Impairment losses from construction materials		
VII. Impairment losses from construction in process		
VIII. Impairment losses of bearer biological assets		
IX. Impairment losses from assets		
X. Impairment losses from intangible assets		
XI. Impairment losses from goodwill		
XII. Others	-792,265.08	
Total	-3,125,466.12	-3,523,879.73

Other notes:

None

73. Gains from disposal of assets

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Gains from disposal of assets	-2,279.23	436,966.72
Total	-2,279.23	436,966.72

Other notes:

□ Applicable √ Not applicable

74. Non-operating income

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount accounted into the current non-recurring profits and losses
Total gains on disposal of non-current assets			
Including: Gains from disposal of fixed assets			
Gains from disposal of intangible assets			
Gains from debt restructuring			
Gains from exchange of non-monetary assets			
Acceptance of donations			
Government subsidies			
Others	900.00	800.00	900.00

Total	900.00	800.00	900.00
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Other notes:

☐ Applicable ☒ Not applicable**75. Non-operating expenditure**☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount accounted into the current non-recurring profits and losses
Total loss on disposal of non-current assets	4,601.78	7,319.28	4,601.78
Including: loss from disposal of fixed assets	4,601.78	7,319.28	4,601.78
Losses from disposal of intangible assets			
Losses from debt restructuring			
Losses from exchange of non-monetary assets			
External donations	8,190.98	65,700.00	8,190.98
Penalty	18,000.00	280,000.00	18,000.00
Others	1,636.50	45,514.72	1,636.50
Total	32,429.26	398,534.00	32,429.26

Other notes:

None

76. Income tax expense**(1) Index of income tax expense**☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Current income tax expense	13,709,256.49	14,451,170.12
Deferred income tax expense	-519,010.08	-1,398,921.45
Total	13,190,246.41	13,052,248.67

(2) Adjustment process of accounting profit and income tax expense☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period
Total profit	115,412,925.98
Income tax expense calculated as per statutory/applicable tax rates	17,311,938.90
Influence of subsidiaries applicable to different tax rates	-452,623.83
Influence of adjustment of prior period income tax	

Influence of non-taxable income	
Influence of non-deductible costs, expenses and loss	110,830.26
Influence of the deductible losses of unrecognized deferred income tax assets in previous period	
Influence of the deductible temporary differences or deductible losses of unrecognized deferred income tax assets in current period	95,092.28
Impact of additional calculation and deduction	-3,874,991.20
Income tax expense	13,190,246.41

Other notes:

☐ Applicable ☒ Not applicable

77. Other comprehensive income

☐ Applicable ☒ Not applicable

78. Item of cash flow statement

(1). Other cash received relating to operating activities

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Other government subsidy income except for tax refunds	10,145,700.00	3,601,121.34
Received deposit and margin	1,486,622.00	1,086,401.06
Received bank interest	757,252.13	1,037,458.50
Others	1,029,017.05	289,089.64
Total	13,418,591.18	6,014,070.54

Other cash received relating to operating activities:

None

(2). Other cash paid relating to operating activities

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Out-of-pocket expenses	26,400,618.11	17,418,354.19
Payment of deposit and margin	2,891,734.59	1,760,946.06
Payment of bank handling charges	80,607.73	15,356.69
Total	29,372,960.43	19,194,656.94

Explanation of other cash payments related to operating activities:

None

(3). Other cash received relating to investing activities

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
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Deposit for purchasing land	0	2,320,000.00
Total	0	2,320,000.00

Explanation of other cash received related to investment activities:

None

(4). Other cash paid relating to investing activities

☐ Applicable ☒ Not applicable

(5). Other proceeds relating to financing activities

☐ Applicable ☒ Not applicable

(6). Other cash payments relating to financing activities

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
GDR issuance and listing fees	10,246,479.08	
Expenses related to right-of-use asset	1,241,746.18	
Total	11,488,225.26	

Other cash paid relating to investing activities:

None

79. Supplemental Information of Cash Flow Statement

(1) Supplemental Information of Cash Flow Statement

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Supplementary information	Amount in current period	Amount in previous period
1. Reconciliation of Net Profit to Cash Flows from Operating Activities:		
Net profit	102,222,679.57	93,123,840.62
Add: Asset impairment provision	3,125,466.12	3,523,879.73
Credit impairment loss	8,517,530.86	1,906,606.53
Depreciation of fixed assets, depletion of oil and natural gas assets, deprecation of bearer biological assets	7,850,134.64	3,699,157.38
Amortization of right-of-use assets	1,629,650.71	
Amortization of intangible assets	1,164,568.03	583,620.72
Amortization of long-term deferred expenses	1,155,044.72	447,018.52
Loss from disposal of fixed assets, intangible assets and other long-term assets (gains expressed with "-")	2,279.23	-436,966.72
Loss from retirement of fixed assets (gains expressed with "-")	4,601.78	7,319.28
Loss from changes in fair value (gains expressed with "-")	-1,383,541.69	-2,561,225.10
Financial expenses (gains expressed with "-")	174,475.05	
Investment losses (gains expressed with "-")	-1,535,128.28	-2,067,752.27
Decrease in deferred tax assets	-584,563.09	-1,760,849.81

