

Stock Code: 688516

Abbreviation: ATW



Wuxi Autowell Technology Co., Ltd.
2024 Interim Report

Important Notice

I. The Board of Directors, Board of Supervisors and Directors, Supervisors, and Senior Management of the Company Undertake That the Information in this Report Contains No False Record, Misleading Statement of Material Omission, and Assume Individual and Joint and Several Liability for the Authenticity, Accuracy and Completeness of the Information in This Report.

II. Notice of Material Risks

The Company has elaborated in the Report on all sorts of risks that it may face in operations and countermeasures. For details, please refer to “V. Risk Factors” in Section III “Management Discussion and Analysis”.

III. All Directors of the Company Attended the Board Meeting.

IV. This Interim Report is Unaudited.

V. Mr. Ge Zhiyong, the Company’s Chairman, Mr. Yin Zhe, the Person in Charge of Accounting, and Mr. Li Kai, the Head of the Accounting Department (Chief Accountant) Hereby Warrant the Authenticity, Accuracy, and Completeness of the Financial Statements in this Report.

VI. The Profit Distribution Plan or the Plan on Converting Capital Reserves to Share Capital in This Reporting Period Adopted by the Board of Directors.

The Company intends to distribute a total cash dividend of RMB270.41 Million to all shareholders at the rate of RMB8.6 (tax inclusive) per 10 shares on the basis of 314,433,169 shares as the total capital share from the date of the notice on convening the board meeting (August 11, 2024). The Company plans neither to distribute bonus shares, nor to convert reserve fund into its share capital prior to the registration date for shares eligible for the planned distribution. In the event of any change in the Company’s total share capital stemming from debt-to-equity swap, share repurchase, buyback and cancellation of shares used for equity incentives, buyback and cancellation of shares arising from reorganization of major assets, etc., the Company plans to adjust the cash dividend per share to keep the total amount of distribution unchanged, and will announce separately the details of the adjustment.

VII. Existence of Such Significant Events as Special Arrangements on Corporate Governance

Applicable N/A

VIII. Forward-Looking Statements on Risks

Applicable N/A

Forward-looking statements such as future plans mentioned in this Report do not constitute actual commitments of the Company to the investors. The investors and related parties should be fully aware of the risks.

IX. Existence of Fund Occupied by Controlling Shareholders and Other Related Parties for Non-operational Purposes

No

X. Existence of External Guarantee Provided in Violation of the Company's Decision-making Procedures

No

XI. Existence of a Case Where More Than Half of the Directors Fail to Ensure the Authenticity, Accuracy, and Completeness of This Interim Report Disclosed by the Company

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No

XII. Others

Applicable N/A

In case of any discrepancies between the Chinese version and the report, the Chinese version shall prevail.

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List of documents for reference	Financial statements bearing the signatures and seals of the Company's chairman, the person in charge of accounting, and the head of the accounting department (chief accountant)
	Originals of all corporate documents and announcements disclosed by the Company on websites designated by the China Securities Regulatory Commission (CSRC) during the reporting period

Section I Definitions

In this Report, unless the context otherwise requires, the following terms shall convey the meanings as set out below:

Definitions of frequently used terms		
Company, the Company, joint-stock company, Autowell, Autowell Co., Ltd.	Refers to	Wuxi Autowell Technology Co., Ltd., a joint-stock company changed from Wuxi Autowell Technology Corporation as a whole.
Intelligent Equipment	Refers to	Wuxi Autowell Intelligent Equipment Co., Ltd., a subsidiary controlled by the Company
Supply Chain Company	Refers to	Wuxi Autowell Supply Chain Management Co., Ltd., a wholly-owned subsidiary of the Company
Optics Application	Refers to	Wuxi Autowell Optics Application Co., Ltd., a subsidiary controlled by the Company
SCEC	Refers to	Wuxi Songci Electromechanical Co., Ltd., a subsidiary controlled by the Company
Coshin Technology	Refers to	Wuxi Autowell Coshin Semiconductor Technology Co., Ltd., a subsidiary controlled by the Company
XuRi Technology	Refers to	Wuxi Autowell XuRi Technology Co., Ltd., a subsidiary controlled by the Company
Leddo Technology	Refers to	Wuxi Leddo Technology Co., Ltd., a subsidiary controlled by the Company
Wuxi Zhiyuan	Refers to	Wuxi Autowell Zhiyuan Equipment Co., Ltd., a subsidiary controlled by the Company
Jiexin Technology	Refers to	Wuxi Autowell Jiexin Technology Co., Ltd., a subsidiary controlled by the Company
Polar New Energy	Refers to	Polar New Energy (Bengbu) Co., Ltd., a wholly-owned subsidiary of the Company
Wuxi Polar	Refers to	Wuxi Polar New Energy Co., Ltd., a subsidiary controlled by the Company
AUTOWELL Japan	Refers to	AUTOWELL Japan Corporation, a wholly-owned subsidiary of the Company
Autowell (Singapore)	Refers to	Autowell (Singapore) PTE. LTD., a wholly-owned subsidiary of the Company
Qinhuangdao Zhiyuan	Refers to	Qinhuangdao Autowell Zhiyuan Equipment Co., Ltd, a holding sub-subsidiary controlled by the Company
Autowell (Malaysia)	Refers to	AUTOWELL (MALAYSIA) SDN., BHD., a holding sub-subsidiary controlled by the Company
Songyu Technology	Refers to	Wuxi Songyu Technology Co., Ltd., a company held by the Company
Optech	Refers to	Shanghai Optech Science and Technology Co., Ltd., a company held by the Company
Greenstone	Refers to	Wuxi Greenstone Automation Equipment Co., Ltd., a company held by the Company
I-TEK OptoElectronics	Refers to	Hefei I-TEK OptoElectronics Co., Ltd. a company held by the Company
Actual Controller	Refers to	Persons acting in concert, namely, Ge Zhiyong and Li Wen
Wuxi Woshine	Refers to	Wuxi Woshine Safety Equipment Co., Ltd., a company controlled or significantly influenced by the Company's directors, supervisors, or senior

		management
Wuxi Aochuang	Refers to	Wuxi Aochuang Investment Partnership (L.P.), a shareholding platform for the Company's employees
Wuxi Aoli	Refers to	Wuxi Aoli Investment Partnership (L.P.), a shareholding platform for the Company's employees
A-shares	Refers to	RMB ordinary shares listed in Chinese mainland
Shareholders' General Meeting	Refers to	Shareholders' general meeting of Wuxi Autowell Technology Co., Ltd.
Board of Directors	Refers to	Board of Directors of Wuxi Autowell Technology Co., Ltd.
Board of Supervisors	Refers to	Board of Supervisors of Wuxi Autowell Technology Co., Ltd.
Articles of Association	Refers to	Articles of Association of Wuxi Autowell Technology Co., Ltd.
Reporting Period	Refers to	The period from January 1, 2024 to June 30, 2024
Yuan, million Yuan	Refers to	RMB, RMB million
CSRC	Refers to	China Securities Regulatory Commission
SSE	Refers to	Shanghai Stock Exchange (SSE)
Stringer	Refers to	A machine used for string soldering, including conventional stringers and MBB PV Cell ones.
MBB PV Cell Soldering Stringer	Refers to	A machine used for soldering MBB PV cells with more than six busbars
Laser Cutting Machine	Refers to	A cutting machine used to cut full-sized cells into half-cut or smaller (like 1/3-cut and 1/4-cut) cells. It can be used together with the Company's soldering stringer, or individually. It is applied to half-cut cell soldering, smaller cell soldering, negative spacing soldering, etc.
Wafer Inspection System	Refers to	A system used for sorting wafers in the production of PV wafers, provided with intelligent functions including deep learning, machine vision, and fault pre-warning.
PV Cell Firing and Passivation Furnace (Light Induced)	Refers to	A furnace seamlessly connecting the light induced zone to the firing zone based on the existing firing technology so as to reduce the footprint and energy consumption of the machine, while improving the efficiency of N-type cell. It may adjust the Fermi level, control the total amount and valence state of hydrogen, and enhance the hydrogen passivation, to suppress the LID & LeTID effect of P-type cells or increase the conversion efficiency of N-type cells.
Monocrystal Growth Furnace	Refers to	A machine used to produce mono silicon ingots required in the production of cells. It is an automated machine that can melt the silicon materials via the graphite resistance heater in an inert atmosphere and then grow dislocation-free monocrystal silicon ingots through the CZ method automatically.
Semiconductor Wire Bonder/Aluminum Wire Bonder	Refers to	Machines employed in the back-end assembly and testing processes in the production of semiconductors, and aluminum wires, gold, silver, and copper wires or aluminum strips are used to connect Pad with lead wires via soldering.
Screen Printing Line	Refers to	A printing section where metalized busbars are printed onto blue wafers, covering blue wafer feed, printing, drying, firing and light-induced annealing, inspection, and sorting, thus ensuring that the final cells can

		generate power in a high-efficiency way. Moreover, cells are sorted and inspected according to their performance indicators, so as to provide energy carriers for the subsequent module assembly.
ESS Module /PACK Assembly Line	Refers to	A production line that assembles multiple individual cells into a specific battery modules via series-parallel connection according to specific requirements, which is intended for the ESS market, and a production line that assembles a specific battery pack with multiple battery modules via series-parallel connection as per specific requirements. Each of the SSE Module Assembly Line and the PACK Assembly Line can be sold separately or in combination.
LEM	Refers to	A machine designed to significantly improve the efficiency of TOPcon cells by enhancing the contact between their metal fingers and silicon after firing and light-induced annealing.
AOI Machine	Refers to	A machine used to detect quality defects in the process of Die Bonding (DB), Wire Bonding (WB) and Pin insertion during IC assembly and testing, as well as visual and dimensional defects of die, wire, bond, and DBC. It is mainly applied to the inspection of framework and module-based products.
Semiconductor Dicing Saw	Refers to	A machine used for fully automated dicing in sectors such as semiconductor wafers, integrated circuits, optical communications devices, and LED. It is primarily used to dice silicon wafers, lithium niobate, ceramics, glass, quartz, aluminum oxide, and PCB boards and other materials.
Die Bonder	Refers to	A machine used for die bonding in the process of semiconductor device assembly, where die is pasted onto leadframes or substrates. It is mainly applied to integrated circuits and power devices.
CMP Machine	Refers to	A machine used in the planarization of wafers. Both mechanical friction and chemical corrosion are employed to remove in a high-efficiency way excess materials on the surface of wafers so that nanoscale planarization can be achieved overall.
BC Adhesive Printing Machine	Refers to	A machine used for pretreatment units prior to the welding of BC modules, employing the printing technology to print insulating and conductive adhesives onto cells to make welding reliable.
BC Printing Line	Refers to	A process used for metalization in the production of BC cells, including cell printing, firing, and sorting, to ensure cells are prepared in a metalized manner.

Section II Company Profile and Major Financial Indicators

I. Company Profile

Chinese name of the Company	无锡奥特维科技股份有限公司
Chinese abbreviation of the Company	奥特维
English name of the Company	Wuxi Autowell Technology Co., Ltd.
English abbreviation of the Company	Autowell
Legal representative of the Company	Ge Zhiyong
Registered address	No. 3, Xinhua Road, Xinwu District, Wuxi
Changes in the Company's registered address	Modified from No. 25, Zhujiang Road, Wuxi to No. 3, Xinhua Road, Xinwu District, Wuxi in September, 2022
Office address	No. 3, Xinhua Road, Xinwu District, Wuxi
Post code of office address	214000
Corporate website	http://www.wxautowell.com/
Email	investor@wxautowell.com

II. Contact Persons and Contact Details

	Board secretary (domestic representative for information disclosure)	Securities affairs representative
Name	Zhou Yongxiu	Li Cuifen
Contact address	No. 3, Xinhua Road, Xinwu District, Wuxi	No. 3, Xinhua Road, Xinwu District, Wuxi
Tel	0510-82255998	0510-82255998
Fax	0510-81816158	0510-81816158
Email	investor@wxautowell.com	investor@wxautowell.com

III. Information Disclosure and Filing Place

Newspapers chosen by the Company for information disclosure	<i>China Securities Journal, Shanghai Securities News, Securities Daily, and Securities Times</i>
Website for publication of the interim report	www.sse.com.cn
Place of filing of the Company's interim report	Office of the Company's Board of Directors

IV. Profile of Corporate Stock/Depository Receipts

(i) Profile of corporate stock

Applicable N/A

Profile of corporate stock				
Stock class	Stock exchange and sector	Short name	Stock code	Pre-modification short name
A-share	SSE STAR Market	ATW	688516	N/A

(ii) Profile of corporate depository receipts

Applicable N/A

V. Other Information

Applicable N/A

VI. Major Accounting Data and Financial Indicators**(i) Major accounting data**

Unit: Yuan, Currency: RMB

Major accounting data	This reporting period (January-June)	The same period of the previous year	YoY increase/decrease in the reporting period (%)
Operating income	4,417,698,117.26	2,517,486,369.86	75.48
Net profit attributable to shareholders of the listed company	769,082,688.50	522,523,778.99	47.19
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	772,461,286.17	502,569,575.73	53.70
Net cash flows from operating activities	-9,711,098.51	268,896,252.11	N/A
	The end of the reporting period	The end of the previous year	YoY increase/decrease at the period end (%)
Net assets attributable to shareholders of the listed company	4,044,277,936.80	3,664,156,771.29	10.37
Total assets	14,947,288,228.54	15,617,486,444.78	-4.29

(ii) Major financial indicators

Major financial indicators	This reporting period (January-June)	The same period of the previous year	YoY increase/decrease in the reporting period (%)
Basic earnings per share (Yuan/share)	2.45	1.66	47.59
Diluted earnings per share (Yuan/share)	2.35	1.66	41.57
Basic earnings per share after deduction of non-recurring profit or loss (Yuan/share)	2.46	1.60	53.70
Weighted average return on net assets (%)	19.23	18.95	Up by 0.28 percentage point
Weighted average return on net assets after deduction of non-recurring profit or loss (%)	19.32	18.23	Up by 1.09 percentage point
Ratio of R&D expenses to operating income (%)	4.03	5.16	Down by 1.13 percentage points

Note: The earnings per share in the same period of the previous year are recalculated based on the share capital by the end of this reporting period.

Explanatory notes on the Company's major accounting data and financial indicators

Applicable N/A

1. Operating income increased by 75.48% year on year, mainly attributable to steady growth in sales thanks to continuous acceptance inspections for orders in hand, continued competitive edges of core products and improved operating efficiency.
2. Net profit attributable to shareholders of the listed company gained 47.19% year on year, mainly attributable to growth in net profit as a result of more operating income.
3. Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss added 53.70% from the previous year, mainly attributable to growth in net profit as a result of more operating income, and less non-recurring profit or loss.
4. Net cash flows from operating activities saw a sharp decline from the previous year, mainly attributable to the fact that growth in sales income actually received was outnumbered by the increase in purchase payments and payrolls.

VII. Accounting Data Difference Under Chinese and Foreign Accounting Standards

Applicable N/A

VIII. Non-recurring Profit and Loss Items and Amounts

Applicable N/A

Unit: Yuan, Currency: RMB

Non-recurring profit and loss items	Amount	Note (if applicable)
Profit or loss arising from the disposal of illiquid assets, including write-off of provision for asset impairment	-164,407.40	
Government subsidies included in the current profit or loss (except for those that are closely related to the Company's normal business operations, as required by national policies, entitled in accordance with established standards, and have a sustained impact on the Company's profit or loss)	5,397,451.34	
Apart from hedging instruments relating to the normal operations of the Company, profit or loss from change in fair value of financial assets and financial liabilities held by non-financial enterprises and investment income from disposal of financial assets and financial liabilities	-20,540,182.44	
Capital occupation fees charged to non-financial enterprises, included in the current profit or loss		
Profit or loss from entrusted investments or assets		
Profit or loss from consignment loans		
Loss of assets arising from force majeure such as natural calamities		
Reversal of impairment provision for receivables subject to a separate impairment test	12,627,272.33	
Profit arising from investment costs for the acquisition of subsidiaries, associates and joint ventures less than the revenue generated from their identifiable net assets of the invested entity at fair value at the time of acquisition		
Current net profit or loss of subsidiaries resulting from the merger of enterprises under common control from the beginning of the period to the date of the merger		

Profit or loss from non-monetary asset swap		
Profit or loss from debt restructuring	1,134,950.39	
Non-recurring fees resulting from halted operations, such as employee placement		
One-off impact of adjustments of laws and regulations on taxation and accounting on the current profit or loss		
One-off share-based payment arising from cancellation or modification of equity incentives		
Profit or loss from changes in fair value of payroll payable after vesting date for share-based payment in cash		
Profit or loss from changes in fair value of investment properties using the fair value model for subsequent measurement		
Profit from the excess over the fair value in a transaction at an obviously unfair price		
Profit or loss from contingencies irrelevant to the normal operations of the Company		
Custodian fee income from entrusted operations		
Other non-operating income and expenses beyond the aforesaid items	-382,006.17	
Other profit or loss items falling within the definition of non-recurring profit or loss		
Deduction: effect of income tax	-263,166.53	
Impact on minority interests (after tax)	1,714,842.25	
Total	-3,378,597.67	

An explanation shall be made with regard to the Company's considerations for classifying items not included in the *Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1—Non-Recurring Profits and Losses* as non-recurring profit and loss items involving large amounts, and non-recurring profit and loss items included in the above Announcement as recurring profit and loss items.

Applicable N/A

IX. Explanatory Notes on Performance Indicators Under Non-generally Accepted Accounting Principles

Applicable N/A

Section III Management Discussion and Analysis

I. Introduction to the Company's Industry and Main Business in the Reporting Period

(i) Main business, major products or services

1. Main business

The Company specializes in R&D, manufacturing and sales of high-end equipment. It is a new and high-tech enterprise with independent R&D and sustainable innovation capacity, committing to providing its clients with high-performance and cost-effective high-end equipment and solutions.

2. Major products and services

The Company's products are primarily used in PV, lithium-ion battery/energy storage industries and semiconductor assembly and testing. Its main products consist of PV equipment such as large, ultra-speed PV Cell MBB Soldering Stringer (including OBB/BC Soldering Stringer), large, ultra-speed Wafer Inspection System, BC Adhesive Printing Machine, BC Printing Line, Screen Printing Line, PV Cell Light Induced Annealing Furnace, Low Oxygen Monocrystal Growth Furnace, power/ESS Module, PACK Line, as well as PV Cell Cutting Machine for semiconductor assembly and testing, Aluminum Wire Bonder and AOI Machine, etc.

Moreover, the Company also refits, upgrades, and provides spare parts for its clients' existing equipment.