(increase expressed with “-”)		
Increase of deferred income tax liabilities (decrease expressed with “-”)	1,083,098.60	58,650.34
Decrease in inventories (increase expressed with “-”)	-17,377,414.56	-74,507,181.97
Decrease in operating receivables (increase expressed with “-”)	-39,726,996.02	-39,419,329.68
Increase in operating payables (decrease expressed with “-”)	-63,708,968.04	-23,042,526.74
Others		
Net cash flow from operating activities	2,612,917.63	-40,445,739.17
2. Investment and financing activities not involved in significant cash deposit and withdrawal:		
Conversion of debt into capital		
Convertible bonds maturing within one year		
Fixed assets acquired under finance leases		
3. Net change in cash and cash equivalents:		
Cash at the end of the period	493,814,015.50	152,656,945.80
Less: Cash at the beginning of the period	169,409,084.36	190,931,836.86
Add: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase in cash and cash equivalents	324,404,931.14	-38,274,891.06

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

☐ Applicable ☒ Not applicable

(3) Net cash from disposal of subsidiaries in current period

☐ Applicable ☒ Not applicable

(4) Composition of cash and cash equivalents

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
I. Cash	493,814,015.50	169,409,084.36
Including: cash on hand	24,042.70	10,008.30
Bank deposits available for payment at any time	493,789,972.80	169,399,076.06
Other monetary fund available for payment at any time		
Central bank deposits available for payment at any time		
Amount due from placements with banks and other financial institutions		
Amount call loan to banks		

II. Cash equivalents		
Including: bond investment maturing within three months		
III. Balance of cash and cash equivalents at ending of period	493,814,015.50	169,409,084.36
Including: the parent company or its subsidiaries use the restricted cash and cash equivalents		

Other notes:

☐ Applicable ☒ Not applicable

80. Notes to the owner's equity changing statement

Explain the “other” items for adjusting the balance at the end of the previous year and the adjustment amount:

☐ Applicable ☒ Not applicable

81. Assets with restricted ownership or the right to use

☐ Applicable ☒ Not applicable

82. Foreign currency monetary items

(1) Foreign currency monetary items

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Closing balance in foreign currency	Exchange rate for translation	Ending amount for RMB translation Balance
Monetary funds	-	-	
Including: USD	1,005,397.05	7.2258	7,264,798.00
EUR	0.01	7.8771	0.08
HKD			
Accounts receivable	-	-	
Including: USD	2,757,251.40	7.2258	19,923,347.17
EUR	71,800.00	7.8771	565,575.78
KRW	20,000,000.00	0.005495	109,900.00
Long term borrowings	-	-	
Including: USD			
EUR			
HKD			

Other notes:

None

(2) The description of overseas operating entity, including the important overseas operating entity, shall disclose its main overseas operating place, account standard currency and selection basis, and the reasons of changing bookkeeping base currency shall be disclosed for reasons.

☐ Applicable ☒ Not applicable

83. Hedging

☐ Applicable ☒ Not applicable

84. Government subsidies**(1) Basic situation of government subsidies**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Categories	Amount	Presentation items	Amount included in current profit and loss
Enterprise Support Rewards - Infrastructure Subsidies for Yushan High tech Industrial Development Zone in Changshu, Jiangsu Province	7,500,000.00	Deferred income	
Immediate levy and refund of software VAT	4,491,979.53	Other income	4,491,979.53
Guangde Bureau of Economy and Information Technology: 2023 award and subsidy for national SRDI "little giant" enterprises	1,000,000.00	Other income	1,000,000.00
Guangde Bureau of Economy and Information Technology: 2023 subsidy for national SRDI "little giant" enterprises	500,000.00	Other income	500,000.00
Guangde Science and Technology Bureau: award fund for high-tech enterprises (RMB 200,000)	200,000.00	Other income	200,000.00
Kunshan Administration for Market Regulation: intellectual property award	200,000.00	Other income	200,000.00
Guangde Economic and Information Bureau: 2023 provincial subsidy for industrial design center subsidy	200,000.00	Other income	200,000.00
Guangde Economic and Information Bureau: subsidy for the first major technical equipment application insurance premium in 2023	139,000.00	Other income	139,000.00
Guangde Economic and Information Bureau: Subsidy for the first major equipment (municipal level)	100,000.00	Other income	100,000.00
Guangde Science and Technology Bureau: Reward funds for top ten	100,000.00	Other income	100,000.00

scientific and technological innovation enterprises (RMB 100,000)			
Kunshan Administration for Market Regulation: Kunshan Intellectual Property Protection Benchmark Enterprise	50,000.00	Other income	50,000.00
Kunshan Science and Technology Bureau (2023 Grant No. 00106501): intellectual property subsidies	50,000.00	Other income	50,000.00
Kunshan Social Insurance Fund Management Center: training subsidies	46,800.00	Other income	46,800.00
Guangde Economic and Information Bureau: government subsidies for operating revenue exceeding 100 million and a growth rate greater than 10% (municipal level)	30,000.00	Other income	30,000.00
Kunshan Human Resources Management Service Center: job expansion subsidy	16,500.00	Other income	16,500.00
Guangde Economic and Information Bureau: technical renovation subsidy (municipal level)	10,000.00	Other income	10,000.00
Xuancheng Housing Provident Fund Management Center: subsidy for housing provident fund of non-public "four above enterprises" in 2022	3,400.00	Other income	3,400.00
Total	14,637,679.53		7,137,679.53

(2) Government subsidy refund

☐ Applicable ☒ Not applicable

Other notes

None

85. Others

☐ Applicable ☒ Not applicable

VIII. Changes in the scope of consolidation**1、Combination of enterprises not under the same control**

☐ Applicable ☒ Not applicable

2、Combination of enterprises under the same control

☐ Applicable ☒ Not applicable

3、Reverse purchase

☐ Applicable ☒ Not applicable

4、Disposal of subsidiaries

Whether there is a single disposal of the subsidiary investment leads to the loss of the right of control

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

5、Changes in scope of consolidation for other reasons

Describe change of scope of consolidation (such as newly established subsidiaries and liquidating subsidiaries) and relevant information by other causes.

☐ Applicable ☒ Not applicable

6、Others

☐ Applicable ☒ Not applicable

IX. Equity in other entities**1. Equity in subsidiaries****(1) Constitution of enterprise group**

√Applicable □Not applicable

Subsidiaries Name	Main region of business	Place of registration	Nature of business	Shareholding ratio (%)		Acquired via Method
				Direct	Indirect	
Guangde Dongwei Technology Co., Ltd.	Anhui Guangde	Anhui Guangde	Production base	100.00		Newly-established
Shenzhen Kunshan Dongwei Technology Co., Ltd.	Shenzhen, Guangdong	Shenzhen, Guangdong	After sales center	100.00		Newly-established
Dongguan Dongwei Technology Co., Ltd.	Dongguan, Guangdong	Dongguan, Guangdong	Production base	100.00		Newly-established
Changshu Dongwei Technology Co., Ltd.	Suzhou City, Jiangsu	Suzhou City, Jiangsu	Production base	100.00		Newly-established

Explanation for the shareholding ratio of subsidiaries differs from voting rights

None

Basis for with half or less voting right but still controlling the invested body, and half and more voting right but not controlling the invested body:

None

Basis that key structural entity control is incorporated into the scope of consolidation

None

Basis for determining whether the company is an agent or a client:

None

Other notes:

None

(2) Key non-wholly owned subsidiaries

□ Applicable √ Not applicable

(3) Key financial information of key non-wholly owned subsidiaries

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

(5) Financial support or other support for the structural entity incorporated into the scope of consolidated financial statements:

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

2. Transactions with changes in the owner's equity in the subsidiary but still controlling the subsidiary:

☐ Applicable ☒ Not applicable

3. Interests in joint ventures or associates

☐ Applicable ☒ Not applicable

4. Important joint operations

☐ Applicable ☒ Not applicable

5. Rights of the structural entities not incorporated into the scope of consolidated financial statements

Related explanation of the structured main body not included in the scope of the consolidated financial statements:

☐ Applicable ☒ Not applicable

6. Others

☐ Applicable ☒ Not applicable

X. Risks related to financial instruments

☒ Applicable ☐ Not applicable

The main financial instruments of the company include accounts receivable, accounts payable, trading financial assets, etc. For details of various financial instruments, please refer to Note VII.

The risks associated with these financial instruments and the risk management policies adopted by the company to mitigate these risks are described below. Management manages and monitors these exposures to ensure the risks are monitored within a certain level.

The Company adopts sensitive analyzing techniques to analyze reasonableness of risk variables and possible influences on current profit or loss or shareholder's equity. For any risk variants do not change lonely, relevancy between variants has significant impacts on final influential amount from change of variants. The following assumptions are based on change of each variant alone.

1. Risk management objectives and policies

The Company's risk management objectives are to achieve a proper balance between risks and yield, minimize the adverse impacts of risks on the Company's operation performance, and maximize the benefits of the shareholders. Based on these risk management objectives, the Company's basic risk management strategy is to identify and analyse the Company's exposure to various risks, establish an appropriate maximum tolerance to risk, implement risk management, and monitor regularly and effectively these exposures to ensure the risks are monitored within a certain level.

(1) Exchange rate risk

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The Company's exposure to foreign currency risks is mainly related to the US dollar. Except for some of the Company's businesses sold in US dollars, euros, and Korean won, other main business activities are denominated and settled in RMB. As of June 30, 2023, except for the assets as described in the table below in US dollars, euros, and Korean won balances, the Company's assets and liabilities are all in RMB balances. Foreign exchange risks arising from the assets and liabilities of these foreign currency balances may have an impact on the operating performance of this Company.

Item	Closing balance	Opening balance
Cash and bank balance		
Including: USD	1,005,397.05	118,143.10
EUR	0.01	483,300.05
Accounts receivable		
Including: USD	2,757,251.40	804,176.00
EUR	71,800.00	
KRW	20,000,000.00	20,000,000.00
Contract assets		
Including: USD		

The Company closely monitors the effects of changes in the foreign exchange rates on the Company's currency risk exposures.