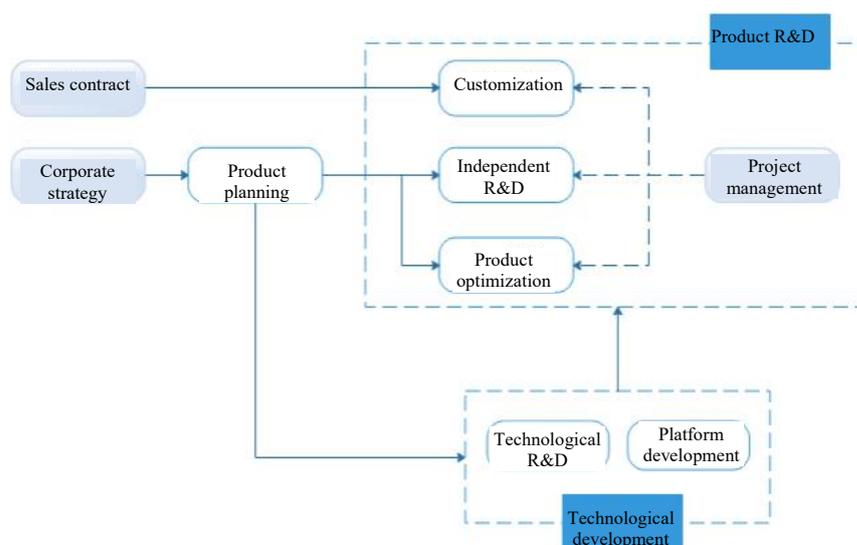
(ii) Main business model

1. Profit-making model

The Company mainly makes a profit from income from sales of equipment (mainly PV equipment, lithium-ion battery/ESS equipment, semiconductor assembly and testing equipment in the reporting period) and ancillary and spare parts as well as equipment transformation among other technical services, after deduction of costs and expenses.

2. R&D model

After unremitting exploration, the Company currently has put in place a sound project-based R&D model, which is briefly set forth in the following diagram:



The Company's R&D activities involve product R&D and technological development. Product R&D activities in the Company comprise product planning, product optimization and client contract-based independent R&D, R&D for improvement and customization. Technological

development includes forward-looking technology R&D (for technical reserve and proof of principles, and platform-based development targeting modules/types that can be widely applied).

3. Purchasing model

The Company purchases raw materials in accordance with material requirements planning generated from the master production schedule (MPS) that is formed based on sales orders/preliminary applications.

As production in the Company involves a wide variety of raw materials, they are divided into purchased parts and processed parts.

The Company's purchasing division is split into the Purchase Strategy Department and the Purchase Implementation Department. The former is responsible for supplier development, management, maintenance, and price negotiation while the latter is tasked with fulfillment of purchase plans and material tracking. The Company has set up a logistics department to take charge of the storage, issue, and receipt of materials.

Furthermore, the Company has laid down such regulations and procedures as procedures for Supplier Development and Approval, Material Planning, Implementation of Purchases, Administration for Material Receipt, and Material Issue, to regulate in a strict manner the implementation of every purchasing procedure.

4. Production model

(1) In-house production

In the reporting period, the Company manufactures products based on both sales volume and sales forecast. In general cases, the Company determines its purchase plan and production schedule in accordance with orders placed by clients. In circumstances where orders from some clients are large and involve short lead time, given a certain period of time is required for purchase, production, and delivery of equipment products, the company may, after receipt of approval, implement some sort of production of relatively standardized products based on forecasts with an aim to maintain the continuity and scale of production.

The main process of production in the Company is as follows: it generates the MPS in accordance with orders or forecast-based applications as well as product delivery planning and material supply scheduling, and follows the MPS to work out production scheduling, material requirements planning and outsourcing planning; the production department is tasked to finish installation, debugging, inspection of finished products and product receipt; at the time of delivery, to make transportation easier, the Company's products may be split into smaller modules which are then assembled and tested after arrival at client sites.

(2) Outsourcing

The Company's products are primarily made by itself. To arrange production scheduling in a more flexible manner, and improve production efficiency, the Company follows the MPS to work out outsourcing planning, according to which part of work such as electrical assembly is outsourced after price comparison and other procedures are fulfilled.

5. Sales model

Domestic sales by the Company are achieved mainly through direct sales, while overseas sales are through both direct sales and distribution. The procedures of direct sales in the Company mainly comprise order taking, production, shipment (including customs clearance for exports), on-site installation and commissioning, equipment inspection for acceptance, quality assurance, etc.

Distribution experiences the following procedures. After production, the Company transports equipment to the domestic address as stipulated in the contract. Then the distributor is tasked to finish customs clearance for exports and arrange subsequent transportation. After the arrival of equipment at the client site, the Company is responsible for on-site installation and commissioning, equipment inspection for acceptance, and quality assurance (some distributors may offer assistance).

(iii) Industry landscape

1. Industrial development stage, basic features and major technical thresholds

1.1 PV equipment industry

(1) The development of PV equipment industry in recent years

Countries across the world attach great importance to the development of the PV industry, which is a top priority in the transformation of the global energy mix. China has led the world for many years in a row in newly installed capacity of PV power. Data from China's National Energy Administration show that from January to June 2024, China's newly installed capacity of PV increased by 30.7% year-on-year to 102.48GW, and the figure in June alone amounted to 23.33GW, up by 35.6% year on year and 22.5% month on month. Despite the increasing installed capacity, the PV industry currently faces a stark challenge from excess capacity. The PV industry in the first half of 2024 presented a mixed picture. While capacity in the PV sector continued to ratchet up, related products suffered price declines. Poly-Si and wafer prices have shed over 40%, compared with a more than 15% decline in cell and module prices. The value of output (excluding inverters) across the industry chain declined 36.5% from the previous year while the export amount dropped 35.4% year on year. Still and all, the PV industry is expected to have a promising future in the long run. With continuing technological advances and declining costs, PV energy will be widely promoted and applied, and its leadership in clean energy solutions will be further cemented.

A. Introduction to PV equipment industry

Increased installed capacity in the PV sector has led to production expansion across the industry chain. Furthermore, continuous technological progress in all PV procedures accelerates production capacity replacement. Market demand for equipment derives from the need for production expansion and replacement. Since the PV industry faces overproduction for the time being, demand for PV equipment is subdued in some way. While technological iteration can trigger new demand for equipment in some procedures, demand for equipment has shrunk moderately, as equipment technological iteration for the above equipment usually consumes a long time.

B. The effect of technological advances on the PV equipment industry

The development of China's PV equipment industry is closely related to technological progress. To make progress in the PV industry, it is always crucial to improve photoelectric conversion efficiency and cut production costs. In 2024, LECO/LIF, which performs well in efficiency improvement, is universally applied in the production of TOPCON; cell- and module-side SMBB/OBB have been further promoted and used; a number of companies have rolled out BC cells over time; perovskite and perovskite lamination technology have garnered growing attention. New technologies and processes can mature and be popularized rapidly. A well-developed new technology or process can see increasing penetration in a short time. Therefore, PV equipment suppliers need to launch new products in line with prevalent technologies in the PV industry to make technological progress.

(2) Trends of technological innovation in the PV equipment industry

Improving photoelectric conversion efficiency and cutting production costs is not only a technical priority, but also an approach to future development in the PV industry. Likewise, new products should be launched on a continual basis in the PV equipment industry so as to cater to the need for technological advances in the PV industry. In years to come, technological innovations in the PV industry will be mainly hallmarked by the following trends:

A. N-type cells and corresponding equipment will draw market attention over time

According to the forecast of CPIA on changes in average conversion efficiency of cell technologies of all kinds from 2021 to 2030, as PERC cells' conversion efficiency continues to improve and draws near to the theoretical limit, N-type cell technology, which excels in efficiency, will be prioritized among other technologies. N-type cells mainly comprise TOPCon Mono-Si Cell, HJT Cell, and XBC Cell.

B. Cell processing methods will co-exist, with PV cell efficiency equipment being the focus

Due to market requirements for cost reduction and efficiency improvement, new equipment aimed at efficiency improvement will emerge as PV technology continues to evolve. Such equipment failed to work under outdated technology, while with technological advances in the PV industry, such equipment will start to play a role in helping N-type technology become more efficient, and demand for such equipment in the industry will be boosted.

C. Busbar printing technology will continue to progress, and new printing technologies will emerge

Currently, almost all metallic cell busbars are prepared through screen printing, which will remain the mainstream technique in the years to come. Busbar manufacturers and equipment makers have begun to develop other metallic printing technologies such as stencil printing, electroplating, laser transfer

printing and inkjet printing. As cost reduction and efficiency improvement are pursued in the industry, demand for more competitive types with high aspect ratios such as OBB will continue to pick up, and new technologies to prepare cell busbars will emerge.

1.2 Lithium-ion battery/ESS Module/PACK line industry

Due to the accelerated transformation of renewable energy across the world, ESS policies, and a better market environment, ESS market demand continues to rise globally. GGII forecasts that the shipment of lithium-ion batteries for energy storage for 2024 is expected to surpass 240GWh, with electrical energy storage to be the largest driver for 2024 growth. In the domestic market, the installed capacity of wind and PV power sustained a high growth. According to data from the National Energy Administration, China's newly installed capacity of wind and PV power from January to June 2024 gained 26.5% year on year to 128.3 GW. As shown in the statistics by China Energy Storage Alliance (CESA), China's newly installed capacity of new types of energy storage from January to June 2024 hit 26.4 GWh, up by 48.5% year on year. In overseas markets, the USA accelerates the pace of energy storage projects and sees robust growth in large-sized installations thanks to the improved economical performance and higher demand for renewable energy. Europe is now one of the fastest-growing markets as many countries have rolled out support policies and a few GWh-level large energy storage projects are underway.

1.3 Domestic semiconductor assembly and testing equipment industry

According to the SEMI report, the back-end equipment sector is expected to recover in the second half of 2024 following two years of contraction stemming from weak semiconductor demand. The sales of semiconductor testing equipment in 2024 are estimated to increase by 7.4% to USD6.7 billion, while the figure for assembly equipment is projected to rise by 10.0% to USD4.4 billion. Additionally, back-end niche markets are expected to gain momentum in 2025 when the sales of testing equipment and assembly equipment will surge by 30.3% and 34.9%, respectively. Growth in these niche markets will be bolstered by the increasing complexity of semiconductor devices used for high-performance computing as well as anticipated recovery in demand from end-use markets such as automobile, industry and consumer electronics. The global sales of semiconductor manufacturing equipment in 2024 are estimated to hit USD109 billion, edging up by 3.4% year on year. In 2024, the semiconductor assembly equipment industry sees intensifying competition as the market size gets bigger. In the process, large international companies, which now enjoy competitive advantages, will face rivalry from China's local players. China's assembly equipment companies are still reliant on imports for manufacturing equipment such as bonders, cutters, die bonders and AOI, so the imported equipment remains to be replaced by domestic products.

2. Analysis of the Company's industry position and its changes

1. Market position of the Company's PV equipment products

The Company is a niche market leader in the PV equipment industry. Its major products in the reporting period comprised the large, ultra-speed PV Cell MBB Soldering Stringers, the large, ultra-speed Wafer Inspection System, the Screen Printing Line, the Laser-assisted Firing Furnace, the BC Adhesive Printing Machine, the BC Printing Line, the PV Cell Light Induced Annealing Furnace, the Low Oxygen Monocrystal Growth Furnace among other PV equipment. Among them, large, ultra-speed PV Cell Soldering Stringer and Wafer Inspection System, two flagship products, boast remarkable competitive advantages in separate niche markets, Low Oxygen Monocrystal Growth Furnace begins to stand out in market competition, and Screen Printing Line secures an increasing market share.

(1) Market position of the Company's Soldering Stringer

Soldering stringer is an essential piece of equipment in the production of PV modules. With a market share of over 60%, the Company is a market leader that has supplied soldering stringers for more than 600 production bases across the world. All the global top ten suppliers of PV modules were the Company's clients in the reporting period.

(2) Market position of the Company's Wafer Inspection System

To satisfy the varied needs of clients, the Company never ceases to pursue innovation in its Wafer Inspection System, whose outstanding performance is recognized by clients across the world. All major wafer manufacturers globally such as LONGi, Gokin Solar and HY Solar buy wafer inspection systems from the Company.

2. Market position of the Company's Lithium-ion battery/ESS Module/PACK Line

The Company's module/PACK line for lithium-ion battery energy storage has been bought by CRRC Zhuzhou Institute, Hyper Strong, Highstar (US), etc.

3. Market position of the Company's semiconductor assembly and testing equipment

As for Aluminum Wire Bonder and AOI, in the first half of 2024, the Company continued to receive bulk orders, and saw a remarkable rise in orders and increasing repeated purchases.

3. Development of new technologies, sectors, business types, and models in the reporting period and future trends

3.1 New technologies

Against the backdrop of accelerating advances in the PV cell technology, the Company prioritizes the development of OBB and BC techniques for N-type cells as well as the laser-assisted firing technique that can help improve conversion efficiency. The application of such techniques has paved a solid technical foundation for the Company to develop new products.

3.2 Development of new sectors, business types and models, and future trends

After more than a decade of development, the PV industry has emerged as one of the few strategic industries that boast international competitive advantages and end-to-end autonomous control, and will hopefully lead the high-quality development drive. Furthermore, the sector plays an important role in accelerating China's energy transformation. China's PV industry currently ranks among the top in the world in terms of manufacturing scale, industrialization technology, application expansion, and building of industrial systems.

As for product efficiency, the conversion efficiency of prevalent N-type cells has topped 25.0%. With the reduction in production costs and yield enhancement in the future, the N-type cell technology will be prioritized among other technologies, and efficiency will be improved rapidly.

In regard to technical routes, the technology aimed at minimizing/stopping the use of silver paste will be further promoted, and the lab efficiency of perovskite/perovskite laminated cells will be improved.

II. Core Technology and R&D Progress

1. Core technologies and their advanced nature, and changes in the reporting period

The Company, an R&D-driven company, has channeled enormous resources into R&D on a continual basis to put in place an R&D system, which is composed of four core fundamental technologies and eight core applied technologies. These technologies are applied to make several core products in the Company's main business, helping shape the system of its core products on PV wafers, cells, and modules. To keep its core technologies advanced, the Company works unremittingly to follow technological dynamics across such industry chains as PV, electrochemical energy storage, and semiconductor assembly and testing, and focus on new technologies in downstream application industries. After years of continuous R&D input and technology accumulation, the Company has established core technology systems on series welding for PV modules, laser cutting, PV cell processing, precision inspection for wafers, Mono-Si ingot growth, lithium-ion battery/ESS module assembly, visual inspection for cell, semi-conductor wire bonding technology, etc. The Company's core technologies are set out in the following table:

	Core fundamental technologies applied	Application sectors	Sources of core technologies
	Low-stress high-speed closed-loop infrared welding technology		self-developed

Advanced PV cell soldering technologies	Precision liquid spraying	PV module equipment	self-developed
	Precision mechanical design technology for intelligent equipment		self-developed
	Multi-axis high-speed motion control technology		self-developed
	Intelligent inspection and positioning technology for machine vision that applies to specified targets		self-developed
	The technology of high-speed transfer by robots that applies to special materials		self-developed
	Industrial sensor application technology for specified scenarios		self-developed
	Precision laser welding technology for PV modules		self-developed
	Laser transfer and coding technology for PV glass surface		self-developed
	Self-adaptive resonance high-frequency induction welding technology		self-developed
Negative spacing soldering technologies	Micron-level high-precision laser-cutting technology	PV module lamination equipment	self-developed
	Precision liquid spraying technology		self-developed
	Low-stress high-speed closed-loop infrared welding technology		self-developed
	Precision mechanical design technology for intelligent equipment		self-developed
	Multi-axis high-speed motion control technology		self-developed
	Intelligent inspection and positioning technology for machine vision that applies to specified targets		self-developed
	The technology of high-speed transfer by robots that applies to special materials		self-developed
	Industrial sensor application technology for specified scenarios		self-developed
	Industrial software design technology for intelligent equipment operation surveillance		self-developed
	High-speed and multi-protocol industrial communication application technology		self-developed
PV cell laser cutting technology	Micron-level high-precision laser-cutting technology	PV cell equipment	self-developed
	Precision mechanical design technology for intelligent equipment		self-developed
	Multi-axis high-speed motion control technology		self-developed
	Intelligent inspection and positioning technology for machine vision that applies to specified targets		self-developed
	Industrial sensor application technology for specified scenarios		self-developed
	The technology of precision splitting with laser-induced thermal stress		self-developed
	Precision mechanical design technology for intelligent equipment		self-developed
Multi-axis high-speed motion control technology	self-developed		
Industrial sensor application technology for specified scenarios	self-developed		
Industrial software design technology for intelligent equipment operation surveillance	self-developed		
Low-invasive or non-destructive laser scoring technology	self-developed		
Low-invasive or non-destructive laser doping technology	self-developed		
High-precision dual galvanometer scanning control technology	self-developed		
Mono-Si ingot growth technologies through CZ method	Image analysis and processing technology for machine visual	PV wafer equipment	self-developed
	Mono-Si growth technology under PID temperature		self-developed

	control		
	Thermal analysis technology for fluids		
	Industrial software design for intelligent equipment operation surveillance		self-developed
	Intelligent feeding technology		self-developed
PV wafer precision inspection technology	High-speed precision optical and electrical inspection technology	PV wafer equipment	self-developed
	High-speed flying laser coding technology		self-developed
Lithium-ion battery/ESS module	Multiple self-adaptive precision laser welding technology	Lithium-ion battery/ESS equipment	self-developed
	Dual-waveform multi-point high-speed resistance welding technology		self-developed
	High-speed precision optical and electrical inspection technology		self-developed
	Precision mechanical design technology for intelligent equipment		self-developed
	Multi-axis high-speed motion control technology		self-developed
	Intelligent inspection and positioning technology for machine vision that applies to specified targets		self-developed
	The technology of high-speed transfer by robots that applies to special materials		self-developed
	Industrial sensor application technology for specified scenarios		self-developed
	Industrial software design technology for intelligent equipment operation surveillance		self-developed
	High-speed and multi-protocol industrial communication application technology		self-developed
Li-ion battery appearance inspection technologies	High-speed precision optical and electrical inspection technology		self-developed
Semi-conductor wire bonding technologies	High-speed and high-frequency ultrasonic welding technology	Semiconductor equipment	self-developed
	Precision electrical inspection technology for complicated industrial environment		self-developed
	Precision mechanical design technology for intelligent equipment		self-developed
	Multiaxis high-speed motion control technology		self-developed
	Intelligent inspection and positioning technology for machine vision that applies to specified targets		self-developed
	Industrial sensor application technology for specified scenarios		self-developed
	Industrial software design technology for intelligent equipment operation surveillance		self-developed

The Company continues to develop more advanced and newer technologies on the back of the above technologies, has high technical thresholds, and maintains its technical strength. In addition, these core technologies didn't experience unfavorable changes in the reporting period.

Whether the Company has received any national science and technology awards?

Applicable N/A

Whether the Company has been rated as a national-level Little Giant Enterprise of SRDI or an enterprise leading an individual field of the manufacturing industry?

Applicable N/A

2. R&D achievements in the reporting period

In the first half of 2024, the Company obtained 193 pieces of intellectual property including 100 invention patents, 74 utility model patents, and 11 software copyrights. By June 30, 2024, the Company

has been granted a cumulative total of 1,808 pieces of intellectual property including 211 invention patents, 1,296 utility model patents, 117 software copyrights, and 3 industrial design patents.

Statistics of intellectual property obtained in the reporting period

	Additions in the reporting period		Cumulative total	
	Number of applications	Number of ratifications	Number of applications	Number of ratifications
Invention patents	65	100	611	211
PCT international stage	2	0	10	0
Utility model patents	219	74	1,597	1,296
Industrial design patents	1	0	9	3
Software copyrights	13	11	120	117
Others	13	8	194	181
Total	313	193	2,541	1,808

3. Statistics of R&D inputs

Unit: Yuan

	Amount in the reporting period	Amount in the same period of the previous year	Rate of change (%)
R&D expenses	178,114,245.75	130,002,217.29	37.01
Capitalized R&D input	0	0	0
Total R&D inputs	178,114,245.75	130,002,217.29	37.01
Ratio of total R&D input to operating income (%)	4.03%	5.16%	Down by 1.13 percentage points
Share of capitalized R&D input (%)	0	0	0

Any reason behind a drastic change in total R&D inputs compared with the previous year?