Sensitivity analysis of foreign exchange risk:

Assumptions for the foreign exchange risk sensitivity analysis: all hedges of net investment in overseas business and cash-flow hedge are highly effective. Based on the above assumptions, and under the circumstance that all other variables remain the same, the pre-tax influence of possible reasonable changes in the exchange rate on the current profit and loss and shareholders' equity is as follows:

Item	Exchange rate changes	Amount incurred in the current period	
		Impact on profit	Impact on owner's equity
USD	Appreciation of 1% against RMB	271,881.45	271,881.45
USD	Depreciation of 1% against RMB	-271,881.45	-271,881.45
EUR	Appreciation of 1% against RMB	5,655.76	5,655.76
EUR	Depreciation of 1% against RMB	-5,655.76	-5,655.76
KRW	Appreciation of 1% against RMB	1,099.00	1,099.00
KRW	Depreciation of 1% against RMB	-1,099.00	-1,099.00

(2) Credit Risk

As at June 30, 2023, the maximum exposure to credit risk that could cause financial losses to the Company mainly arises from the loss of financial assets of the Company resulting from the failure of the other party to perform its obligations, including:

Carrying amount of the financial assets recognized in the consolidated balance sheet; for the financial instruments measured at fair value, the book value reflects its risk exposure, but it is not the maximum risk exposure, and its maximum risk exposure will follow the future changes in fair value.

To reduce credit risk, the company sets up a team to determine credit lines, conduct credit approvals, and implement other monitoring procedures to ensure that the necessary steps are taken to recover overdue claims. In addition, the Company reviews the recovery of each individual account receivable on each balance sheet date to ensure that sufficient provision is made for the bad debts. Therefore, the management of the Company considers that the credit risk borne by the Company has been greatly reduced.

The credit risk on liquid funds is limited because they are deposited with banks with high credit ratings.

(3) Liquidity risk

In the management of the liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensures compliance with borrowings covenants.

XI. Disclosure of fair value

1. Closing fair value of the assets and liabilities measured by fair value

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing fair value
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	Measurement of the first level of fair value	Measurement of the second level of fair value	Measurement of the third level of fair value	Total
I. Continued fair value measurement				
(I) Held-for-trading financial assets		493,173,125.01		493,173,125.01
1. Financial assets measured at fair value through profit or loss		493,173,125.01		493,173,125.01
(1) Debt instruments investment				
(2) Equity instruments investment				
(3) Financial derivative assets				
(4) Bank financial management		493,173,125.01		493,173,125.01
2. Specified financial assets measured at fair value through profit or loss				
(1) Debt instruments investment				
(2) Equity instruments investment				
(II) Other debt investment				
(III) Other equity instruments investment				
(IV) Investment property				
1. Land use right for leasing				
2. Leasing buildings				
3. Land use right held and to be transferred after adding values				
(V) Biological assets#				
1. Consumable biological assets				
2. Bearer biological assets				
(VI) Accounts receivable financing		5,516,535.28		5,516,535.28
Continuing total assets measured at fair value		498,689,660.29		498,689,660.29
(VI) Held-for-trading financial liabilities				
1. Financial liabilities measured at fair value through profit or loss				
Wherein: issued transaction bonds				
Financial derivative liabilities				
Others				
2. Financial liabilities designated to be measured				

at fair value through profit or loss				
The total amount of liabilities measured constantly at fair value				
II. Non-continuing fair value measurement				
(I) Held-for-sale assets				
Non-continuing total assets measured at fair value				
Non-continuing total liabilities measured at fair value				

2. Basis for determining the measurement of market price of items through continuous and non-continuing first-level fair value

☐ Applicable ☒ Not applicable

3. For the continuous and non-continuing measurement of second-level fair value, valuation techniques and qualitative and quantitative information with important parameters adopted.

☒ Applicable ☐ Not applicable

For bank financial products held by the Company, the fair value is determined adopting the discounted cash flow model and market quotes of similar instruments as valuation techniques. The input values of valuation techniques mainly include the expected rate of return agreed in the contract; for the financing of accounts receivable of the Company, the aging of accounts receivable is within 1 year, and the difference between their fair value and amortized cost is obviously insignificant, and its amortized cost is approximated as the fair value of receivable financing.

4. For the continuous and non-continuing measurement of third-level fair value, valuation techniques and qualitative and quantitative information with important parameters adopted.

☐ Applicable ☒ Not applicable

5. For the continued measurement of third-level fair value, the adjustment information between opening and closing book value and the sensitivity analysis of non-observable parameters.

☐ Applicable ☒ Not applicable

6. For the continued fair value measurement item, the reason for the conversion and the policy for determining the conversion time and point if there is conversion between various levels in the current period.

☐ Applicable ☒ Not applicable

7. The changes in valuation techniques in the current period and reasons of change

☐ Applicable ☒ Not applicable

8. Information of fair value of financial assets and financial liabilities not measured with fair value

☐ Applicable ☒ Not applicable

9. Others

☐ Applicable ☒ Not applicable

XII. Related parties and related party transactions**1. Parent company of the Enterprise**

☐ Applicable ☒ Not applicable

2. Information of subsidiaries of the enterprise

For the details of the Company's subsidiaries, please refer to the notes.

☒ Applicable ☐ Not applicable

For the details of the Company's subsidiaries, please refer to Note “IX: Rights and Interests in Other Entities”.

3. Information on joint ventures and joint ventures of the enterprise

For important joint ventures or associates of the Company, please refer to notes.

☐ Applicable ☒ Not applicable

Other joint ventures or associates that have related party transactions with the Company in the current period or have related party transactions with the Company in the previous period and have formed a balance are as follows:

☐ Applicable ☒ Not applicable

4. Other related parties

☐ Applicable ☒ Not applicable

5. Related transactions**(1) Related transactions of goods purchase and sales, provision and acceptance of labor services**

Fact sheet of goods purchase / services acceptance

☐ Applicable ☒ Not applicable

Fact sheet of sale of goods / services provision

☐ Applicable ☒ Not applicable

Related transactions of goods purchase and sales, provision and acceptance of labor services

☐ Applicable ☒ Not applicable

(2) Referring to fiduciary management/ undertaking and authorizing management/entrusting statement:

The company's fiduciary management /undertaking information form:

☐ Applicable ☒ Not applicable

Statement of related deposit/ undertake

☐ Applicable ☒ Not applicable

Authorizing management/ entrusting statement of the company:

☐ Applicable ☒ Not applicable

Statement of related management/entrusting

☐ Applicable ☒ Not applicable

(3) Related-party lease

The Company as a lessor:

☐ Applicable ☒ Not applicable

The Company as a lessee:

☐ Applicable ☒ Not applicable

Related-party lease

☐ Applicable ☒ Not applicable

(4) Profile of related guarantee

The Company as the guarantor

☐ Applicable ☒ Not applicable

The company as the guaranteed party

☐ Applicable ☒ Not applicable

Profile of related guarantee:

☐ Applicable ☒ Not applicable

(5) Borrowed funds of related party

☐ Applicable ☒ Not applicable

(6) Asset transfer and debt restructuring of related parties

☐ Applicable ☒ Not applicable

(7) Remuneration of key managers

☒ Applicable ☐ Not applicable

Unit: 0,000 yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Remuneration of key managers	704.52	680.43

(8) Other related transactions

☐ Applicable ☒ Not applicable

6. Receivables and payables of related party**(1) Receivables**

☐ Applicable ☒ Not applicable

(2) Payables

☐ Applicable ☒ Not applicable

7. Commitment of related parties

☐ Applicable ☒ Not applicable

8. Others

☐ Applicable ☒ Not applicable

XIII. Share-based payments**1. General situation of share-based payments**

☐ Applicable ☒ Not applicable

2. Equity-settled share-based payments

☐ Applicable ☒ Not applicable

3. Share payment settled by cash

☐ Applicable ☒ Not applicable

4. Modification and termination of share payments

☐ Applicable ☒ Not applicable

5. Others

☐ Applicable ☒ Not applicable

XIV. Commitments and contingencies**1. Significant commitments**

☒ Applicable ☐ Not applicable

Important commitments and their natures and amounts on the date of balance sheet.

Item	Closing balance	Opening balance
Capital commitments that have been entered into but have not been recognized in the financial statements		
- Commitment for purchase and construction of long-term asset		81,000,000.00
- Commitment to increase capital to wholly-owned subsidiaries	338,000,000.00	354,000,000.00
Total	338,000,000.00	435,000,000.00

2. Contingencies**(1) Important contingent issues existing on the date of balance sheet**

☐ Applicable ☒ Not applicable

(2) The Company not involving key significant issues to be disclosed shall be declared.

☐ Applicable ☒ Not applicable

3. Others

☐ Applicable ☒ Not applicable

XV. Events after the date of Balance Sheet**1. Important non-adjustment matters**

☐ Applicable ☒ Not applicable

2. Profit distribution

☐ Applicable ☒ Not applicable

3. Sales return

☐ Applicable ☒ Not applicable

4. Description of other events after the date of Balance Sheet

☐ Applicable ☒ Not applicable

XVI. Other important matters**1. Correction of previous accounting errors****(1) Retrospective restatement method**

☐ Applicable ☒ Not applicable

(2) Prospective application method

☐ Applicable ☒ Not applicable

2. Debt restructuring

☐ Applicable ☒ Not applicable

3. Asset replacement**(1) Non-monetary asset exchange**

☐ Applicable ☒ Not applicable

(2) Replacement of other assets

☐ Applicable ☒ Not applicable

4. Annual annuity plan

☐ Applicable ☒ Not applicable

5. Discontinued operations

☐ Applicable ☒ Not applicable

6. Segment information**(1) Basis of determining the reporting segment and the accounting policy**

☐ Applicable ☒ Not applicable

(2) Financial information of the reporting segment

☐ Applicable ☒ Not applicable

(3) If the Company has no reporting segment or cannot disclose the total assets and liabilities of each reporting segment, the reasons shall be explained.