Applicable N/A

The Company's R&D input saw a year-on-year increase of 37.01% in the first half of 2024, mainly attributable to the Company's decision to step up R&D input and introduce high-level R&D personnel, the increase in the number of R&D personnel from 777 to 922, and the rise in the remuneration of R&D personnel from RMB84.15 million to RMB125.88 million, gaining RMB41.73 million or up by 49.58% from the previous year.

Any reason behind a drastic change in the share of capitalized R&D input and justification?

Applicable N/A

4. Details of projects under ongoing R&D

Applicable N/A

Unit: million Yuan

No.	Project	Est. total invest	Investment in the	Cumulative invest	Progress or outcome	Intended targets	Technological competence	Prospective application
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		time	reporting	investment	uses			function
		unit	period	amount				
1	Large cell Soldering Stringer	3.30	0.33	0.33	Prototype being on trial	1. Full cells production capacity: 10,800 half-cut cells/hour 2. Compatible cells: PERC, TOPCon and HJT 3. Cell spec: 158 – 230mm, rectangular 4. Number of busbars: 6 – 24BB	1. Full cells production capacity: >10,800 half-cut cells/hour 2. Applicable cells: PERC, TOPCon and HJT 3. Cell spec: 158 – 230mm, rectangular 4. Number of busbars: 6 – 24BB	PV module soldering
2	PV Back Contact Cell Stringer	24.62	3.54	18.99	Prototype being on trial	1. Full cells production capacity: 7,200 full cells/hour/dual-line 2. Compatible cells: P-type and N-type BC cells 3. Crack ratio: $\leq 0.1\%$ 4. Cell spec: 163 – 230mm, compatible with rectangular cells 5. Number of busbars: 6 – 24BB	1. Full cells production capacity: 6500 full cells/hour/dual-line 2. Compatible cells: P-type and N-type BC cells 3. Crack ratio: $\leq 0.1\%$ 4. Cell spec: 163 – 230mm, compatible with rectangular cells 5. Number of busbars: 6 – 24BB	PV module soldering
3	Automatic PV String Repair Machine	3.52	0.65	0.65	Mass production	1. Repair tempo $\leq 40\text{S/piece}$ 2. Repair yield $\geq 95\%$ 3. Compatible cell spec: 156 – 230mm 4. Compatible cell thickness $\geq 110\mu\text{m}$	1. Repair tempo $\leq 40\text{S/piece}$ 2. Repair yield $\geq 95\%$ 3. Compatible cell spec: 156 – 230mm 4. Compatible cell thickness $\geq 110\mu\text{m}$	PV string repair
4	Cell Line Equipment	63.19	6.20	35.28	Stage of verification	1. $\text{CT} \leq 0.80\text{s}$ 2. Printing accuracy: $\leq \pm 6\mu\text{m}$ 3. Maximum printing speed: $\leq 700\text{mm/s}$ 4. Crack ratio: Grade A Mono-Si $\leq 0.05\%$	1. $\text{CT} \leq 0.80\text{s}$ 2. Printing accuracy: $\leq \pm 6\mu\text{m}$ 3. Maximum printing speed: $\leq 600\text{mm/s}$ 4. Crack ratio: Grade A Mono-Si $\leq 0.1\%$	Printing equipment for cells of all kinds
5	Cell Screen Printing Line Equipment	27.85	4.64	5.46	Stage of verification	1. $\text{CT} \leq 0.8\text{s}$ 2. Crack ratio $\leq 0.08\%$ 3. Uptime $> 98\%$	1. $\text{CT} \leq 0.85\text{S}$ 2. Crack ratio $\leq 0.1\%$ 3. Uptime $> 98\%$	Printing and adhesive printing scenarios for cells of all kinds
6	Cell Annealing	17.83	2.14	13.44	Application	1. Production	1. Production	Metalization and

	g Equipme nt				expansi on	capacity: \geq 9600Pcs/h@182 2. Uptime \geq 99% 3. Crack ratio \leq 0.01%@182 4. Efficiency gain \geq 0.2%	capacity: \geq 9200Pcs/h@182 2. Uptime \geq 99% 3. Crack ratio \leq 0.01%@182 4. Efficiency gain \geq 0.2%	efficiency increase for N-type cells
7	Metalize d and Advance d Laser Processi ng Equipme nt	9.42	4.39	7.81	Stage of verifica tion	1. CT \leq 0.75s 2. Efficiency gain \geq 0.35%	1. CT \leq 0.75s 2. Efficiency gain \geq 0.3%	Metalizati on and efficiency increase for N-type cells
8	Wire Bonder	14.7 2	3.10	3.88	Stage of develo pment	1. UPH: 11K 2. Wire bonding area: 80*100mm 3. Wire bonding accuracy: 3 μ m@3sigma 4. Wire bonding material: 4 – 20mil aluminum wire, 80*10mil aluminum tape, and 5 – 20mil copper wire	1. UPH: \geq 11K 2. Bonding area: 80*100mm 3. Bonding material: 4 – 20mil aluminum wire, 80*10mil aluminum tape and 5 – 20mil copper wire	Semicond uctor bonding
9	Semicon ductor Die Bonder	29.4 9	0.99	4.03	Stage of develo pment	1. UPH:16k 2. Wafer: 8/12 inch 3. Chip size: 0.5*0.5mm-10*10 mm	1. UPH:14k 2. Wafer: 8/12 inch 3. Chip size: 1*1mm-10*10mm	Semicond uctor assembly
10	Semicon ductor Inspectio n System	17.5 4	1.97	7.06	Mass product ion	1. UPH:2D \geq 2000mm ² /S3D \geq 500mm ² /S 2. Items for inspection: die position, die appearance, solder defects, boding wire defects and substrate defects 3. Inspection precision: \pm 5 μ m@3 σ	1. UPH:2D \geq 2000mm ² /S3D \geq 500mm ² /S 2. Items for inspection: die position, die appearance, solder defects, boding wire defects and substrate defects 3. Inspection precision: \pm 5 μ m@3 σ	Semicond uctor assembly inspection
11	Semicon ductor Cutting Machine	14.3 6	3.09	6.70	Prototy pe being on trial	1. Processed wafer size 310mmm round shaped 2. Y-axis visual accuracy \leq 1um 3. X-axis straightness accuracy \leq 3um 4. Y-axis accuracy \leq 2um	1. Processed wafer size 300mmm round shaped 2. Y-axis visual accuracy \leq 1um 3. X-axis straightness accuracy \leq 3um 4. Y-axis accuracy \leq 2um	Semicond uctor cutting

						5. Compatible with 12-inch and smaller wafers	5. Compatible with 12-inch and smaller wafers	
12	Semiconductor CMP Equipment	47.50	9.19	15.60	Prototype development	1. Removal after processing: 300 – 500nm 2. Variation in total thickness: -25 – +40nm 3. Site flatness: -10 – +15nm 4. Edge crimpness: -100 – +10 5. Nanotopography(0.5×0.5): ≤4 6. Metal residue: <1E9	1. Removal after processing: 300 – 500nm 2. Variation in total thickness: -25 – +40nm 3. Site flatness: -10 – +15nm 4. Edge crimpness: -100 – +10 5. Nanotopography (0.5×0.5): ≤4 6. Metal residue: <1E9	Final polishing for 12-inch silicon substrates
13	Cutting and Folding All-in-one Machine	50.00	7.41	22.67	Stage of verification	1. Polar piece processing capacity ≤0.15s/p 2. Central alignment metrics for laminated pole pieces ≤ ±0.5mm	1. Polar piece processing capacity ≤0.16s/p 2. Central alignment metrics for laminated pole pieces ≤ ±0.5mm	Lamination for positive and negative polar pieces
14	Monocrystal Growth Furnace	74.48	8.70	34.75	Application expansion	1. Average isometric pulling rate: 12-inch rod ≥ 1.7mm/min, 10-inch rod ≥ 2.0mm/min 2. Compatible with hot zone 32 – 40 inches 3. The diameter of compatible rods can be extended to 350mm 4. Rod diameter fluctuation range: ±0.5mm 5. Oxygen content reduction ≤6ppm	1. Average isometric pulling rate: 12-inch rod ≥ 1.6mm/min, 10-inch rod ≥ 1.9mm/min 2. Compatible with hot zone 32 – 40 inches 3. The diameter of compatible rods can be extended to 350mm 4. Rod diameter fluctuation range: ±0.5mm 5. Oxygen content reduction ≤7ppm	PV Mono-Si rod
15	Continuous Loder	6.42	0.29	0.47	Stage of development	1. Loading volume 800 kg for standard types, customization acceptable 2. Loading speed: 350g/min, ±10g/min 3. One-to-one setting with Mono-Si Furnace, automatic loading can be achieved in	1. Loading volume 600 kg for customized types 2. One-to-one setting with Mono-Si Furnace, automatic loading can be achieved in the process of crystal growth 3. Loading of granular silicon can be met	Real time loading in the process of crystal growth through Mono-Si Furnace

						the process of crystal growth 4. Loading of granular silicon can be met		
16	Semiconductor Mono-Si Furnace	27.32	1.19	6.23	Stage of development	Silicon carbide crystal growth: 1. Silicon carbide growth size: 8 inch 2. Pulling range \geq 350mm 3. Required pulling speed: 0.01-30mm/h Semiconductor crystal growth: 4. Magnetically pulled rod: Φ 360- Φ 600mm, length \geq 3,300mm	Silicon carbide crystal growth: 1. Silicon carbide growth size: 6 inch 2. Pulling range \geq 350mm 3. Required pulling speed: 0.01-20mm/h Semiconductor crystal growth: 4. Magnetically pulled rod: Φ 360- Φ 600mm, length \geq 3,000mm	Silicon carbide crystal growth for the third generation of semiconductors
Total	/	431.55	57.82	183,36	/	/	/	/

5. Details of R&D personnel

Unit: million Yuan, Currency: RMB

Basic information		
	Amount in the current period	Amount in the same period last year
Number of R&D personnel in the Company	922	777
Share of R&D personnel in total headcount (%)	18.85	17.17
Total remuneration of R&D personnel	125.88	84.15
Average remuneration of R&D personnel	0.14	0.12

Educational background		
Degrees	Number	Percentage (%)
Doctor's degree	6	0.65%
Master's degree	170	18.44%
Bachelor's degree	576	62.47%
Junior college education	167	18.11%
Below junior college education (excluding junior college education)	3	0.33%
Total	922	100.00%
Age composition		
Age range	Number	Percentage (%)
Aged below 30 (excluding 30)	344	37.31%
Aged 30-40 (including 30, excluding 40)	526	57.05%
Aged 40-50 (including 40, excluding 50)	40	4.34%
Aged 50-60 (including 50, excluding 60)	8	0.87%
Aged over 60	4	0.43%
Total	922	100.00%

6. Other notes

Applicable N/A

III. Analysis of Core Competitiveness in the Reporting Period

(i) Analysis of core competitiveness

√ Applicable N/A

1. Technological strength

(1) The Company has scored abundant technological achievements

The Company, which is a new and high-tech enterprise specializing in R&D, production, and sales of high-end intelligent equipment and highly values R&D input and technological innovation, has set up a large R&D team composed of experienced personnel and reaped numerous technological achievements with proprietary intellectual property rights. By June 30, 2024, the Company had 922 R&D staff members, representing 18.85% of the total number of employees. By June 30, 2024, the Company has been granted a cumulative total of 1,808 pieces of intellectual property including 211 invention patents, 1,296 utility model patents, 117 software copyrights, and 3 industrial design patents.

(2) The Company is technically competent to have existing products quickly iterated and launch new products in a forward-looking manner

Pursuing “high production capacity, high accuracy, high compatibility, and high stability” during its R&D and leveraging its profound technical accumulation, the Company has achieved quick iteration and forward-looking planning for technologies by making prompt responses to realistic and potential needs from clients and continuing with intensive R&D input.

Firstly, the Company has upgraded its existing products to improve production performance. Beyond conventional types, its Soldering Stringer, Wafer Inspection System, Low Oxygen Mono-Si Furnace, etc. have all seen a substantial improvement in performance, accuracy, and efficiency.

Secondly, the Company has worked hard to develop new equipment aimed at cost reduction and efficiency increase. In the first half of this year, the Company launched OBB Soldering Stringer, which consumes 10% less silver paste, thus providing a new option for clients to cut costs and improve efficiency.

Thirdly, the Company has rolled out more core equipment for semiconductor assembly and testing to meet client needs for full lines. The Company developed the 12-inch Wafer Laser Cutter and the 12-inch Epoxy Die Bonder in 2023 to broaden the range of its assembly and testing products and meet client demand for full assembly and testing lines.

Through quick iteration of existing products and forward-looking planning for new products, the Company has not only become more competitive in the market but also helped its clients create added value, thus facilitating technological advances in the downstream industry.

2. Product strength

(1) The Company’s products excel in performance

The Company continues its efforts to develop cutting-edge technologies, prioritizes high output, high yield, application of intelligent technology and compatibility to pursue innovation in a complete range of products, and enjoys overall technical leadership in the industry. The Company’s products are characterized by high production capacity per machine, high yield, and more intelligent operation. The Company’s latest MBB Soldering Stringer is consistently able to process 10,800 half-cut wafers/h (calculated in accordance with welding 210-inch wafers after cut into halves). Furthermore, it has rolled out products that integrate cutting, layup, and stacking in order to accomplish high yield apart from high production capacity. With a capacity of 18,000 pieces/h (calculated in accordance with 182 mm wafers), the Wafer Inspection System is provided with the smart ability to analyze in a systemic way shutdown time, maldistribution, downtime, etc. The Low Oxygen Mono-Si Furnace, whose pulling rate has hit 1.6mm/min (calculated based on 12-inch rods), can attain oxygen content at 6-7 ppm to improve the quality of crystals and enable one-click crystal growth. Boasting a capacity of 15-20 PPM, the ESS Module/PACK Line prides itself on an automation rate of 95%. The Company’s products, which feature stable performance and high yield, can meet client requirements for high production capacity and quality, and help its clients to reduce production costs.

(2) The Company’s products perform well in compatibility and allow quick switchover.

Taking into full consideration trends in technological development and special application scenarios that clients may face, the Company’s product designs are very flexible and compatible,

allowing quick switchover between technologies of different kinds. Meanwhile, innovative studies of the conformity of OBB technology are made on the existing technical platforms. The Wafer Inspection System, whose inspection modules can be assembled in different ways depending on what technology a client uses, can apply to both full and half-cut waders through testing, so as to satisfy some special client requirements. The Company's standard Module PACK Line can realize rapid changeover within two hours, thereby contributing to production ramp-up and efficiency improvement in the ESS sector.

3. Strength in comprehensive global services

Machines manufactured by the Company are key assets that its clients rely on in production and operation. If these machines break down, clients may suffer halts across all production lines. How they perform has significant effects on client production and operation. Upgrades in clients' products are also significantly subject to fast-paced technological iteration and the rate of applying new crafts, materials, and technologies in the PV sector. Therefore, clients mainly consider service capability, transformation ability, and response time when choosing a supplier.

The Company never ceases to improve its sales services for old clients. Aimed at serving more than 600 production bases its clients have located in over 40 countries and regions, the Company sends engineers to client sites for equipment installation and commissioning. Given varied client situations, the Company also arranges for engineers to offer technical services such as remote instruction, on-site inspection, operation and maintenance, and professional training. Furthermore, the Company also provides equipment transformation services to help its clients to adapt to technological progress. In this connection, the Company has built a highly skilled team of engineers, the number of whom by June 30, 2024 reached 1,476, representing 30% of its headcount.

In the process of providing comprehensive services to clients, the Company can not only make clients more engaged and satisfied, but also acquaint itself with market demand and technical trends to spur product R&D and upgrades.

4. Strength in client relations

The Company has established long-term partnerships with domestically and internationally known PV companies including Jinko Solar, Tongwei Co., Ltd., TrinaSolar, LONGi, JA Solar, Hanwha Group, POLY-GCL, Canadian Solar Inc., DAS Solar, ADANI Group and Silfab Solar.

Sound partnerships have been built between the Company and famous energy storage players such as CRRC Zhuzhou Institute, Hyper Strong, and High-Star Corporation.

As its semiconductor equipment continues to improve, the Company has beefed up efforts to expand business with semiconductor clients. To explore the semiconductor assembly equipment market, the Company cooperated with small clients prior to receiving bulk orders from medium and large clients. In the first half of 2024, the Company secured orders from and established friendly cooperation with IGBT and AOI clients such as Ncepower, FM Superchip, and Chippacking.

(ii) Impact analysis and responses: events undermining the Company's core competitiveness in the reporting period

Applicable N/A

IV. Operational Discussion and Analysis

(i) Business performance in the reporting period:

In the first half of 2024, the Company's core products, including the large, ultra-speed MBB Soldering Stringer, the Wafer Inspection System, the Screen Printing Line, the BC Adhesive Printing Machine, and the BC Printing Line among other PV equipment, won high recognition from clients; the ESS Module PACK Line received a continuous stream of orders; the Semiconductor Wire Bonder and the AOI Machine saw a sharp rise in the order quantity, and the first batch of orders for Semiconductor Cutting Machine was taken.

(ii) Operating results in the reporting period:

1. Main operating results

In the reporting period, the Company generated RMB4,417.70 million in operating income, surging 75.48% from the previous year, RMB769.08 million in net profit attributable to shareholders of the parent company, up by 47.19% year on year, with the earnings per share amounting to RMB2.45, a

year-on-year rise of 47.59%. By the end of the reporting period, the Company's total assets were RMB14,947.29 million declining by 4.29% from the beginning of the year, while the equity attributable to shareholders of the parent company gained 10.37% from the beginning of the year to RMB4,044.28 million.

Expenses incurred by the Company in the reporting period increased. To be specific, administrative expenses amounted to RMB157.71 million, increasing by RMB48.23 million or 44.05% year on year; R&D expenses reached RMB178.11 million, adding by RMB48.11 million or 37.01% year on year; sales expenses declined by RMB5.93 million or 7.02% year on year to RMB78.52 million; and financial expenses surged by RMB7.10 million or 135.04% year on year to RMB12.36 million.

2. Major business performance

In the reporting period, all business areas of the Company sustained proper growth. As its products find enormous favor with clients, the Company signed RMB6.285 billion (tax inclusive) worth of new orders from January to June 2024, rising by 8.74% year on year. As of June 30, 2024, the Company's orders in hand were worth RMB14.341 billion (tax inclusive), up by 41.11% from the same period of the previous year.

3. Intensified R&D efforts strengthens core competitiveness

In the reporting period, the Company spent RMB178.11 million on R&D, increasing by RMB48.11 million or 37.01% from the same period last year. With a focus on client requirements, the Company worked harder on core equipment in the PV industry chain to widen product categories, and took full advantage of core technological R&D platforms to integrate resources and improve R&D efficiency. The Company coordinated R&D efforts across both the upstream and downstream sectors to deepen cooperation on the industry chain. As a consequence, its core competitiveness continued to improve.

In the reporting period, the Company scored plentiful R&D achievements. As of June 30, 2024, the Company had 16 ongoing projects under R&D. The Company has become more competitive in wafer fabrication equipment, thanks to the outstanding client-side performance of its Low oxygen Mono-Si Furnace. Semiconductor Bonder and AOI Machine were upgraded continuously in performance through client-side verifiable and trial tests. The Company's Wire Bonder and AOI Machine have continued to receive bulk orders from clients, with a sharp rise in orders in the first half of 2024.

Major operational changes and events that have significant effects on operating results in the reporting period or are expected to exert significant effects in the future

Applicable N/A

V. Risk Factors

Applicable N/A

(i) Risks for core competitiveness

1. Technical risks

(1) Risks of misalignment between R&D planning and downstream industrial trends

The Company's downstream sectors are experiencing rapid technological iteration. Therefore, prior to R&D and technical reserve, the Company needs to channel enormous resources towards technology and market studies targeting the downstream sectors. In case of misalignment between R&D planning and development trends in the downstream sectors, the Company may waste R&D resources and miss opportunities for development, or even face adverse circumstances such as loss of its leadership in niche markets. All these consequences could undermine the Company's competitiveness and sustained profitability.

(2) Risks of project R&D failure or unsuccessful commercialization of R&D results

The Company spends heavily on R&D, the expenses of which from January to June 2024 amounted to RMB178.11 million, representing 4.03% of the operating income over the same period. The above R&D expenses contributed significantly to improving the performance of existing products and

developing new products, R&D failures and unsuccessful commercialization of R&D results also took place.

The Company will continue to spend generously on R&D of innovative technologies. If the Company experiences a lot of R&D failures or unsuccessful commercialization of R&D achievements resulting from high technical thresholds, technical economy, demand shift, or other factors, the Company may not only see more period expenses and report weaker profitability, but also suffer adverse effects in varying degrees on its prospects.

(3) Risks of core personnel turnover and loss of technical confidentiality

The Company, which was rated as a national new and high-tech enterprise as early as 2015, has accumulated a lot of technologies. The accumulation is critical for the Company to sustain its operations. Core technologies of the Company are primarily developed by its R&D team, in which key technical personnel play a pivotal role. In case of core personnel turnover or loss of technical confidentiality, the operating results of the Company may be subject to adverse effects.

(4) Risks of technical infringements

Through product R&D efforts, the Company has accumulated some core technologies that have been successfully applied. As of June 30, 2024, the Company has been granted a cumulative total of 1,808 pieces of intellectual property including 211 invention patents, 1,296 utility model patents, 117 software copyrights, and 3 industrial design patents.

In the event that the above patents and other intellectual property rights held by the Company are deemed void, or competent authorities declare the Company infringes on patents or technologies, or other companies file lawsuits on the intellectual property against the Company as a business strategy, the Company may not only involve itself in litigation or disputes but also suffer adverse effects on its operating results due to affected product sales.

(ii) Operating risks

(1) Risks of unfavorable changes in major clients

The Company derives the lion's share of income from the production of wafers, cells, and modules in the PV industry chain. These niche markets are highly concentrated. Likewise, the Company's sales revenue was also highly concentrated from January to June 2024, with the top five clients accounting for 46.37% of the total income. Due to lower profitability across the main PV industry chain, some clients of the Company experienced adverse changes in operating performance and financial position and became loss-making from January to June this year. If the PV industry fails to recover in the short term, some clients may go bankrupt. Such circumstances may adversely impact the Company's operating results.

(2) Risks of fluctuations in gross margin of products

Over recent years, gross margins of the Company's PV equipment and lithium-ion battery equipment have been fluctuating in some way due to market competition, industrial policies, technical level, etc. Notably, against the backdrop of lower profitability across the main PV industry chain, it is not possible to exclude such circumstances where major products of the Company experience cutting prices, rising costs, and declining gross margin due to price negotiations with downstream clients, industry competition and adverse changes in support policies, thus causing adverse effects to the Company's results.

(3) Risks of managerial decision-making mistakes

Managerial decision-making in the Company is susceptible to trends in technological development, policy changes, market competition environment, macroeconomic fluctuations, etc. As the Company's products are primarily applied in emerging industries such as PV and NEVs, where industry development changes rapidly because of instability, it is difficult for the Company to make managerial decisions.

By cooperating with other firms through strategic investment and joint R&D, the Company can swiftly seize market opportunities to bolster its core competitiveness and sustain its competitiveness in the mid to long term. However, such corporate behaviors as strategic investment and joint R&D require better managerial decision-making.

Therefore, while the Company has taken many measures to make decisions in a well-conceived manner, it cannot exclude the possibility of mistakes in managerial decision-making, which may cause significant adverse effects.

(4) Risks of contract compliance and execution

As of June 30, 2024, the Company had RMB14.341 (tax inclusive) worth of orders in hand. In cases of slower-than-expected contract execution, or even suspension of contract performance or contract cancellation due to fluctuations in the downstream sectors, significant unfavorable operational changes of major clients who contribute orders in hand, etc., the Company's business reserves and operating results may be exposed to adverse effects.

(iii) Financial risks

(1) Risks of inventory price declines

The Company has a large sum of inventory, whose book value by the end of June 2024 amounted to RMB7,340.25 million. Products shipped in transit occupied a large proportion. By the end of the reporting period, the book value of products shipped in transit reached RMB6,147.07 million, representing 83.74% of the total inventory, mainly attributable to the long period of time required for installation, commissioning, and trial operation of the Company's equipment products from delivery to client acceptance. While the Company has made provisions for the drop in inventory prices in accordance with accounting policies and reality, the possibility of failed sales of inventories or a sharp decline in inventory prices due to market changes or other unforeseeable reasons cannot be excluded, thus exposing the Company to risks from a drop in inventory value.

(2) Risks of a lengthy cycle from inventory delivery to client acceptance

In the first half of 2024, the Company primarily derived income from sales of equipment products. Such products involve a long period of time from delivery to client acceptance. If clients don't accept products shipped by the Company in a timely manner, income volatility of the Company will rise because of affected confirmation of sales income, and inventories will occupy funds longer and collection of payments for products will be postponed, thus mounting liquidity risks.

(3) Risks of collection of receivables

The Company has a large sum of receivables, the book value of which by the end of the reporting period amounted to RMB2,197.03 million, comprising 14.70% of the total assets. In the reporting period, the failure of some downstream clients to pay for products according to contractual terms led to a few overdue receivables. As an increasing number of companies in the PV sector suffer from losses, and operations in corporate clients worsen, the Company is likely to see a further rise in receivables and overdue receivables. If receivables cannot be collected timely in full or even none can be reclaimed, the Company will face adverse effects in terms of operating results and cash flows.

(4) Risks of the Company deriving the lion's share of income from PV equipment products

In the reporting period, PV equipment products contributed more than 90% of the Company's operating income. PV companies were hard hit by severe losses in the reporting period. If this situation persists or worsens, the Company's results may be subject to significant adverse effects.

(5) Risks of preferential tax

Equipment made by the Company is operated or controlled by independently developed or designed software. As of June 30, 2024, the Company has obtained 117 copyrights of computer software and launched 63 software products in regard to these pieces of software. In accordance with the *Notice of the Ministry of Finance and the State Administration of Taxation on the VAT Policies for Software Products* (Finance No.100 [2011]) and other documents, independently developed operating system software, that is installed in the Company's equipment for sale, is entitled to enjoy the real-time VAT rebate policy as an embedded software product.

The Company was rated as a new and high-tech enterprise as early as 2015 and retained the title through the re-inspection in 2021 (certificate number: GR202132005383). As stipulated in the *Administrative Measures for the Identification of New and High-tech Enterprises*, the certificate is valid

for three years from the date of issuing, and certificate holders should file an application for re-inspection before the expiry date to have the certificate extended by another term of three years once passing the re-inspection. In accordance with preferential tax policies for new and high-tech enterprises, the above qualified companies can enjoy preferential business income tax at the rate of 15% in specified periods.

If the above preferential tax policies are abolished or become less favorable, or the Company's title as a new and high-tech enterprise experiences significant unwelcome changes, the Company's operating results will suffer adverse effects.

(6) Risks of mounting costs

The Company is likely to face increasing raw material and transportation costs. Over recent years, the cost of labor in China has climbed at a fast pace over these years, due to economic growth and demographic shifts. To cut production costs, clients in the downstream sectors require equipment manufacturers to improve product performance and capacity. This may drive up the per-unit cost that equipment manufacturers have to bear. If the above costs rise, the Company may be exposed to adverse effects in terms of product cost, gross margin, and operating results.

(iv) Industry risks

1. Risks of weaker market demand

In the reporting period, the Company's clients mostly engage in PV and energy storage battery sectors. If industrial policies and international trade policies experience drastic unfavorable changes, sectors such as PV and NEVs may be exposed to adverse effects, then the Company's sales and operating results will be affected negatively. Therefore, in the event of unfavorable fluctuations such as sliding demand in these sectors, particularly the PV industry, production and operations in the Company will face significant adverse effects.

2. Risks of drastic changes in key technologies or technical routes in the downstream sectors

The Company specializes in the R&D, design, production, and sales of high-end intelligent equipment that mainly targets such downstream sectors as crystalline silicon PV, electrochemical energy storage, and semiconductor assembling and testing. Key technologies or technical routes in these downstream sectors are prone to drastic changes.

In the event of drastic changes in key technologies or technical routes in the downstream sectors, supply-demand relations for current products are likely to change, thus affecting or radically changing production and operations in the Company.

3. Risks of fast-growing production capacity in the downstream sectors

The PV industry, a main downstream sector for the Company, has seen rapid capacity ramp-up in recent years, leading to periodic overcapacity and low capacity utilization. If the PV industrial technologies stagnate or if new demands driven by technological advances and the need to upgrade existing capacity shrink, the Company will be exposed to significant adverse effects in regard to product market size and sales.

(v) Macro environmental risks

1. Risks of cyclical fluctuations in the macroeconomy

The Company falls into the special-purpose equipment manufacturing sector, in which the interplay between supply and demand is closely related to fixed asset investment scale and growth in the downstream sectors. Susceptible to changes in national macro economy and industrial policies, demand for fixed asset investment in the downstream sectors shows a moderate level of volatility. This may affect demand for the core products of the Company.

2. Risks of exchange rate fluctuations

The Company not only engages in product export, but also buys raw materials and parts from overseas. Such types of business are mainly priced and settled in USD. As various factors may affect the RMB exchange rate, its fluctuations face uncertainties in some way. If exchange rates experience unwelcome changes, the Company's exports and operating results will be affected negatively.

3. Risks of force majeure

Natural calamities such as earthquakes, typhoons, and tsunamis as well as public emergency events can cause damage to the Company's property and casualties and disrupt normal production and operations, thus leading to direct economic loss or declines in profitability.

VI. Business Performance in the Reporting Period

Please refer to "I. Introduction to the Company's industry and main business in the reporting period" in Section III above.

(i) Analysis of main business

1. Analysis of main items in financial statements

Unit: million Yuan, Currency: RMB

Item	Amount in the current period	Amount in the same period last year	Change (%)
Operating income	4,417,698,117.26	2,517,486,369.86	75.48
Operating costs	2,924,028,824.33	1,595,013,807.86	83.32
Selling expenses	78,521,303.44	84,452,859.24	-7.02
Administrative expenses	157,714,200.42	109,488,543.37	44.05
Financial expenses	12,363,463.19	5,260,176.11	135.04
R&D expenses	178,114,245.75	130,002,217.29	37.01
Net cash flows from operating activities	-9,711,098.51	268,896,252.11	N/A
Net cash flows from investment activities	375,734,820.11	136,359,005.73	175.55
Net cash flows from financing activities	-216,097,289.58	-443,974,089.04	51.33

Explanation of reasons for changes in operating income: it saw a year-on-year increase of 75.48%, mainly due to a steady rise in sales income resulting from continuous acceptance of orders in hand and sustained competitive advantages in core products.

Explanation of reasons for changes in operating costs: it saw a year-on-year increase of 83.32%, mainly due to higher costs from sales growth, and the transfer of current-period quality assurance deposits from selling expenses to operating costs in accordance with the *2024 Application Guides for Enterprise Accounting Standards*.

Explanation of reasons for changes in administrative expenses: it saw a year-on-year increase of 44.05%, mainly due to rises in the remuneration of management and depreciation and amortization.

Explanation of reasons for changes in financial expenses: it saw a year-on-year surge of 135.04%, mainly due to increases in current-period long-term borrowings and short-term borrowings, and accrued interest for its convertible bonds.

Explanation of reasons for changes in R&D expenses: it saw a year-on-year increase of 37.01%, mainly due to ramped-up R&D efforts and a rise in the remuneration of R&D personnel.

Explanation of reasons for changes in net cash flows from operating activities: it declined year on year, mainly due to increases in payments for purchasing and remuneration.

Explanation of reasons for changes in net cash flows from investment activities: it saw a year-on-year surge of 175.55%, mainly due to reduced purchases of wealth management products.

Explanation of reasons for changes in net cash flows from financing activities: it saw a year-on-year increase of 51.33%, mainly due to increased borrowings.

2. Detailed explanations of the Company's significant changes in business types, profit composition, or sources of profit in this period

Applicable N/A

(ii) Explanation of drastic changes in profit from non-main business

Applicable N/A

(iii) Analysis of assets and liabilities

Applicable N/A

1. Details of assets and liabilities

Unit: Yuan

Item	Amount at the period end	Percentage of amount at the period end in total assets (%)	Amount at the last period end	Percentage of amount at the last period end in total assets (%)	YoY change of amount at the period end	Notes
Tradable financial assets	220,055,388.89	1.47	1,013,130,849.65	6.49	-78.28	
Receivables	2,197,025,477.43	14.70	1,591,755,715.37	10.19	38.03	
Receivables financing	593,758,687.62	3.97	1,399,734,854.14	8.96	-57.58	
Other current assets	118,975,380.81	0.80	78,299,342.53	0.50	51.95	
Projects in progress	593,113,483.75	3.97	152,486,136.51	0.98	288.96	
Other current liabilities	8,569,188.87	0.06	4,333,632.85	0.03	97.74	
Long-term borrowings	319,027,747.75	2.13	141,007,258.34	0.90	126.25	
Est. liabilities	32,355,137.07	0.22	20,642,029.65	0.13	56.74	

Other remarks

1. Tradable financial assets decreased by 78.28% from the end of the last year, mainly due to reduced purchases of wealth management products.
2. Receivables increased by 38.03% from the end of the last year, mainly due to income increases.
3. Receivables financing decreased by 57.58% from the end of the last year, mainly due to the receipt of fewer notes.
4. Other current assets rose by 51.95% from the end of the previous year, mainly due to more input VAT to be deductible.
5. Projects in progress surged by 288.96% from the end of the last year, mainly due to continuous spending on new factory buildings.
6. Other current liabilities grew by 97.74% from the end of the last year, mainly due to more output tax to be transferred.

7. Long-term borrowings gained 126.25% from the end of the last year, mainly due to new borrowings.
8. Estimated liabilities increased by 56.74% from the end of the last year, mainly due to more accrued quality assurance expenses on account of higher income.

2. Details of overseas assets

Applicable N/A

(1) Asset size

Among them, overseas assets amounted to RMB25,708,194.94, comprising 0.17% of total assets.

(2) Explanation of a high proportion of overseas assets

Applicable N/A

Other remarks

No

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

Applicable N/A

As of the end of the current period, RMB304.60 million in book value of restricted monetary capital and RMB596.04 million in book value of restricted notes receivable totaled RMB900.64 million. The above restrictions were attributable to L/C guarantee deposits, deposits for bank acceptance bills, notes receivable used as collateral, and unconfirmed endorsed notes or immature notes on discounts.

4. Other remarks

Applicable N/A

(iv) Analysis of investment details**Aggregate analysis of external equity investment**√ Applicable N/A

Unit: million Yuan, Currency: RMB

Investment in the reporting period (million Yuan)	Investment in the same period last year (million Yuan)	Change
30.47	64.00	-52.40%

1. Significant equity investments Applicable N/A**2. Significant non-equity investments** Applicable N/A**3. Financial assets measured at fair value**√ Applicable N/A

Unit: million Yuan, Currency: RMB

Asset class	Amount at the period beginning	Profit or loss on fair value changes during the period	Cumulative fair value changes recorded in equity	Provision impairment during the period	Purchase amount during the period	Sales/redemption amount during the period	Other changes	Amount at the period end
Others	1,013.13	0.13	0	0	2,074.00	2,866.00	-1.20	220.06
Others	1,399.73	0	0	0	2,274.93	2,954.25	0	720.42
Others	185.27	-24.14	0	0	0	0	0	161.13
Total	2,598.14	-24.01	0	0	4,348.93	5,820.25	-1.20	1,101.60

Details of portfolio investment

√ Applicable N/A

Unit: million Yuan, Currency: RMB

Types	Code	Short name	Initial investment cost	Source of funds	Book value at period beginning	Profit or loss on fair value changes during the period	Cumulative fair value changes recorded in equity	Purchased during the period	Sold during the period	Profit and loss on disposal	Book value at the period end	Accounting items
Chinese and foreign stocks	836414	Optech	14.00	Own funds	24.36	-14.16	0	0	0	0	10.20	Other non-current financial assets
Chinese and foreign stocks	873860	Greenstone	10.02	Own funds	10.02	0	0	0	0	0	10.02	Other non-current financial assets
Chinese and foreign stocks	688610	I-TEK OptoElectronics	40.00	Own funds	28.32	-9.98	0	0	0	0	18.34	Other non-current financial assets
Total	/	/	64.02	/	62.70	-24.14	0	0	0	0	38.56	/

Investment in derivatives

 Applicable N/A**4. Details of private equity (PE) fund investment** Applicable N/A

Unit: million Yuan, Currency: RMB

Name	Agreement signing date	Investment purpose	Total intended investment	Investment in the reporting period	Paid-in investment at the	Identity in participation	Ratio of investment at the	Whether the Company	Accounting items	Whether correlation	Underlying assets for the	Impact on profit in the	Impact on accumulated profit
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			ent	g period	period end		period end (%)	controls the fund or can exert significant influence		exists	fund		reporting period	
Xiamen Fuhai Xincai Third Phase Venture Capital Investment Partnership (limited partnership)	February 26, 2021	Industry value and investment returns	20.00	0	20.00	Limited partner	1.96	No	Other non-current financial assets	No	Industrial investment		0	0.97
Total	/	/	20.00	0	20.00	/	1.96	/	/	/	/		0	0.97

Other remarks
No

(v) Sales of material assets and equity

□ Applicable √ N/A

(vi) Analysis of major controlled subsidiaries and invested companies

√ Applicable □ N/A

Company name	Main business	Shareholding percentage	Registered capital (million Yuan)	Total assets (million Yuan)	Net assets (million Yuan)
Intelligent Equipment	R&D, manufacturing, sales of lithium-ion battery equipment, and technical services	82.37%	36.42	703.81	-113.04
Supply Chain Company	Supply chain management services	100%	10.00	1,492.68	98.97
Optics Application	Technical development and services	76.92%	13.00	79.53	-45.17
XuRi Technology	Manufacturing and sales of PV equipment and components	72.00%	30.00	2,065.20	-94.54
Coshin Technology	Manufacturing and sales of dedicated equipment for semiconductor devices	71.50%	20.00	151.44	0.62
SCEC	R&D, manufacturing, and sales of electromechanical equipment such as Monocrystal Growth Furnace	40.63%	20.86	2,927.73	204.08
Wuxi Zhiyuan	Electric machinery and equipment manufacturing	70%	20.00	109.35	13.23
Leddo Technology	R&D, manufacturing, and sales of semiconductor dicing saw	70.55%	25.28	44.97	37.45
Polar New Energy	Electric machinery and equipment manufacturing	100%	154.43	389.59	243.04
Wuxi Polar	Electric machinery and equipment manufacturing	61%	50.00	62.58	24.52
Jiexin Technology	R&D, manufacturing, and sales of	62%	25.00	36.96	36.57

	chemical-mechanical polishing machines for semiconductor wafers				
AUTOWELL (Japan)	R&D and sales of PV and semiconductor equipment and auxiliary materials	100%	14.66	13.25	13.22
Autowell (Singapore)	Trading, administration, and services related to automation equipment and correlated projects	100%	109.50	12.46	11.30
Songyu Technology	Professional equipment including PV equipment and semiconductor technology equipment	6.78%	32.21	2,208.70	331.90
Optech	R&D and sales of PV equipment	2.10%	66.67	375.03	311.20
Greenstone	R&D, design, manufacturing, and sales of automation equipment	4.70%	77.22	488.98	225.55
I-TEK OptoElectronics	Design, R&D, manufacturing, and sales of industrial machine vision imaging components	0.80%	68.00	1,542.53	1,472.46

Notes: 1. Data on Songyu were not audited.