☐ Applicable ☒ Not applicable

(4) Other notes

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

8. Others

☐ Applicable ☒ Not applicable

XVII. Notes to main items in parent company financial statement**1. Accounts receivable****(1) Disclosed by aging**

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB	
Aging	Ending book balance
Within 1 year	
Including: Subitems within 1 year	
Within 1 year	431,352,158.21
Within 1 year in subtotal	431,352,158.21
1-2 years	164,510,338.97
2-3 years	31,055,614.65
More than 3 years	
3-4 years	8,140,899.88
4-5 years	1,367,045.03
More than 5 years	6,373,899.85
Total	642,799,956.59

(2) Disclosure by classification of bad debt accrual methods

√Applicable □Not applicable

Unit: yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Additions proportion (%)	Book Value	Amount	Proportion (%)	Amount	Additions proportion (%)	Book Value
Accrued bad-debt provision by individual	9,353,975.17	1.46	5,789,975.17	61.9	3,564,000.00	9,603,975.17	1.64	5,914,975.17	61.59	3,689,000.00
Including:										
Client 1	834,419.23	0.13	834,419.23	100		834,419.23	0.14	834,419.23	100.00	
Client 2	7,128,000.00	1.11	3,564,000.00	50	3,564,000.00	7,128,000.00	1.22	3,564,000.00	50.00	3,564,000.00
Client 3	1,391,555.94	0.22	1,391,555.94	100		1,391,555.94	0.24	1,391,555.94	100.00	
Client 4						250,000.00	0.04	125,000.00	50.00	125,000.00
Accrued bad-debt provision by portfolio	633,445,981.42	98.54	53,892,136.85	8.51	579,553,844.57	576,716,512.75	98.36	45,927,055.76	7.96	530,789,456.99
Including:										
Aging portfolio	633,445,981.42	98.54	53,892,136.85	8.51	579,553,844.57	576,716,512.75	98.36	45,927,055.76	7.96	530,789,456.99
Total	642,799,956.59	/	59,682,112.02	/	583,117,844.57	586,320,487.92	/	51,842,030.93	/	534,478,456.99

Accrued bad-debt provision by individual:

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Name	Closing balance			
	Book balance	Provision for bad debts	Additions proportion (%)	Reasons for withdrawal
Client 1	834,419.23	834,419.23	100.00	Not expected to be recovered
Client 2	7,128,000.00	3,564,000.00	50.00	Expected unrecoverable in part
Client 3	1,391,555.94	1,391,555.94	100.00	Not expected to be recovered
Total	9353975.17	5789975.17	61.90	/

Description of accrued bad-debt provision by individual:

☐ Applicable ☒ Not applicable

Accrued bad-debt provision by portfolio:

☒Applicable ☐Not applicable

Portfolio accrual items: aging portfolio

Unit: yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debts	Additions proportion (%)
Aging portfolio	633,445,981.42	53,892,136.85	8.51
Total	633,445,981.42	53,892,136.85	8.51

Recognition criteria and description of bad debts accrued by portfolio:

☐ Applicable ☒ Not applicable

If the provision for bad debts is made according to the general model of expected credit losses, please refer to the disclosure of other receivables:

☐ Applicable ☒ Not applicable

(3) Bad debt provision

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Category	Opening balance	Amount changed in current period				Closing balance
		Provision	Recovered or reversed	Write-off	Other changes	
Provision for bad debts of accounts receivable	51,842,030.93	8,068,081.09	125,000.00	103,000.00		59,682,112.02
Total	51,842,030.93	8,068,081.09	125,000.00	103,000.00		59,682,112.02

Of which: the bad debt provision recovered or reversed with important amount in the current period:

☒Applicable ☐Not applicable

Unit: yuan Currency: RMB

Name of entity	Amount recovered or reversed	Withdrawal mode
Client 1	125,000.00	Wire transfer
Total	125,000.00	/

Other notes:

None

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

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount written-off
Accounts receivable actually written-off	103,000.00

Including: significant written-off of accounts receivable

√Applicable □Not applicable

Unit: yuan Currency: RMB

Name of entity	Nature of accounts receivable	Amount written-off	Reason for written-off	Write-off procedures fulfilled	Whether the payment is generated by related-party transactions
Entity I	Fund for equipment	103,000.00	Not expected to be recovered	Approved on the meeting of general manager office	No
Total	/	103,000.00	/	/	/

Write-off notes for accounts receivable:

□ Applicable √ Not applicable

(5) Top five accounts receivable for closing balance collected by the debtor

√Applicable □Not applicable

Name of entity	Closing amount	Proration in ending accounts receivable Proportion of total number(%)	Closing balance of bad debts reserve
Client 1	42,492,000.00	6.61	2,151,600.00
Client 2	37,238,113.08	5.79	1,861,905.65
Client 3	30,513,039.69	4.75	2,824,860.35
Client 4	19,315,553.67	3.00	1,151,759.73
Client 5	19,250,000.00	2.99	962,500.00
Total	148,808,706.44	23.14	8,952,625.73

(6) Derecognized receivables due to transfer of financial assets

□ Applicable √ Not applicable

(7) Amounts of assets and liabilities from transferring receivables and involved

□ Applicable √ Not applicable

Other notes:

□ Applicable √ Not applicable

2. Other receivables**Listed by item**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Interests receivable		
Dividends receivable		
Other receivables	3,425,442.16	4,135,213.06

Total	3,425,442.16	4,135,213.06
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Other notes:

☐ Applicable ☒ Not applicable**Interests receivable****(1) Classification of interests receivable**☐ Applicable ☒ Not applicable**(2) Significant overdue interest**☐ Applicable ☒ Not applicable**(3) Information of bad-debt provision**☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable**Dividends receivable****(1) Dividends receivable**☐ Applicable ☒ Not applicable**(2) Important dividends receivable aging over 1 year**☐ Applicable ☒ Not applicable**(3) Information of bad-debt provision**☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable**Other receivables****(1) Disclosed by aging**☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Aging	Ending book balance
Within 1 year	
Including: Subitems within 1 year	
Within 1 year	1,913,703.40
Within 1 year in subtotal	1,913,703.40
1-2 years	1,055,818.00
2-3 years	59,000.00
More than 3 years	
3-4 years	1,229,175.47
4-5 years	6,500.00
More than 5 years	2,550.00
Less: Provision for bad debts	-841,304.71
Total	3,425,442.16

(2) Classification by nature of fund☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Nature of fund	Ending book balance	Opening book balance
Deposit and margin	2,938,048.47	4,188,662.28
Employee reserve fund	730,119.39	392,822.65
Others	598,579.01	560,999.72
Provision for bad debts	-841,304.71	-1,007,271.59
Total	3,425,442.16	4,135,213.06

(3) Information of bad-debt provision

√Applicable □Not applicable

Unit: yuan Currency: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance as of January 1, 2023	1,007,271.59			1,007,271.59
Balance on January 1, 2023 in the current period				
--Transfer to the stage 2				
--Transfer to the stage 3				
--Transfer back to the stage 2				
--Transfer back to the stage 1				
Provision for the current period	-165,966.88			-165,966.88
Reversed in current period				
Written off in current period				
Write-off in this period				
Other changes				
Balance as of June 30, 2023	841,304.71			841,304.71

Explanation of the significant changes in the book balance of other receivables for which the provision for loss has changed in the current period:

□ Applicable √ Not applicable

The amount of provision for bad debts in the current period and the basis for assessing whether the credit risk of financial instruments has significantly increased:

□ Applicable √ Not applicable

(4) Bad debt provision

√Applicable □Not applicable

Unit: yuan Currency: RMB

Category	Opening balance	Amount changed in current period				Closing balance
		Provision	Recovered or reversed	Write-off	Other changes	

Provision for bad debts	1,007,271.59	-165,966.88				841,304.71
Total	1,007,271.59	-165,966.88				841,304.71

Import reversed or recovered amount from non-performing debt during the period:

☐ Applicable ☒ Not applicable

(5) Other accounts receivable with actual write-off during the period.

☐ Applicable ☒ Not applicable

Explanation for Write-off of other accounts receivable:

☐ Applicable ☒ Not applicable

(6) Top five other accounts receivable for closing balance collected by the debtor.

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB					
Name of entity	Nature of fund	Closing balance	Aging	Proportion in total closing balance of other receivables (%)	Provision for bad debts Closing balance
Entity I	Deposit and margin	1,010,000.00	3-4 years	23.67	505,000.00
Entity II	Deposit and margin	500,000.00	1-2 years	11.72	50,000.00
Entity III	Deposit and margin	200,000.00	1-2 years	4.69	20,000.00
Entity IV	Deposit and margin	200,000.00	Within 1 year	4.69	10,000.00
Entity V	Deposit and margin	200,000.00	3-4 years	4.69	100,000.00
Total	/	2,110,000.00	/	49.46	685,000.00

(7) Receivables related to government subsidy

☐ Applicable ☒ Not applicable

(8) Derecognized other receivables due to transfer of financial assets

☐ Applicable ☒ Not applicable

(9) Amount from transferring other receivables and further involving assets and liabilities:

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

3. Long-term equity investment

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB						
Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	262,000,000.00		262,000,000.00	211,500,000.00		211,500,000.00

Investment in associates and joint ventures						
Total	262,000,000.00		262,000,000.00	211,500,000.00		211,500,000.00

(1) Investment in subsidiaries

√Applicable □Not applicable

Unit: yuan Currency: RMB

Investee	Opening balance	Increase in current period	Decrease in current period	Closing balance	Amount of withdrawal of depreciation reserves in current period	Closing balance of depreciation reserves
Guangde Dongwei Technology Co., Ltd.	150,000,000.00	30,000,000.00		180,000,000.00		
Shenzhen Kunshan Dongwei Technology Co., Ltd.	5,000,000.00			5,000,000.00		
Dongguan Dongwei Technology Co., Ltd.	5,500,000.00	4,500,000.00		10,000,000.00		
Changshu Dongwei Technology Co., Ltd.	51,000,000.00	16,000,000.00		67,000,000.00		
Total	211,500,000.00	50,500,000.00		262,000,000.00		

(2) Investment in associates and joint ventures

□ Applicable √ Not applicable

Other notes:

□ Applicable √ Not applicable

4. Operating income and operating costs**(1) Situation of operating income and operating costs**

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Main business	495,121,857.01	328,514,963.46	393,012,774.53	251,201,781.39
Other operations	1,329,944.16		538,655.83	
Total	496,451,801.17	328,514,963.46	393,551,430.36	251,201,781.39