2. Data on Optech came from its first quarterly report dated April 26, 2024, and were not audited. Share capital in Optech increased to 79,748,171 shares as converted its capital reserve into share capital at a rate of 2 shares for every 10 shares in an equity distribution. For details, please refer to the Announcement of Implementation Methods for 2023 Annual Equity Distribution (No. 2024-043). However, the industrial and commercial registration of changes was not concluded in the reporting period.

3. Data on I-TEK OptoElectronics came from its first quarterly report dated April 19, 2024, and were not audited.

4. Data on Greenstone derived from its first quarterly report and were not audited.

5. The registered capital of AUTOWELL (Japan) and Autowell (Singapore) is JPY300 million and USD15 million, respectively.

(vii) Structured entities controlled by the Company

Applicable N/A

VII. Other information required for disclosures

Applicable N/A

Section IV Corporate Governance

I. Profile of Shareholders' General Meeting

Session	Date of meeting	Specified website for resolution publishing	Date of disclosure for resolution publishing	Resolution
The first extraordinary shareholders' general meeting in 2024	January 26, 2024	Website of Shanghai Stock Exchange (SSE) (www.sse.com.cn)	January 27, 2024	<i>The Resolution on Revising the Rules for Independent Directors of Wuxi Autowell Technology Co., Ltd., the Resolution on Revising Rules and Regulations in Wuxi Autowell Technology Co., Ltd., the Resolution on Revising the Articles of Association of Wuxi Autowell Technology Co., Ltd., and the Resolution on Changing the Use of Repurchased Shares, and Canceling and Reducing Registered Capital were deliberated and adopted in the meeting.</i>
The 2023 annual shareholders' general meeting	April 16, 2024	Website of Shanghai Stock Exchange (SSE) (www.sse.com.cn)	April 17, 2024	The following resolutions were deliberated and adopted in the meeting, including <i>the Resolution on the Company's 2023 Annual Report and its Summary, the Resolution on 2023 Report of Board of Directors, the Resolution on</i>

			<p><i>2023 Report of Board of Supervisors, the Resolution on 2023 Financial Accounting Report, the Resolution on 2023 Proposed Plan for Profit Distribution and Conversion of Capital Reserves into Share Capital, the Resolution on Continuing to Hire Lixin Zhonglian Public Certified Accountants' Firm (special general partnership) as Its Auditor for 2024, the Resolution on Estimated Amount of Routine Connected Transactions for 2024, the Resolution on Remuneration of Directors for 2024, the Resolution on Remuneration of Supervisors for 2024, the Resolution on Application for a General Credit Line from Commercial Banks, the Resolution on Guarantee Limit Provided to Subsidiaries Granted Bank Credit Lines, and the Resolution on Bringing for Approval to the Shareholders'</i></p>
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				<i>General Meeting to Authorize Board of Directors to Issue Shares to Specified Recipients in Summary Procedures.</i>
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Any request from holders of preferred shares with restored rights to convene an extraordinary shareholders' general meeting

Applicable N/A

Notes on details of shareholders' general meeting

Applicable N/A

In the reporting period, the Company held two shareholders' general meetings, including an annual shareholders' general meeting, and an extraordinary meeting. In the above meetings, all resolutions submitted were adopted, and none of them were vetoed. The convening, proposals, notifications, attendance, deliberation, voting, resolutions, and minutes pertaining to the above shareholders' meetings were all performed in accordance with laws, regulations, and stipulations in the *Articles of Association* and the *Rules of Procedures for Shareholders' General Meetings*. All resolutions adopted in the meetings were legal and valid.

II. Changes in the Company's Directors, Supervisors, Senior Management, and Core Technical Personnel

Applicable N/A

Details of changes in the Company's directors, supervisors, senior management and core technical personnel

Applicable N/A

Detailed ways to identify core technical personnel

Applicable N/A

III. Proposed Plan for Profit Distribution or Capital Reserve Conversion

Proposed semi-annual plan for profit distribution and capital reserve conversion

Whether distributed or converted	Yes
Number of bonus shares per 10 shares (shares)	0
Dividend payout per 10 shares (RMB) (tax inclusive)	8.6
Number of shares converted per 10 shares (shares)	0
Any remarks on the proposed plan for profit distribution or capital reserve conversion	
No	

IV. Implementation of the Company's Equity Incentive Plan, Employee Stock Ownership Plan (ESOP), or Other Employee Incentive Measures and Their Effects

(i) Any equity incentive-related matters that have been disclosed in provisional announcements and subject to no subsequent development or changes

Applicable N/A

(ii) Any incentives undisclosed in provisional announcements or subject to subsequent development

Details of equity incentive

Applicable N/A

Other remarks

Applicable N/A

Details of employee stock ownership plan (ESOP)

Applicable N/A

Other incentives

Applicable N/A

Section V Environmental and Social Responsibilities

I. Environmental Information

Whether a mechanism for environmental protection has been put in place	Yes
Funds earmarked for environmental protection in the reporting period (million Yuan)	5.78

(i) Details of environmental protection efforts in companies and their main subsidiaries which are designated as key polluters by competent environmental protection authorities

Applicable N/A

(ii) Details of environmental protection efforts in companies that are not key polluters

Applicable N/A

1. Administrative penalties for environmental pollution

Applicable N/A

2. Reference to other environmental information disclosed by key polluters

Applicable N/A

Neither the Company nor its subsidiaries engage in heavily polluting sectors and generate grave pollutants in all business procedures. Hazardous wastes generated by the Company in production are set out in the following table.

Solid waste	Property	Waste-generating procedure	Form	Hazardous characteristics	Category	Code	Est. output	Disposal
Cutting fluid waste	Hazardous waste	Manufacturing	Liquid	T	900-006-09	HW09	8t	To hire qualified organizations for the disposal

To reduce and prevent environmental risks, the Company has drawn up a contingency plan for environmental emergencies, which stipulates preventive measures for potential accidents and critical situations and has been filed with competent authorities (filing No.: 320-214-2023-038-L).

In accordance with laws and regulations on environmental protection, the Company in the reporting period neither experienced any environmental pollution accident in operations nor received any penalty from competent administrative departments due to violations of environmental laws and regulations.

3. Reasons for not disclosing other environmental information

Applicable N/A

(iii) Subsequent development or changes in environmental information disclosed in the reporting period

Applicable N/A

(iv) Contribution to ecological conservation, pollution control and prevention, and environmental responsibility√ Applicable N/A

As required by the Wuxi Municipal Bureau of Ecological Environment, the Company insures itself against environmental pollution liabilities, and works harder to screen out and address latent perils in the environment. The Company insists on using non-toxic and innocuous or low-toxicity and low-hazard, degradable or recyclable materials, continues to improve designs, uses clean energy and materials, adopts advanced technologies and equipment, improves its management through holistic utilization of materials, and employs pollution control and prevention technologies to meet national standards for discharge of pollutants and targets for total pollutant discharge control.

(v) Measures for carbon emission reduction in the reporting period and their effects

Whether measures for carbon emission reduction have been taken	Yes
Carbon dioxide equivalence of reduced emissions (Unit: 100 million tons)	2.59
Measures for carbon emission reduction (power generation by clean energy, adoption of carbon emission-reducing technology in production, R&D, and production of new products that can facilitate carbon emission reduction, etc.)	The Company, whose main products contribute to carbon emission reduction, has currently put in place measures to carbon emissions in production and life.

Specific remarks

√ Applicable N/A

Keeping a foothold in PV, lithium-ion batteries/ESS, and semiconductor sectors, the Company produces equipment to bolster the new energy industry, and stays committed to technological advances, cost reduction, and efficiency improvement, thus playing an important role in helping achieve China's goal of peaking carbon emissions by 2030 and reaching carbon neutrality by 2060. The Company boasts a rationally designed power supply and distribution system, prefers energy-efficient transformers, and achieves an economical load ratio. To reduce the consumption of electric energy, solar street lamps are installed in factories, and new energy-efficient lighting products are used in offices. Solar PV power stations are built atop roofs in factories to make energy utilization more efficient and reduce the use of electricity. All outer walls of the Company's self-built workshops are insulated to achieve an economical use of energy. To prevent the waste of timbers and reduce the use of wood resources, the Company rented all auxiliary wooden materials for the building of new workshops, which would be recycled by the lessor after use. In the reporting period, the Company opened more than ten shuttle lines for employee commuting and advocated less use of private cars to help reduce carbon emissions.

II. Building on Achievements of Poverty Alleviation and Rural Revitalization Applicable √ N/A

Section VI Significant Events

I. Performance of Commitments

(i) Commitments that have been completed by parties concerned such as the actual controllers, shareholders, related parties, and acquirers of the Company and the Company during the reporting period or were still underway before the end of the reporting period

√ Applicable □ N/A

Commitment	Type of commitment	Made by	Content	Date	Existence of term	Term of commitment	Strictly fulfilled on time	Reasons if commitment not fulfilled	Any plans, if commitment not timely fulfilled
IPO-related commitment	Dividend	The Company	Note 1	2020.05.21	Yes	Long standing	Yes	N/A	N/A
	Dividend	Actual controllers Ge Zhiyong and Li Wen	Note 2	2020.05.21	Yes	Long standing	Yes	N/A	N/A
	Addressing horizontal competition	Actual controllers Ge Zhiyong and Li Wen	Note 3	2020.05.21	Yes	Long standing	Yes	N/A	N/A
	Addressing horizontal competition	Actual controllers Ge Zhiyong and Li Wen	Note 4	2020.05.21	Yes	Long standing	Yes	N/A	N/A
	Others	Actual controllers and directors GE Zhiyong and Li Wen	Note 5	2020.05.21	Yes	Long standing	Yes	N/A	N/A
	Others	The shareholder Wuxi Aoli and parties acting in concert of actual controllers	Note 6	2020.05.21	Yes	Long standing	Yes	N/A	N/A
	Others	The Company, actual controllers, directors (excluding independent directors), and senior management	Note 7	2020.05.21	Yes	Long standing	Yes	N/A	N/A

	Others	The Company and actual controllers Ge Zhiyong and Li Wen	Note 8	2020.05.21	Yes	Long standing	Yes	N/A	N/A
	Others	The Company	Note 9	2020.05.21	Yes	Long standing	Yes	N/A	N/A
	Others	Actual controllers Ge Zhiyong and Li Wen	Note 10	2020.05.21	Yes	Long standing	Yes	N/A	N/A
	Others	All directors and senior management	Note 11	2020.05.21	Yes	Long standing	Yes	N/A	N/A
	Others	The Company	Note 12	2020.05.21	Yes	Long standing	Yes	N/A	N/A
	Others	Actual controllers Ge Zhiyong and Li Wen	Note 13	2020.05.21	Yes	Long standing	Yes	N/A	N/A
	Others	All directors, supervisors, and senior management	Note 14	2020.05.21	Yes	Long standing	Yes	N/A	N/A
	Others	The Company	Note 15	2020.05.21	Yes	Long standing	Yes	N/A	N/A
	Others	Actual controllers Ge Zhiyong and Li Wen	Note 16	2020.05.21	Yes	Long standing	Yes	N/A	N/A
	Others	All directors, supervisors, and senior management	Note 17	2020.05.21	Yes	Long standing	Yes	N/A	N/A
	Others	All core technical personnel	Note 18	2020.05.21	Yes	Long standing	Yes	N/A	N/A
	Others	Ren Jun, indirect shareholder and relative of actual controller Li Wen	Note 19	2020.05.21	Yes	Long standing	Yes	N/A	N/A
Refinancing-related commitment	Lock-up period	Ge Zhiyong and party acting in concert Li Wen, Wuxi Aoli, and	Note 20	2022.8.21	Yes	18 months from the completion of the offering	Yes	N/A	N/A

		Wuxi Aochuang							
	Lock-up period	Ge Zhiyong, target of offering	Note 21	2022.8.21	Yes	36 months from the completion of the offering	Yes	N/A	N/A
	Others	Zhang Hong and Wang Huaqian, lenders of subscription fund	Note 22	2022.8.21	Yes	Long standing	Yes	N/A	N/A
	Others	Ge Zhiyong, target of offering	Note 23	2022.8.21	Yes	Long standing	Yes	N/A	N/A
	Others	Board of Directors of the issuer	Note 24	2022.8.21	Yes	Long standing	Yes	N/A	N/A
	Others	The Company's directors, senior management, and actual controllers	Note 25	2023.8.10	Yes	Long standing	Yes	N/A	N/A
	Others	Shareholders, directors, supervisors, and senior management holding over 5% stake in the Company	Note 26	2023.8.10	Yes	Long standing	Yes	N/A	N/A
Other commitment	Others	Actual controllers Ge Zhiyong and Li Wen	Note 27	2024.6.21	Yes	Between June 21, 2024 and December 31, 2024	Yes	N/A	N/A

Note 1:

To protect the interests of small and medium investors, the Company will adhere to the relevant decision-making procedures and distribute profits by strictly following the policies (including cash dividend policies) specified in the *Articles of Association of Wuxi Autowell Technology Co., Ltd.* and related regulations.

Note 2:

As an actual controller of the Company, I hereby commit to voting on profit distribution decisions at shareholders' general meetings from the perspective of protecting the interests of small and medium investors, in accordance with the profit distribution policies (including cash dividend policies) specified in the *Articles*

of Association of Wuxi Autowell Technology Co., Ltd. and related regulations. I will also supervise the Company in profit distribution based on relevant rules and regulations.

Note 3:

In the event that products produced or businesses engaged in by my wholly-owned, controlled, or affiliated enterprises in the future might compete with or constitute competition against the Company, I hereby commit to taking the following measures to avoid horizontal competition: (1) Cease the production of products that constitute competition or stop engaging in business activities that constitute competition; (2) Upon the Company's request, I hereby commit to transferring all of my investment or equity in the aforementioned enterprises. I also commit to granting the Company the right of first refusal on such investment or equity and will make every effort to ensure that the price of the relevant transaction is determined based on fair and reasonable terms, and is similar to those in normal commercial transactions with independent third parties.

If, in the future, the business opportunities obtained by myself or the enterprises I invest in compete with or may potentially compete with the main business activities of the Company or its controlled enterprises, I will immediately notify the Company and make every effort to ensure that my invested enterprises prioritize offering such business opportunities to the Company or its controlled enterprises on open and reasonable terms, to ensure that the interests of the Company and its shareholders are not jeopardized.

If any loss is incurred by the Company due to my violation of this Letter of Commitment, I agree to bear all the losses caused to the Company as a result.

Note 4:

(1) Except for related-party transactions that have been disclosed in writing to the relevant intermediary agencies, there are no other related-party transactions between me as well as other enterprises under my control and the Company as well as its controlled enterprises, which, according to laws, regulations, or the relevant rules of the CSRC or the SSE, shall be disclosed but have not been disclosed.

(2) I will strive to minimize and regulate related-party transactions with the Company and its controlled enterprises. For related-party transactions that are necessary and unavoidable, other enterprises under my control and I will, on the basis of equality and voluntariness, sign relevant agreements with the Company or its controlled enterprises in accordance with the principles of fairness, impartiality, and compensation for equal value. I will follow the transaction decision-making procedures and fulfill information disclosure obligations. I will not request, nor will I accept, any conditions from the Company or its controlled enterprises that are more favorable than those offered to third parties in any market transactions.

(3) I will strictly comply with the relevant provisions of the *Articles of Association* to avoid appropriating the Company's funds or requesting the Company to provide guarantees illegally. I will also urge the Company's shareholders and directors to exercise their rights as shareholders and directors in accordance with the law, and to abstain from voting on related-party transactions at shareholders' general meetings and Board of Directors.

(4) I hereby commit not to leveraging related-party transactions to transfer or divert profits, and will not leverage my position as the actual controller of the Company to jeopardize the legitimate rights and interests of the Company and other shareholders through related-party transactions.

(5) I guarantee that the abovementioned declarations and commitments made during my tenure as the actual controller of the Company are irrevocable. If other enterprises under my control and I violate these declarations and commitments, I will immediately cease related-party transactions with the Company and take necessary corrective measures. At the same time, other enterprises under my control and I shall be liable for compensating the Company for all the losses and consequences resulting from the violation of these commitments.

Note 5:

A. I will comply with the lock-up period requirements specified in the Company's initial public offering (IPO) prospectus and various commitments made by me, and strictly adhere to relevant laws and regulations by not reducing my holdings of the Company's stock during the lock-up period.

B. If I intend to reduce my holdings of the Company's stock, I will report this to the Company two trading days before the reduction and announce the reduction plan on the website of the SSE. The reduction will be conducted within six months after the announcement through relevant securities exchanges in block trades, auction trading, or other methods recognized by the CSRC.

C. When reducing my holdings of the Company's stock, I will announce the specific reduction plan in accordance with China's *Securities Law*, China's measures for the administration of the acquisition of listed companies, provisions on share reduction by shareholders, directors, supervisors, and senior management of listed companies (CSRC Announcement [2017] No. 9), SSE's implementation rules for share reduction by shareholders, directors, supervisors, and senior management of listed companies on the SSE (Shang Zhen Fa [2017] No. 24), SSE's stock listing rules for the SSE STAR Market (Shang Zhen Fa [2019] No. 22), and other relevant laws, regulations, and normative documents, and ensure that the reduction complies with the regulations of the CSRC and the SSE regarding reduction methods, reduction ratio, reduction price, and information disclosure.

D. If I do not fulfill the above commitments, the proceeds from the reduction of the Company's shares will belong to the Company.

E. If the CSRC or the SSE issues new regulations or different opinions regarding the reduction of shareholders' shares, I agree to revise and implement the reduction-related commitments according to the new regulations or opinions issued by the CSRC or the SSE.

Note 6:

A. I will comply with the lock-up period requirements specified in the Company's IPO prospectus and various commitments made by me, and strictly adhere to relevant laws and regulations by not reducing my holdings of the Company's stock during the lock-up period.

B. If I intend to reduce my holdings of the Company's stock, I will report this to the Company two trading days before the reduction and announce the reduction plan on the website of the SSE. The reduction will be conducted within six months after the announcement through relevant securities exchanges in block trades, auction trading, or other methods recognized by the CSRC.

C. When reducing my holdings of the Company's stock, this Company will announce the specific reduction plan in accordance with China's *Securities Law*, China's measures for the administration of the acquisition of listed companies, provisions on share reduction by shareholders, directors, supervisors, and senior management of listed companies (CSRC Announcement [2017] No. 9), SSE's implementation rules for share reduction by shareholders, directors, supervisors, and senior management of listed companies on the SSE (Shang Zhen Fa [2017] No. 24), SSE's stock listing rules for the SSE STAR Market (Shang Zhen Fa [2019] No. 22), and other relevant laws, regulations, and normative documents, and ensure that the reduction complies with the regulations of the CSRC and the SSE regarding reduction methods, reduction ratio, reduction price, and information disclosure.