(2) Revenue generated by contracts

√Applicable □Not applicable

Unit: yuan Currency: RMB

Contract classification	Amount incurred in the current period	Total
Goods type	496,451,801.17	496,451,801.17
Including: equipment and other main businesses	495,121,857.01	495,121,857.01
Other operations	1,329,944.16	1,329,944.16
Classified by business area	496,451,801.17	496,451,801.17
Including: domestic	454,212,776.02	454,212,776.02
Overseas	42,239,025.15	42,239,025.15
Type of Contract	496,451,801.17	496,451,801.17
Including: purchases and sales contract	496,451,801.17	496,451,801.17
Classification by contract term	496,451,801.17	496,451,801.17
Including: recognize at a certain time point	496,451,801.17	496,451,801.17
Classification by sales channel	496,451,801.17	496,451,801.17
Including: direct sales	476,220,949.52	476,220,949.52
Distribution	20,230,851.65	20,230,851.65
Total	496,451,801.17	496,451,801.17

Description of the revenue generated by contracts:

□ Applicable √ Not applicable

(3) Description of performance obligations

□ Applicable √ Not applicable

(4) Description of allocation to remaining performance obligations

□ Applicable √ Not applicable

Other notes:

None

5. Investment income

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income accounted by cost method		
Long-term equity investment income accounted by equity method		
Investment income from disposal of long-term equity investment		
Investment gains from financial assets held for trading during the holding period		
Dividend income from other equity instrument investments during the holding period		
Interest income from debt investment during the holding period		
Other interest income from debt		

investment during the holding period		
Investment gains from disposal of financial assets held for trading		
Investment gains from disposal of other equity instrument investments		
Investment gains from disposal of debt investments		
Investment gains from disposal of other debt investments		
Income from debt restructuring		
Investment income from bank financial products	1,298,527.78	1,723,907.97
Total	1,298,527.78	1,723,907.97

Other notes:

None

6. Others

☐ Applicable ☒ Not applicable

XVIII. Supplementary information

1. List of non-recurring gains and losses in current period

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Amount	Notes
Loss or gain on disposal of non-current assets	-6,881.01	Section X - VII - 73
Ultra vires approval or without official approval document, or incidental tax revenue return and relief		
Government subsidies included in current profit and loss, except for government subsidies enjoyed as per certain standard quota, which are closely related to the Company's normal business operations and comply with the national policies.	2,645,700.00	Section X - VII - 67
Fund possession cost which are collected from non-financial enterprises and which are recorded into current profit and loss		
Gains generated when the company's acquisition costs of subsidiaries, associates and joint ventures are less than the fair value of identifiable net asset of investee to be enjoyed at the time of investment		
Losses and gains from exchange of non-monetary assets		
Profit or loss from commissioned investment or asset management		
Provision for various asset impairment withdrawn due to force majeure		
Losses and gains from debt restructuring		
Corporate restructuring costs, such as staffing expenses and integration costs		
Profit or loss generated when transactions with obviously unfair transaction prices		

exceed the fair value		
Net current profit or loss of the subsidiary formed under the merger of enterprises under the same control from the beginning date to consolidated date		
Gains and losses generated by contingencies unrelated to normal business operations of the Company		
Apart from effective hedging business related to normal business operations, profit and loss from changes in fair value of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities, as well as the investment income from disposal of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities and other debt investment.	2,918,669.97	Section X - VII - 68, 70
Reversal of impairment provision of accounts receivable and contract assets for independent impairment test	125,000.00	Section X - VII - 5
Profit and loss from commissioned loans		
Profit and loss from changes in fair value of investment property using the fair value model for subsequent measurement		
Impact of one-time adjustment of current profit or loss pursuant to the laws and regulations about taxation and accounting on the current profit or loss		
Custodian fee income from entrusted operations		
Other non-operating income and expenses, except the aforesaid items	-26,927.48	Section X - VII - 74, 75
Other profit and loss items in line with the definition of non-recurring gains and losses		
Less: Income tax impacted amount	848,263.06	
Impacted amount of minority interests (after-tax)		
Total	4,807,298.42	

Nonrecurring profit and loss items as defined in the definition of the Public Issuing Company's Information Disclosure Interpretative Notice No. 1 —Nonrecurring Profit and Loss, and those items are defined as items of regular profits and losses, the reasons of which shall be explained.

√Applicable □Not applicable

Unit: yuan Currency: RMB

Item	Amount involved	Cause
Income from immediate levy and refund of VAT	4,491,979.53	Section X - VI - 2

2. Return on equity for net assets and earnings per share

√Applicable □Not applicable

Profit during the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic EPS	Diluted EPS

Net profit attributable to the company's ordinary shareholders	10.45	0.64	0.64
Net profit attributable to the company's ordinary shareholders after the deduction of non-recurring gains and losses	9.96	0.61	0.61

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

☐ Applicable ☒ Not applicable

4. Others

☐ Applicable ☒ Not applicable

Chairman: Liu Jianbo

Submission date approved by the Board of Directors: July 21, 2023

Revision information

☐ Applicable ☒ Not applicable