D. If this Company does not fulfill the above commitments, the proceeds from the reduction of the Company's shares will belong to the Company.

E. If the CSRC or the SSE issues new regulations or different opinions regarding the reduction of shareholder shares, this Company agrees to revise and implement the reduction-related commitments according to the new regulations or opinions issued by the CSRC or the SSE.

Note 7:

When the conditions for stabilizing the Company's stock price are met, if the Company, actual controllers, directors (excluding independent directors), and senior management do not take specific measures to stabilize the stock price, they agree to the following restrictive measures:

(1) The Company, actual controllers, directors, and senior management will publicly explain the specific reasons for not taking the above-mentioned measures to stabilize the stock price at the Company's shareholders' general meeting and on the disclosure media designated by the SSE or the CSRC, and apologize to the Company's shareholders and public investors.

(2) The actual controllers of the Company commit that if the conditions for stabilizing the stock price are met and the actual controllers do not take the above-mentioned measures, the Company has the right to withhold or deduct dividends payable to the actual controllers to fulfill the commitment of increasing

holdings, with the deducted amount not exceeding the upper limit of the committed increase. At the same time, the actual controllers' shares in the Company cannot be transferred until the corresponding stock price stabilization measures are taken and completed according to the plan.

(3) Directors (excluding independent directors) and senior management commit that if the conditions for stabilizing the stock price are met and they do not take the specific measures, the Company has the right to deduct their salaries or allowances to fulfill the commitment of increasing holdings, with the deducted amount not exceeding the upper limit of the committed increase. At the same time, their shares in the Company cannot be transferred until the corresponding stock price stabilization measures are taken and completed according to the plan.

(4) If the listing rules or other securities regulations regarding the minimum holding ratio for public shareholders prevent the Company, actual controllers, directors (excluding independent directors), or senior management from fulfilling their stock price stabilization obligations within a certain period, the relevant responsible parties may be exempt from the above restrictive measures, but they should proactively take other reasonable and feasible measures to stabilize the stock price.

Note 8:

The Company's IPO and listing on the SSE STAR Market do not involve any fraudulent circumstances.

If the Company fails to meet the issuance and listing conditions and fraudulently obtained the issuance approval and has already been listed, the Company will initiate a share repurchase procedure within five working days after the CSRC or other competent authorities confirm the fraudulent issuance, so as to repurchase all the newly issued shares.

Note 9:

To ensure effective use and prevent dilution of immediate returns while improving future returns, the issuer commits to the following measures:

(1) Strengthening the management of raised funds and accelerating the implementation of funded projects

The Company will follow internal rules and relevant laws and regulations to standardize the use and management of raised funds, ensure that the funds are used specifically for their intended purposes, promptly deposit the raised funds into designated accounts, and strictly use the funds to ensure they are fully and effectively utilized as originally intended. The projects funded by the raised proceeds will focus on the Company's main business, which will help enhance profitability. After the funds are in place, the Company will accelerate the construction of the funded projects to realize the expected benefits as soon as possible.

(2) Enhancing the Company's R&D capabilities and improving product competitiveness

R&D innovation represents the core competitiveness of the Company. The Company will leverage the raised funds to further improve its R&D capabilities, and enhance product performance and competitiveness. The Company will continue to innovate its products based on market demands and improve production processes and technologies to reduce production costs through continuous technological innovation, thus enhancing overall technical capabilities and operational efficiency on the back of stronger R&D.

(3) Enhancing market expansion capabilities and increasing market share

The Company is leading the industry with its strong competitive advantages in product R&D, technologies, branding, and customer resources. The Company will strengthen brand building for its products and services, further improve its market expansion capabilities, and increase customer recognition of its products and services. While cementing cooperation with existing customers, the Company will continuously expand new customers to further increase its market share.

(4) Improving the Company's dividend distribution policy and enhancing investor returns and protection

The Company will further improve its dividend distribution policy and make institutional arrangements in documents such as the *Articles of Association (Draft)* applicable after going public to specify the conditions, ratio, and form of dividend distribution, thus establishing a well-conceived, sustainable, and stable shareholder return mechanism to ensure the timeliness and continuity of shareholder returns and protect investor interests.

Note 10:

(1) I hereby commit not to overstepping my authority in the Company's management activities and will not infringe on the Company's interests.

(2) I hereby commit to faithfully fulfilling the Company's dilution mitigation measures and my associated commitments. If I violate these commitments or refuse to fulfill them, I will publicly explain and apologize at the shareholders' general meeting of the Company and in the newspaper designated by the SSE or the CSRC. If this causes losses to the Company or shareholders, I will bear the legal responsibility for compensating the Company or shareholders.

Note 11:

(1) I hereby commit not to transferring benefits to other units or individuals gratuitously or under unfair conditions, nor jeopardizing the Company's interests by other means.

(2) I will fully support and cooperate with the Company's efforts to regulate the consumption behaviors of directors and senior management. Any of my work-related consumption will take place within the necessary scope of fulfilling my responsibilities to the Company. I will adhere to the Company's supervision and management to avoid waste or excessive spending.

(3) I will strictly adhere to relevant laws, regulations, and requirements from the CSRC and the SSE as well as the regulations on the conduct of directors and the senior management of the Company. I will not use company assets for investments or consumption activities unrelated to my duties.

(4) I will diligently ensure that the compensation system formulated by the Board of Directors or the Compensation Committee is linked to the Company's performance measures, and will vote in favor of the compensation system proposal when it is reviewed by the Board of Directors and shareholders' general meeting.

(5) If the Company would provide equity incentives for its employees in the future, I will fully support the coupling of the exercise conditions of such incentives with the implementation of the Company's compensation measures, and will vote in favor of the employee equity incentive proposal when reviewed by the Board of Directors or shareholders' general meeting (if I have voting rights).

(6) If I violate the above commitments, I will publicly explain and apologize at the shareholders' general meeting of the Company and in the newspaper designated by the SSE or the CSRC. I voluntarily accept self-disciplinary measures imposed by the SSE and the industrial associations governing listed companies. If my violation causes losses to the Company or shareholders, I will bear the legal responsibility for compensation.

Note 12:

The Company's IPO prospectus and other disclosure materials for listing on the SSE STAR Market do not contain false records, misleading statements, or major omissions. The Company assumes both individual and joint legal responsibility for their truthfulness, accuracy, and completeness.

If the IPO prospectus and other disclosure materials contain false records, misleading statements, or major omissions that cause investors to suffer losses in securities trading of the Company's stock, the Company will compensate the investors for their losses according to the law. The specific measures are: after CSRC issues a formal administrative penalty decision and confirms the Company's violation of the above regulations, the Company will register public investors who make claims and will promptly pay compensation after verifying their qualifications and amount of loss.

If the Shanghai Stock Exchange, securities regulatory authorities, or other competent authorities determine that the IPO prospectus and other disclosure materials contain false records, misleading statements, or major omissions, and such circumstances significantly and substantially affect the determination of whether the Company meets the conditions for the IPO and listing as prescribed by laws, regulations, and normative documents, the Company commits to repurchasing all newly issued shares from the Company's IPO in accordance with the law through the following measures:

(1) Under legally permitted circumstances, if the above situations occur during the period between the completion of the issuance of the Company's new shares in its initial public offering and their listing for trading, and are confirmed by the SSE, CSRC, or other competent authorities, the Company will, within 30 working

days from the date of such confirmation, repurchase all newly issued shares of the IPO from online and offline investors at the issue price plus interest at bank deposit rates for the same period.

(2) Under legally permitted circumstances, if the above situations occur after the newly issued shares have been listed for trading, and are confirmed by the SSE, CSRC, or other competent authorities, the Company will, within five working days from the date of such confirmation, formulate a share repurchase plan and submit it for approval at the shareholders' general meeting. The repurchase will be implemented through the SSE trading system at a price based on the issue price and adjusted according to relevant market factors. Any dividend distributions, bonus shares, capitalized capital reserves, or similar adjustments after the listing will be reflected in the issue price.

When implementing the share repurchase, if there are other legal, regulatory, or normative provisions, those provisions shall prevail.

Note 13:

The prospectus and other disclosure materials related to the IPO and listing of Wuxi Autowell Technology Co., Ltd. on the SSE STAR Market do not contain any false records, misleading statements, or major omissions. I assume corresponding legal responsibility for the truthfulness, accuracy, and completeness of the content in the prospectus and other disclosure materials.

If the SSE, CSRC, or other competent departments determine that the IPO prospectus and other disclosure materials contain false records, misleading statements, or major omissions, and such circumstances significantly and substantially affect the determination of whether the Company meets the conditions for the IPO and listing as prescribed by laws, I hereby commit to making every effort to ensure the Company repurchases all its newly issued shares in accordance with the law.

If the IPO prospectus and other disclosure materials contain false records, misleading statements, or major omissions that cause investors to suffer losses in securities trading of the Company's stock, I will compensate the investors for their losses according to the law.

Note 14:

The prospectus and other disclosure materials related to the IPO and listing of Wuxi Autowell Technology Co., Ltd. on the SSE STAR Market do not contain any false records, misleading statements, or major omissions. I assume corresponding legal responsibility for the truthfulness, accuracy, and completeness of the content in the prospectus and other disclosure materials.

If the Shanghai Stock Exchange, CSRC, or other competent departments determine that the IPO prospectus and other disclosure materials contain false records, misleading statements, or major omissions, and such circumstances significantly and substantially affect the determination of whether the Company meets the conditions for the IPO and listing as prescribed by laws, I hereby commit to making every effort to ensure the Company repurchases all its newly issued shares in accordance with the law.

If the IPO prospectus and other disclosure materials contain false records, misleading statements, or major omissions that cause investors to suffer losses in securities trading of the Company's stock, I will compensate the investors for their losses according to the law.

Note 15:

In the third extraordinary shareholders' general meeting in 2019, the Company passed a resolution on the proposal for the Company to issue related letters of commitment and propose corresponding restrictive measures in relation to its initial public offering of ordinary shares (A-shares) and listing on the SSE STAR Market. To fully protect the interests of the Company's shareholders, if the Company fails to fulfill, is unable to fulfill, or is unable to fulfill on time the commitments it made (except for situations caused by uncontrollable objective reasons such as changes in relevant laws, regulations, policies, natural disasters, and other force majeure events), the Company voluntarily assumes the corresponding legal consequences and civil compensation responsibilities. The Company makes the following commitments regarding the restrictive measures for not fulfilling the commitments made during the listing process:

(1) The Company will strictly fulfill all obligations and responsibilities related to the public commitments made during the IPO and listing on the SSE STAR Market.

(2) The Company will promptly and fully disclose the specific reasons for any failure to fulfill, inability to fulfill, or delay in fulfilling the commitments.

(3) If the Company fails to fulfill its obligations or responsibilities in the commitments, the Company will publicly explain and apologize to shareholders and public investors in shareholders' general meetings and in newspapers designated by the CSRC. The Company will disclose the reasons for the failure to fulfill the commitments, propose supplementary or alternative commitments, and assume relevant legal responsibilities, including compensation amount. Shareholders and public investors have the right to request through legal means that the Company fulfill its commitments.

(4) The Company shall not increase the salaries or allowances of directors, supervisors, and senior management in any form until all adverse effects of the unfulfilled commitments have been completely eliminated.

Note 16:

I will strictly fulfill all obligations and responsibilities related to all the public commitments made during the initial public offering of shares and listing of Wuxi Autowell Technology Co., Ltd. (hereinafter referred to as "the Company") on the SSE STAR Market.

If I fail to fully and effectively fulfill the obligations or responsibilities related to the aforementioned commitments due to reasons other than force majeure, I hereby commit to taking the following measures depending on the specific circumstances:

(1) I will publicly explain the reasons for failing to fully and effectively fulfill the commitments and apologize to shareholders and public investors at the Company's shareholders' general meeting and in media designated by the SSE or the CSRC.

(2) I will compensate public investors with my own capital for direct losses incurred due to reliance on the commitments for trading. The compensation amount will be determined through negotiation with the investors or as decided by securities regulatory authorities or judicial bodies.

(3) The lock-up period for shares I hold directly or indirectly in the Company will be automatically extended until all adverse effects resulting from my failure to fulfill the relevant commitments are completely eliminated, except in cases of mandatory transfer due to enforcement, corporate restructuring, or commitments to protect investor interests.

(4) I will not receive any dividends or bonus shares distributed by the Company, directly or indirectly, until all adverse effects resulting from my failure to fulfill the relevant commitments are completely eliminated.

(5) Any gains obtained by me due to failure to fully and effectively fulfill the commitments will belong to the Company. I shall pay such gains to the Company's designated account within five working days from the date of receipt.

If I fail to fully and effectively fulfill the public commitments due to force majeure, after the force majeure event ceases to exist, I will publicly explain the specific circumstances of the force majeure event that caused the failure to fulfill the commitments and apologize to the Company's shareholders and public investors at the Company's shareholders' general meeting and in media designated by the SSE or the CSRC. Additionally, I will promptly seek solutions to minimize investor losses and protect the interests of the Company and its investors. I will also clarify whether the original commitments will continue after the force majeure ceases to exist. If not, I will propose new commitments based on the actual situation.

Note 17:

I will strictly fulfill all obligations and responsibilities related to all the public commitments made during the initial public offering of shares and listing of Wuxi Autowell Technology Co., Ltd. (hereinafter referred to as "the Company") on the SSE STAR Market.

If I fail to fully and effectively fulfill the obligations or responsibilities related to the aforementioned commitments due to reasons other than force majeure, I hereby commit to taking the following measures depending on the specific circumstances:

(1) I will publicly explain the reasons for failing to fully and effectively fulfill the commitments and apologize to shareholders and public investors at the Company's shareholders' general meeting and in media designated by the SSE or the CSRC.

(2) I will compensate public investors with my own capital for direct losses incurred due to reliance on the commitments for trading. The compensation amount will be determined through negotiation with the investors or as decided by securities regulatory authorities or judicial bodies.

(3) The lock-up period for shares I hold directly or indirectly in the Company will be automatically extended until all adverse effects resulting from my failure to fulfill the relevant commitments are completely eliminated, except in cases of mandatory transfer due to enforcement, corporate restructuring, or commitments to protect investor interests.

(4) I will not receive any dividends or bonus shares distributed by the Company, directly or indirectly, until all adverse effects resulting from my failure to fulfill the relevant commitments are completely eliminated.

(5) Any gains obtained by me due to failure to fully and effectively fulfill the commitments will belong to the Company. I shall pay such gains to the Company's designated account within five working days from the date of receipt.

If I fail to fully and effectively fulfill the public commitments due to force majeure, after the force majeure event ceases to exist, I will publicly explain the specific circumstances of the force majeure event that caused the failure to fulfill the commitments and apologize to the Company's shareholders and public investors at the Company's shareholders' general meeting and in media designated by the SSE or the CSRC. Additionally, I will promptly seek solutions to minimize investor losses and protect the interests of the Company and its investors. I will also clarify whether the original commitments will continue after the force majeure ceases to exist. If not, I will propose new commitments based on the actual situation.

Note 18:

I will strictly fulfill all obligations and responsibilities related to all the public commitments made during the initial public offering of shares and listing of Wuxi Autowell Technology Co., Ltd. (hereinafter referred to as "the Company") on the SSE STAR Market.

If I fail to fully and effectively fulfill the obligations or responsibilities related to the aforementioned commitments due to reasons other than force majeure, I hereby commit to taking the following measures depending on the specific circumstances:

(1) I will publicly explain the reasons for failing to fully and effectively fulfill the commitments and apologize to shareholders and public investors at the Company's shareholders' general meeting and in media designated by the SSE or the CSRC.

(2) I will compensate public investors with my own capital for direct losses incurred due to reliance on the commitments for trading. The compensation amount will be determined through negotiation with the investors or as decided by securities regulatory authorities or judicial bodies.

(3) The lock-up period for shares I hold directly or indirectly in the Company will be automatically extended until all adverse effects resulting from my failure to fulfill the relevant commitments are completely eliminated, except in cases of mandatory transfer due to enforcement, corporate restructuring, or commitments to protect investor interests.

(4) I will not receive any dividends or bonus shares distributed by the Company, directly or indirectly, until all adverse effects resulting from my failure to fulfill the relevant commitments are completely eliminated.

(5) Any gains obtained by me due to failure to fully and effectively fulfill the commitments will belong to the Company. I shall pay such gains to the Company's designated account within five working days from the date of receipt.

If I fail to fully and effectively fulfill the public commitments due to force majeure, after the force majeure event ceases to exist, I will publicly explain the specific circumstances of the force majeure event that caused the failure to fulfill the commitments and apologize to the Company's shareholders and public investors at the Company's shareholders' general meeting and in media designated by the SSE or the CSRC. Additionally, I will promptly seek solutions to

minimize investor losses and protect the interests of the Company and its investors. I will also clarify whether the original commitments will continue after the force majeure ceases to exist. If not, I will propose new commitments based on the actual situation.

Note 19:

I will strictly fulfill all obligations and responsibilities related to all the public commitments made during the initial public offering of shares and listing of Wuxi Autowell Technology Co., Ltd. (hereinafter referred to as “the Company”) on the SSE STAR Market.

If I fail to fully and effectively fulfill the obligations or responsibilities related to the aforementioned commitments due to reasons other than force majeure, I hereby commit to taking the following measures depending on the specific circumstances:

(1) I will publicly explain the reasons for failing to fully and effectively fulfill the commitments and apologize to shareholders and public investors at the Company’s shareholders’ general meeting and in media designated by the SSE or the CSRC.

(2) I will compensate public investors with my own capital for direct losses incurred due to reliance on the commitments for trading. The compensation amount will be determined through negotiation with the investors or as decided by securities regulatory authorities or judicial bodies.

(3) The lock-up period for shares I hold directly or indirectly in the Company will be automatically extended until all adverse effects resulting from my failure to fulfill the relevant commitments are completely eliminated, except in cases of mandatory transfer due to enforcement, corporate restructuring, or commitments to protect investor interests.

(4) I will not receive any dividends or bonus shares distributed by the Company, directly or indirectly, until all adverse effects resulting from my failure to fulfill the relevant commitments are completely eliminated.

(5) Any gains obtained by me due to failure to fully and effectively fulfill the commitments will belong to the Company. I shall pay such gains to the Company’s designated account within five working days from the date of receipt.

If I fail to fully and effectively fulfill the public commitments due to force majeure, after the force majeure event ceases to exist, I will publicly explain the specific circumstances of the force majeure event that caused the failure to fulfill the commitments and apologize to the Company’s shareholders and public investors at the Company’s shareholders’ general meeting and in media designated by the SSE or the CSRC. Additionally, I will promptly seek solutions to minimize investor losses and protect the interests of the Company and its investors. I will also clarify whether the original commitments will continue after the force majeure ceases to exist. If not, I will propose new commitments based on the actual situation.

Note 20:

Ge Zhiyong and his concerted parties, Li Wen, Wuxi Aoli, and Wuxi Aochuang, commit not to transferring their shares held before this issuance for a period of 18 months starting from the end of the issuance.

Note 21:

The shares subscribed through this issuance shall not be transferred for a period of thirty-six months from the end of the issuance. Shares acquired by Ge Zhiyong from this issuance due to stock dividends, capitalized capital reserves, or other similar methods must also comply with the above lock-up arrangement.

Ge Zhiyong agrees to a lock-up commitment for the shares subscribed through this issuance in accordance with relevant laws, regulations, the CSRC, the SSE, and the company’s requirements, and handles the relevant share lock-up matters. If laws and regulations specify a different lock-up period, those provisions shall apply. Transfers after the lock-up period will be subject to the relevant regulations of the CSRC and SSE.

Note 22:

I am aware that the funds being lent are for Ge Zhiyong to subscribe for the shares issued by ATW. This lending of funds indeed constitutes a loan, and I will adhere to the terms and interest rate specified in the *Loan Cooperation Agreement of Intent, Supplementary Agreement to the Loan Cooperation Agreement of Intent*,

and *Supplementary Agreement to the Loan Cooperation Agreement of Intent (II)*, which state a term of 24 months, and that one month before the term expires, Ge Zhiyong may request in writing to extend the term by six months under the same conditions before the original term expires, and with my consent, an additional six-month extension may be granted. The interest rate is 9% per annum (simple interest). I do not have any arrangements for entrusted shareholding or other interests with the borrower Ge Zhiyong, and the related parties under his control. I am willing to accept relevant regulatory inspections regarding the above commitments. If these commitments are violated, any related benefits from the violations will belong to ATW.

Note 23:

The funds lent indeed constitute a loan. Neither I nor the related parties under my control have any arrangements for entrusted shareholding, compensation, promised returns, or other interests with the lender. I am willing to accept relevant regulatory inspections regarding the above commitments. If these commitments are violated, any related benefits from the violations will belong to the listed company.

Note 24:

1. Specific measures for filling the gap in returns

To protect the interests of investors, reduce the risk of immediate return dilution, and enhance shareholders' returns, the Company plans to take various measures to address the gap. However, the Company emphasizes that the measures outlined do not guarantee future profits.

(1) Strengthen management to ensure proper and effective use of the funds raised

According to China's *Company Law*, *Securities Law*, the regulations on the management and use of funds raised by listed companies laid out by CSRC, SSE's stock listing rules for the SSE STAR Market (Shang Zhen Fa [2019] No. 22), and other relevant laws and regulations, the Company has established a reality-based fund management system. This system outlines clear regulations on dedicated account management, including its usage and purpose changes, as well as the supervision of raised funds. After the funds raised from this issuance are put in place, the Company's Board of Directors will continuously supervise the dedicated management of these funds, ensure their use for designated investment projects, conduct regular internal audits, and cooperate with regulators, banks, and sponsors for inspections and supervision to ensure proper and compliant use.

(2) Enhance business management and improve operational efficiency

After the funds from this issuance are in place, the Company will continue to improve internal operational management, optimize business processes and internal controls, reduce operational costs, and enhance asset utilization efficiency. Additionally, the Company will advance its talent development system, optimize incentive mechanisms, and work to improve the motivation and creativity of all employees. These measures aim to enhance operational efficiency, reduce costs, and boost overall business performance.

(3) Further refine profit distribution policies to optimize investor returns

The Company will improve its profit distribution system in accordance with the CSRC's regulations and guidelines on cash dividends of listed companies. This will strengthen the investor return mechanism to ensure the protection of shareholders' interests, especially minority shareholders. The Company has developed an effective mechanism represented by its *Three-Year Plan for Shareholder Dividend Policies of Wuxi Autowell Technology Co., Ltd., 2021 – 2023*. The plan emphasizes reasonable returns to investors and maintains the stability and continuity of profit distribution policies. After issuing shares to specific investors, the Company will strictly adhere to relevant laws and the shareholder return plan to protect investors' interests.

2. Commitments to mitigate immediate return dilution from share issuance to specific investors

(1) Commitments from the Company's directors and senior management

A. I hereby commit not to transferring benefits to other units or individuals gratuitously or under unfair conditions, nor jeopardizing the Company's interests by other means.

B. I will impose restrictions on the official spending behaviors of directors, including myself, and the senior management.

C. I will strictly adhere to relevant laws, regulations, and requirements from the CSRC and the SSE as well as the regulations on the conduct of directors and the senior management of the Company. I will not use company assets for investments or consumption activities unrelated to my duties.

D. I will diligently ensure that the compensation system formulated by the Board of Directors or the Compensation and Evaluation Committee is linked to the implementation of the Company's dilution mitigation measures, and will vote in favor of such compensation proposals at the Board of Directors and shareholders' general meeting.

E. If the Company would provide equity incentives for its employees in the future, I will fully support the coupling of the exercise conditions of such incentives with the implementation of the Company's compensation measures, and will vote in favor of the employee equity incentive proposal when reviewed by the Board of Directors or shareholders' general meeting (if I have voting rights).

F. If I violate the above commitments, I will publicly explain and apologize at the shareholders' general meeting of the Company and in the newspaper designated by the SSE or the CSRC. I voluntarily accept self-disciplinary measures imposed by the SSE and the industrial associations governing listed companies. If my violation causes losses to the Company or shareholders, I will bear the legal responsibility for compensation.

(2) Commitments from the Company's actual controllers

A. I hereby commit not to interfering with the Company's management activities beyond my authority and not to encroaching upon the Company's interests.

B. I hereby commit to faithfully fulfilling the Company's dilution mitigation measures and my associated commitments. If I violate these commitments or refuse to fulfill them, I will publicly explain and apologize at the shareholders' general meeting of the Company and in the newspaper designated by the SSE or the CSRC. If this causes losses to the Company or shareholders, I will bear the legal responsibility for compensating the Company or shareholders.

Note 25:

(1) Commitments from the Company's directors and senior management

A. I hereby commit not to transferring benefits to other units or individuals gratuitously or under unfair conditions, nor jeopardizing the Company's interests by other means.

B. I will impose restrictions on the official spending behaviors of directors, including myself, and the senior management.

C. I will strictly adhere to relevant laws, regulations, and requirements from the CSRC and the SSE as well as the regulations on the conduct of directors and the senior management of the Company. I will not use company assets for investments or consumption activities unrelated to my duties.

D. I will diligently ensure that the compensation system formulated by the Board of Directors or the Compensation and Evaluation Committee is linked to the implementation of the Company's dilution mitigation measures, and will vote in favor of such compensation proposals at the Board of Directors and shareholders' general meeting.

E. If the Company would provide equity incentives for its employees in the future, I will fully support the coupling of the exercise conditions of such incentives with the implementation of the Company's compensation measures, and will vote in favor of the employee equity incentive proposal when reviewed by the Board of Directors or shareholders' general meeting (if I have voting rights).

F. If I violate the above commitments, I will publicly explain and apologize at the shareholders' general meeting of the Company and in the newspaper designated by the SSE or the CSRC. I voluntarily accept self-disciplinary measures imposed by the SSE and the industrial associations governing listed companies. If my violation causes losses to the Company or shareholders, I will bear the legal responsibility for compensation.

(2) Commitments from the Company's actual controllers

A. I hereby commit not to interfering with the Company's management activities beyond my authority and not to encroaching upon the Company's interests.

B. I hereby commit to faithfully fulfilling the Company's dilution mitigation measures and my associated commitments. If I violate these commitments or refuse to fulfill them, I will publicly explain and apologize at the shareholders' general meeting of the Company and in the newspaper designated by the SSE or the CSRC. If this causes losses to the Company or shareholders, I will bear the legal responsibility for compensating the Company or shareholders.

Note 26:

(1) Commitments from shareholders holding more than 5% stake, directors (excluding independent directors), supervisors, and senior management

① I will decide whether to participate in the subscription of the Company's convertible bonds (CBs) based on relevant regulations such as China's *Securities Law* and the CSRC's *Administrative Measures for Convertible Corporate Bonds*, as well as the market conditions at the time of issuance. I will strictly fulfill the corresponding information disclosure obligations.

② If the interval between the date of the issuance of the Company's convertible bond and the last date on which I, my spouse, parents, or children reduced our holdings in the Company's stock is less than six months (inclusive), neither I nor my spouse, parents, or children will participate in the subscription of the Company's convertible bonds.

③ If I, my spouse, parents, or children participate in the Company's convertible bond issuance, we will not reduce our holdings in the Company's stock or the issued convertible bonds in any way within six months from the completion of the subscription.

④ I will strictly adhere to the relevant regulations of China's *Securities Law* regarding the trading of listed company stocks and convertible bonds, and will not engage in any behavior that violates Article 44 of the *Securities Law*, including trading through auction trading, block trading, or negotiated transfer, nor will I engage in direct or indirect short-term trading or other illegal activities.

⑤ I voluntarily make the above commitments and agree to be bound by this Letter of Commitment. If I, my spouse, parents, or children violate these commitments by reducing holdings of the Company's stock or convertible bonds, all gains from such reductions will belong to the Company, and I will bear the legal responsibilities arising from this according to the law.

(2) Commitments from independent directors

① I hereby commit that neither I, my spouse, parents, nor children will participate in the subscription of the Company's convertible bonds issued to unspecified parties, nor will we entrust others to participate in the subscription.

② I guarantee that my spouse, parents, and children will strictly comply with the regulations on short-term trading and will bear the legal responsibilities arising from this.

③ If I violate the above commitments, I will bear the legal responsibilities arising from this according to the law.

Note 27:

From June 21, 2024, to December 31, 2024, the Company's actual controllers, Mr. Ge Zhiyong and Mr. Li Wen, will not reduce their directly held shares in any form. During this commitment period, if there are any circumstances that result in the issuance of additional shares due to capitalized capital reserves, stock dividends, or rights issues, this non-reduction commitment will also apply. If the aforementioned parties violate this commitment, all gains obtained from the reduction of shares will belong to the Company.

II. Appropriation of Funds for Non-operating Purposes by Controlling Shareholders and Other Related Parties

Applicable N/A

III. Illegal External Guarantees

Applicable N/A

IV. Audit of Interim Reports

Applicable N/A

V. Changes and Handling of Issues Related to Non-standard Audit Opinions in the Annual Report 2023

Applicable N/A

VI. Bankruptcy and Reorganization

Applicable N/A

VII. Material Legal Proceedings and Arbitrations

The Company was involved in material legal proceedings or arbitrations during the reporting period.
 The Company was not involved in any material proceedings or arbitrations during the reporting period.

VIII. Alleged Violations, Penalties, And Rectification Measures Involving the Listed Company, Its Directors, Supervisors, Senior Management, Controlling Shareholders, and Actual Controllers

Applicable N/A

IX. Integrity of the Company, Its Controlling Shareholder and Actual Controller in the Reporting Period

Applicable N/A

X. Significant Related Party Transactions**(i) Related party transactions in daily operations****1. Matters disclosed in interim announcements that have not shown any progress or changes subsequently**

Applicable N/A

2. Matters disclosed in interim announcements that have had subsequent progress or changes in implementation

Applicable N/A

3. Matters not disclosed in interim announcements

Applicable N/A

(ii) Related party transactions regarding the acquisition or sales of assets or equity**1. Matters disclosed in interim announcements that have not shown any progress or changes subsequently**

Applicable N/A

2. Matters disclosed in interim announcements that have had subsequent progress or changes in implementation

Applicable N/A

3. Matters not disclosed in interim announcements

Applicable N/A

4. For matters involving performance commitments, the achievement of performance during the reporting period should be disclosed

Applicable N/A

(iii) Related party transactions arising from joint investments in external parties**1. Matters disclosed in interim announcements that have not shown any progress or changes subsequently**

Applicable N/A

2. Matters disclosed in interim announcements that have had subsequent progress or changes in implementation

Applicable N/A

3. Matters not disclosed in interim announcements

Applicable N/A

(iv) Related creditor's rights and debts

1. Matters disclosed in interim announcements that have not shown any progress or changes subsequently

Applicable N/A

2. Matters disclosed in interim announcements that have had subsequent progress or changes in implementation

Applicable N/A

3. Matters not disclosed in interim announcements

Applicable N/A

(v) Financial transactions between the Company and related financial companies, as well as between the financial companies under the Company's control and their related parties

Applicable N/A

(vi) Other significant related party transactions

Applicable N/A

(vii) Others

Applicable N/A

XI. Major Contracts and Fulfillment

(i) Trusteeship, contracting and leasing

Applicable N/A

(ii) Major guarantees performed and ongoing during the reporting period

√ Applicable □ N/A

Unit: million Yuan, Currency: RMB

External guarantees by the Company (excluding guarantees to subsidiaries)															
Guarantor	Relationship with listed company	Guaranteed party	Amount	Contractual date	Start date	End date	Type	Major debts	Collateral (if applicable)	Completion status	Overdue	Overdue amount	Counter guarantee	Guarantee for related party	Relationship
Total guarantee amount during the reporting period (excluding those for subsidiaries)															
Balance of guarantee amount at the period end (A) (excluding those for subsidiaries)															
Guarantees provided by the Company and its subsidiaries for subsidiaries															
Guarantor	Relationship between the guarantor and listed company	Guaranteed party	Relationship between the guaranteed party and listed company	Amount	Contractual date	Start date	End date	Type	Completion status	Overdue	Overdue amount	Existence of counter guarantee			
The Company	Headquarters	Songci Electromechanical	Controlled subsidiary	404.58	April 4, 2023	April 4, 2023	September 17, 2024	Joint liability	No	No	-	Yes			
The Company	Headquarters	Xurui Technology	Controlled subsidiary	296.19	July 17, 2023	July 17, 2023	March 19, 2025	Joint liability	No	No	-	Yes			
The Company	Headquarters	Coshin Technology	Controlled subsidiary	2.82	December 19, 2023	December 19, 2023	November 16, 2024	Joint liability	No	No	-	Yes			
The Company	Headquarters	Autowell Intelligent Equipment	Controlled subsidiary	18.49	November 15, 2023	November 15, 2023	September 26, 2024	Joint liability	No	No	-	No			
Total guarantee amount for subsidiaries during the reporting period										586.19					
Balance of guarantee amount for subsidiaries at the period end (B)										722.08					
Total guarantees provided by the Company (including those for subsidiaries)															
Total guarantee amount (A+B)										722.08					
Total guarantee amount as a percentage of the Company's net assets (%)										17.34					

Of which:	
Amount of guarantees provided for shareholders, actual controllers, and their related parties (C)	
Amount of debt guarantees provided directly or indirectly for entities with a liability-to-asset ratio over 70% (D)	722.08
Portion of the total guarantee amount in excess of 50% of net assets (E)	0
Total amount of the three kinds of guarantees above (C+D+E)	722.08
Joint responsibilities possibly borne for undue guarantees	
Explanation of guarantees	

(iii) Other significant contracts

Applicable N/A

1. The Company has signed a contract with Trina Solar Co., Ltd. for the supply of PV cell soldering stringer. Additionally, the Company's wholly-owned subsidiary, Wuxi Autowell Supply Chain Management Co., Ltd., has signed a contract with Trina Solar's wholly-owned subsidiary, Trina Solar US Manufacturing Module 1, LLC, for the same stringer. As of the date of this report, the products are being delivered gradually (the Company publicly disclosed the important contract on January 4, 2024).

2. The Company has signed a procurement contract for PV cell soldering stringer and other equipment with a leading photovoltaic enterprise. As of the date of this report, the products have been delivered and are pending acceptance (the Company publicly disclosed the important contract on January 18, 2024).

3. The Company and its controlled subsidiary, Xurui Technology, have signed a contract with LONGi Green Energy Technology Co., Ltd. for the supply of PV cell soldering stringer and BC adhesive printing machine. As of the date of this report, the products are being delivered gradually (the Company publicly disclosed the bid-winning on February 23, 2024).

XII. Progress Report on the Use of Raised Funds√ Applicable N/A**(i) Overall use of raised funds**√ Applicable N/A

Unit: million Yuan, Currency: RMB

Source of raised funds	Time for receipt of funds	Total amount	Net amount after deduction of issuance fees (1)	Promised investment amount in the prospectus (2)	Excessive amount raised (3) = (1) - (2)	Amount of raised funds invested as of the period end (4)	Of which: Amount of excessively raised funds invested as of the period end (5)	Progress of raised funds invested as of the period end (%) (6) = (4)/(1)	Progress of excessively raised funds invested as of the period end (%) (7) = (5)/(3)	Annual investment		Annual investment (%) (9) = (8)/(1)	Amount of raised funds with a change d purpose
Stock issuance to specific targets	August 22, 2022	530.00	524.47	524.47	-	285.95	-	54.52%	-	20.46		3.90%	-
Issuance of convertible bonds	August 16, 2023	1,140.00	1,132.91	1,132.91	-	212.37	-	18.75%	-	161.79		14.28%	-
Total	/	1,670.00	1,657.38	1,657.38		498.32		/	/	182.25		/	

(ii) Details of projects funded by raised funds√ Applicable N/A

1. Detailed breakdown of the use of raised funds

√ Applicable N/A

Unit: million Yuan, Currency: RMB

Source of raised	Project name	Project type	Projects promised in	Change in investm	Planned investm ent	Annual investm ent	Cumulative investm	Progress of cumulat	Expected date	Completion status	Progress in line	Reasons for	Benefits in this	Benefits or R&D	Major change in	Surplu s amoun
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funds			prospec tus	ent	amount (1)	amount	ent amount as of the period end (2)	ive investm ent (%) (3)=(2)/ (1)	for reachi ng usable conditi on		with plan	delay	year	result s realiz ed	feasibili ty; reasons if any	t
Stock issuanc e to specific targets	R&D and industrialization of advanced intelligent equipment	R&D	Yes	No	290.00	18.46	79.48	27.41%		No	Yes					
Stock issuanc e to specific targets	Technology reserve funds	Others	Yes	No	150.00	2.00	122.00	81.33%		No	Yes					
Stock issuanc e to specific targets	Replenishment of working capital	Others	Yes	No	84.47	-	84.47	100.00 %		No	Yes					
Issuanc e of CBs	Platform-based advanced intelligent equipment and smart factories	Producti on & construct ion	Yes	No	1,032.9 1	159.29	209.71	20.30%		No	Yes					
Issuanc e of CBs	Lab for advanced metalization technology and equipment for PV cells	R&D	Yes	No	60.00	1.70	1.86	3.09%		No	Yes					
Issuanc e of CBs	R&D and industrialization of optical inspection	R&D	Yes	No	40.00	0.80	0.80	2.01%		No	Yes					

	equipment for advanced semiconductor packaging															
Total	/	/	/	/	1,657.38	182.25	498.32	/	/	/	/	/	/	/	/	

Note: 1. The progress of the R&D and industrialization of the advanced intelligent equipment project is slightly behind schedule, mainly due to:

- (1) TOPCon battery equipment project: The TOPCon technology has undergone rapid progress in recent years. The Company plans to evaluate the addition of new technological modules and equipment products for R&D on top of the original investment plan for TOPCon battery equipment.
- (2) Core semiconductor packaging and testing equipment project: As the semiconductor market enters a new growth cycle, there is emerging demand for related products. The Company plans to explore the application of these products in power devices on top of the original R&D plan. Additionally, the Company intends to further adjust the product performance specifications in the design of the project plan to better align with market conditions and improve the overall project planning.

2. The Company is continuing refining the R&D plans for labs of advanced metalization technology and equipment for PV cells and R&D and industrialization of optical inspection equipment for advanced semiconductor packaging. The Company plans to increase investment gradually as the projects advance.

2. Breakdown of the use of funds raised above the quota

Applicable N/A

(iii) Changes or termination of projects invested by raised funds during the reporting period

Applicable N/A

(iv) Other uses of raised funds during the reporting period

1. Advance investment in funded projects, and replacement of such investment

Applicable N/A

2. Temporary replenishment of working capital with idle raised funds

Applicable N/A

On March 25, 2024, at the 50th meeting of the third Board of Directors and the 44th meeting of the third Board of Supervisors, the Company reviewed and approved the Proposal on Using a Portion of Idle Raised Funds to Temporarily Replenish Working Capital. The boards agreed to use up to RMB600 million of idle raised funds to temporarily replenish working capital, solely for production and operations related to the Company's main business. The term is no more than nine months from the date of the Board of Directors' approval. As of June 30, 2024, RMB200 million of the idle raised funds had been used to replenish working capital.

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

Applicable N/A

Unit: million Yuan, Currency: RMB

Date of review by Board of Directors	Effective amount of raised funds approved for cash management	Beginning date	End date	Balance of cash management amount at the period end	Balance exceeding the approved quota during the reporting period
November 8, 2023	13	November 8, 2023	November 7, 2024	220	No

On November 8, 2023, the Company held its fourth extraordinary shareholders' general meeting of 2023, and approved the proposal on the Cash Management Using Idle Raised Funds. The Company is authorized to use up to RMB1.3 billion of temporarily idle raised funds for cash management, provided that this does not affect the normal progress of the original investment plans. The funds are to be invested in low-risk products that meet principal protection requirements and offer good liquidity, including but not limited to principal-protected financial products, structured deposits, negotiated certificates of deposit, time deposits, and call deposits. The term is 12 months from the date of the approval of the shareholders' general meeting. Within the approved amount and term, funds can be reused. For detailed information, please refer to the Company's announcement titled *Announcement on Cash Management Using Temporarily Idle Raised Funds* (Announcement No.: 2023-103) disclosed on October 20, 2023 on the Shanghai Stock Exchange website (www.sse.com.cn) and other designated media.

As of June 30, 2024, the Company had RMB220 million of idle raised funds invested in financial products that have not yet matured.

1. Others

Applicable N/A

XIII. Other Significant Events

Applicable N/A

Section VII Changes in Shares and Particulars of Shareholders

I. Changes in Equity

(i) An overview of changes in shares

1. Statement of changes in shares

Unit: Share

	Before		Increase/decrease in the reporting period (+/-)					After	
	Shares	(%)	New issues	Bonus shares	Conversion from capital reserve	Others	Subtotal	Shares	(%)
I. Restricted shares	115,616,780	51.43	0	0	6,912,090	-98,336,555	-91,424,465	24,192,315	7.69
1. State-owned shares	0	0	0	0	0			0	0
2. Shares held by state-owned entities	0	0	0	0	0			0	0
3. Shares held by other domestic investors	115,616,780	51.43	0	0	6,912,090	-98,336,555	-91,424,465	24,192,315	7.69
Including shares held by domestic non-state-owned corporations	14,128,800	6.28	0	0	0	-14,128,800	-14,128,800	0	0
Shares held by domestic natural persons	101,487,980	45.14	0	0	6,912,090	-84,207,755	-77,295,665	24,192,315	7.69
4. Shares held by foreign investors	0	0	0	0	0	0	0	0	0
Including shares held by foreign legal persons	0	0					0	0	0
Shares held by foreign natural persons	0	0					0	0	0
II. Non-restricted shares	109,194,460	48.57	584,290	0	82,925,936	97,536,089	181,046,315	290,240,775	92.31
1. RMB-denominated ordinary shares	109,194,460	48.57	584,290	0	82,925,936	97,536,089	181,046,315	290,240,775	92.31
2. Domestically listed foreign shares	0	0	0	0	0	0	0	0	0
3. Overseas listed foreign shares	0	0	0	0	0	0	0	0	0
4. Others	0	0	0	0			0	0	0
III. Total number of shares	224,811,240	100	584,290	0	89,838,026	-800,466	89,621,850	314,433,090	100

2. Reasons for changes in shares

√ Applicable □ N/A

1. On January 5, 2024, the Company issued the *ATW Announcement on the Results of the Second Vesting Period of the Reserved Grant of the 2021 Restricted Stock Incentive Plan, the First Vesting Period of the Reserved Grant of the 2022 Restricted Stock Plan, and the Listing of Shares* (Announcement No.: 2024-003). Following this vesting, the number of the Company's total share capital increased from 224,811,240 to 224,892,432.

2. On March 15, 2024, the Company issued the *ATW Announcement on the Repurchase and Cancellation of Shares and Changes in Share Capital* (Announcement No.: 2024-024). After the completion of this repurchase and cancellation, the number of the Company's total share capital decreased from 224,892,432 to 224,092,126.

3. On April 3, 2024, the Company issued the *Announcement on the Results of Convertible Bond Conversion and Changes in Share Capital* (Announcement No.: 2024-042). After the conversion of convertible bonds, the number of the Company's total share capital increased from 224,092,126 to 224,092,158.

4. On April 20, 2024, the Company issued the *ATW Announcement on the Results of the Second Vesting Period of the Initial Grant of the 2022 Restricted Stock Incentive Plan and the Listing of Shares* (Announcement No.: 2024-046). Following this vesting, the number of the Company's total share capital increased from 224,092,158 to 224,595,064.

5. On May 14, 2024, the Company issued the *Announcement on the Implementation of the 2023 Annual Equity Distribution* (Announcement No.: 2024-054). The new unrestricted tradable shares were listed on May 20, 2024. After this equity distribution, the number of the Company's total share capital increased from 224,595,064 to 314,433,090.

3. Impacts (if applicable) of changes in shares on earnings per share, net assets per share of the Company, and other financial indicators between the end of the reporting period and the disclosure date of the interim report

Applicable N/A

4. Other information disclosure deemed necessary by the Company or required by securities regulatory authorities

Applicable N/A

(ii) Changes in restricted shares

Applicable N/A

Unit: Share

Name of shareholders	Balance of restricted shares at the period beginning	Restricted shares relieved in reporting period	Increase of restricted shares in reporting period	Balance of restricted shares at the period end	Reasons for lock-up	Date of relieve
Ge Zhiyong	60,566,841	44,367,902	6,479,576	22,678,515	Issuance of shares to specific individuals with restrictions and capitalization of reserves	September 1, 2025
Li Wen	39,839,853	39,839,853	0	0	-	
Wuxi Aochuang Investment LLP	9,461,250	9,461,250	0	0	-	
Wuxi Aoli Investment LLP	4,667,550	4,667,550	0	0	-	
Targets of	1,081,286	0	432,514	1,513,800	Equity	August 29,

2023 equity incentive plan					incentives with lock-up restrictions and capitalization of reserves	2024 August 29, 2025 August 29, 2026
Total	115,616,780	98,336,555	6,912,090	24,192,315	/	/

II. Shareholders

(i) Total number of shareholders

Total number of ordinary shareholders at the period end	13,479
Total number of preferred shareholders with restored voting rights at the period end	0
Total number of shareholders holding shares with special voting rights at the period end	0

Number of depositary receipt holders

Applicable N/A

(ii) Table of the top ten shareholders and top ten shareholders with unrestricted shares at the period end

Top ten shareholders that hold shares through both regular securities accounts and margin trading accounts

Applicable N/A

Unit: Share

Holdings of the top ten shareholders (excluding shares lent through securities financing transactions)								
Name of shareholders (full name)	Increase or decrease of shares during the reporting period	Holding at the period end	Shareholding ratio	Number of restricted shares	Number of shares lent	Shares pledged, marked or frozen		Type of shareholders
						Status	Number	
Ge Zhiyong	24,376,812	85,318,840	27.13	22,678,515	0	No	0	Domestic natural persons
Li Wen	15,964,921	55,877,225	17.77	0	0	No	0	Domestic natural persons
Wuxi Aochuang Investment LLP	3,784,500	13,245,750	4.21	0	0	No	0	Others
Zhu Xionghui	2,038,388	7,187,558	2.29	0	0	No	0	Domestic natural persons
Hong Kong Securities Clearing Company Limited	2,853,927	6,562,705	2.09	0	0	No	0	Others
Wuxi Aoli	1,867,020	6,534,570	2.08	0	0	No	0	Others

Investment LLP								
China Merchants Bank Co., Ltd. – Foresight Growth Value Hybrid Securities Investment Fund	2,729,579	5,460,213	1.74	0	0	No	0	Others
China Construction Bank Corporation – E Fund Innovation-Driven Flexible Allocation Hybrid Securities Investment Fund	557,188	3,133,025	1.00	0	0	No	0	Others
Tianjin Huaren Investment Management Co., Ltd. – Huaren Huacheng No. 2 Private Securities Investment Fund	747,481	2,616,183	0.83	0	0	No	0	Others
Agricultural Bank of China Limited – CSI 500 Exchange-Traded Open-Ended Index Securities Investment Fund	1,206,541	1,730,421	0.55	0	0	No	0	Others
Holdings of the top ten shareholders with unrestricted shares (excluding shares lent through securities financing transactions)								
Name of shareholders				Number of		Type and number of shares		

	unrestricted shares held	Type	Number
Ge Zhiyong	62,640,325	Renminbi ordinary shares	62,640,325
Li Wen	55,877,225	Renminbi ordinary shares	55,877,225
Wuxi Aochuang Investment LLP	13,245,750	Renminbi ordinary shares	13,245,750
Zhu Xionghui	7,187,558	Renminbi ordinary shares	7,187,558
Hong Kong Securities Clearing Company Limited	6,562,705	Renminbi ordinary shares	6,562,705
Wuxi Aoli Investment LLP	6,534,570	Renminbi ordinary shares	6,534,570
China Merchants Bank Co., Ltd. – Foresight Growth Value Hybrid Securities Investment Fund	5,460,213	Renminbi ordinary shares	5,460,213
China Construction Bank Corporation – E Fund Innovation-Driven Flexible Allocation Hybrid Securities Investment Fund	3,133,025	Renminbi ordinary shares	3,133,025
Tianjin Huaren Investment Management Co., Ltd. – Huaren Huacheng No. 2 Private Securities Investment Fund	2,616,183	Renminbi ordinary shares	2,616,183
Agricultural Bank of China Limited – CSI 500 Exchange-Traded Open-End Index Securities Investment Fund	1,730,421	Renminbi ordinary shares	1,730,421
Dedicated accounts for share buyback among top 10 shareholders	N/A		
Explain if any of the shareholders above are involved in entrusting/being entrusted with voting rights or waiving voting rights	N/A		
Related parties or parties acting in concert among the shareholders above	Ge Zhiyong and Li Wen are parties acting in concert. Ge Zhiyong is the general partner and executive managing partner of Wuxi Aochuang and Wuxi Aoli. Apart from these, the Company is unaware of any related party relationships among the aforementioned shareholders, or whether the aforementioned shareholders are acting in concert as defined by China's measures for the administration of the acquisition of listed companies.		
Preferred shareholders with restored voting rights, and their shareholding volume	N/A		

Securities lending through securities financing transactions by shareholders holding 5% or more, top 10 shareholders, and top 10 shareholders of tradable shares

Applicable N/A

Changes in the top 10 shareholders and top 10 shareholders of tradable shares compared with the previous period due to securities lending through financing transactions or return of lent securities

Applicable N/A

Top 10 shareholders with restricted shares, the number of shares held, and lock-up conditions

Applicable N/A

Unit: Share

No.	Name of shareholders with restricted shares	Number of restricted shares	Trading status of restricted shares		Lock-up conditions
			Trading eligibility date	Number of shares eligible for trading	

1	Ge Zhiyong	22,678,515	September 1, 2025	0	36 months from the completion of the private placement
Related parties or parties acting in concert		Ge Zhiyong and Li Wen are parties acting in concert. Ge Zhiyong is the general partner and executive managing partner of Wuxi Aochuang and Wuxi Aoli.			

Table of the top ten domestic depository receipt holders at the period end

Applicable N/A

Securities lending through securities financing transactions by holders of 5% or more depository receipts, top 10 depository receipt holders, and top 10 holders of tradable depository receipts

Applicable N/A

Changes in the top 10 holders of depository receipts and top 10 holders of tradable depository receipts compared with the previous period due to securities lending or return through securities financing transactions

Applicable N/A

Top 10 holders with restricted depository receipts, the number of depository receipts held, and lock-up conditions

Applicable N/A

(iii) Top ten shareholders by voting rights at the period end

Applicable N/A

(iv) Strategic investors or general legal entities becoming top ten shareholders due to new shares/depository receipts

Applicable N/A

III. Board of Directors, Supervisors, Senior Management and Core Technical Personnel**(i) Changes in shareholding of current and former directors, supervisors, senior management, and core technical personnel during the reporting period**

Applicable N/A

Unit: Share

Name	Position	Shares held at the period beginning	Shares held at the period end	Changes in number of shares during the period	Reasons for the change
Ge Zhiyong	Chairman and general manager	60,942,028	85,318,840	24,376,812	Capitalized capital reserves
Li Wen	Director and deputy general manager	39,912,304	55,877,225	15,964,921	Capitalized capital reserves
Yin Zhe	Director and financial director	17,219	37,352	20,133	Capitalized capital reserves / vesting of Type II restricted shares
Zhou Yongxiu	Director and Secretary of the Board of Directors	25,194	48,517	23,323	Capitalized capital reserves / vesting of Type II restricted shares
Liu Shiting	Director	10,911	19,691	8,780	Capitalized capital reserves / vesting of Type II restricted shares

Jia Yinghua	Director	0	0	0	N/A
Sun Xinwei	Independent director	0	0	0	N/A
Bo Yuming	Independent director	0	0	0	N/A
Yang Jianhong	Independent director	0	0	0	N/A
Liu Hantang	Deputy general manager	17,219	37,352	20,133	Capitalized capital reserves / vesting of Type II restricted shares
Chen Xia	Chairman of Board of Supervisors	0	0	0	N/A
Lv Jie	Supervisor	0	0	0	N/A
Xu Zhongqiu	Supervisor	0	0	0	N/A
Ji Binbin	Core technical personnel	11,201	20,097	8,896	Capitalized capital reserves / vesting of Type II restricted shares
Liu Wei	Core technical personnel	6,497	10,065	3,568	Capitalized capital reserves / vesting of Type II restricted shares / secondary market trading
Ma Hongwei	Core technical personnel	6,207	9,939	3,732	Capitalized capital reserves / vesting of Type II restricted shares / secondary market trading
Zhu Youwei	Core technical personnel	6,207	11,339	5,132	Capitalized capital reserves / vesting of Type II restricted shares
Jiang Xuan	Core technical personnel	1,160	5,717	4,557	Capitalized capital reserves / vesting of Type II restricted shares / secondary market trading
Xie Zhijun	Core technical personnel	3,342	2,030	-1,312	Capitalized capital reserves / vesting of Type II restricted shares / secondary market trading
Tang Zhaoji	Core technical personnel	5,797	9,505	3,708	Capitalized capital reserves / vesting of Type II restricted shares / secondary market trading
Yin Qinghui	Core technical personnel	10,476	19,082	8,606	Capitalized capital reserves / vesting of Type II restricted shares
Wang Mei	Core technical personnel	6,371	11,392	5,021	Capitalized capital reserves / vesting of Type II restricted shares
Jiang Weiguang	Core technical personnel	6,371	11,392	5,021	Capitalized capital reserves / vesting of Type II restricted shares
Jiang Xiaolong	Core technical personnel	5,108	8,814	3,706	Capitalized capital reserves / vesting of Type II restricted shares / secondary market trading

Other disclosures

□ Applicable ✓ N/A

(ii) Equity incentives granted to directors, supervisors, senior management, and core technical personnel during the reporting period

1. Stock options

Applicable N/A

2. Type I restricted shares

Applicable N/A

3. Type II restricted shares

Applicable N/A

(iii) Other remarks

Applicable N/A

IV. Changes of Controlling Shareholders or Actual Controllers

Applicable N/A

V. Implementation and Changes in Depositary Receipt Arrangements During the Reporting Period

Applicable N/A

VI. Shares with Special Voting Rights

Applicable N/A

Section VIII Preferred Shares

Applicable N/A

Section IX Bonds

I. Corporate Bonds (Including Enterprise Bonds) and Non-financial Corporate Debt Financing Instruments

Applicable N/A

II. Convertible Bonds

Applicable N/A

(i) Issuance of convertible bonds

On July 22, 2023, the Company released an announcement to request approval from the CSRC for the issuance of convertible bonds to unspecific investors, and then received the approval from the CSRC, which was disclosed in another announcement – CSRC Approval No. [2023] 1523.

On August 10, 2023, the Company released the *Indicative Announcement on the Issuance of Convertible Bonds to Unspecific Investors by Wuxi Autowell Technology Co., Ltd.* On August 10, 2023, the Company issued 11.4 million convertible bonds to unspecific investors, with a nominal value of RMB100 per bond and totaling RMB1.14 billion. After the approval was granted in the self-disciplinary decision document from the SSE [2023] No. 196, the Company's convertible bonds, totaling RMB1.14 billion were listed for trading on the SSE starting September 1, 2023, under the bond name "Autowell Convertible Bond" and bond code "118042".

(ii) Holders and guarantors of convertible bonds during the reporting period

Name of convertible bonds	Autowell Convertible Bond	
Number of CB holders at the period end	8,972	
Guarantors of CBs	N/A	
Significant changes in the guarantor's profitability, assets, and credit conditions	N/A	
Top ten CB holders		
CB holders	Bonds held at the period end (Yuan)	Ratio (%)
Ge Zhiyong	161,473,000	14.16
Li Wen	112,223,000	9.84
Northwest Investment Management (HK) Limited – Northwest Feilong Fund Limited	54,912,000	4.82
Wuxi Aochuang Investment LLP	48,278,000	4.24
China Minsheng Bank Co., Ltd. – Essence Stable Growth Flexible Allocation Hybrid Securities Investment Fund	40,202,000	3.53
UBSAG	36,776,000	3.23
DKMSFPI (Cayman) Ltd. – QFII	34,821,000	3.05
China Construction Bank Corporation – E Fund Double Bond Enhanced Bond Securities Investment Fund	33,244,000	2.92
Agricultural Bank of China Limited – Penghua Convertible Bond Securities Investment Fund	31,205,000	2.74
Huaneng Guicheng Trust Co., Ltd. – Huaneng Trust Xiyuan Yuexiang No.1 Collective Investment Trust Plan	25,999,000	2.28

(iii) Changes in convertible bonds during the reporting period

Unit: Yuan, Currency: RMB

Name of CBs	Before the change	Changes			After the change
		Conversion	Redemption	Repurchase	
Autowell Convertible Bond	1,140,000,000	24,000	0	0	1,139,976,000

(iv) Cumulative conversion of CBs during the reporting period

Names of CBs	Autowell Convertible Bond
Value of bonds converted during the reporting period (RMB)	24,000
Number of shares converted during the reporting period	269
Cumulative number of shares converted	269
Cumulative conversion as a percentage of the total number of shares issued before the conversion (%)	0.000085%
Unconverted amount (RMB)	1,139,976,000
Unconverted CBs as a percentage of total issuance (%)	99.997895

(v) Adjustments in conversion prices

Unit: Yuan, Currency: RMB

Names of CBs		Autowell Convertible Bond		
Date	Adjusted conversion price	Disclosure date	Disclosure media	Explanation
November 2, 2023	180.74	November 2, 2023	http://www.sse.com.cn	On October 31, 2023, the Company completed the registration of shares for the second vesting period of the initial grant under the 2021 Restricted Stock Incentive Plan and the first vesting period of the second reserved grant. This led to an increase in the Company's total share capital from 154,827,261 to 155,045,493. Starting from November 2, 2023, the conversion price was adjusted from RMB180.90 per share to RMB180.74 per share.
November 17, 2023	124.65	November 17, 2023	http://www.sse.com.cn	The Company's plan for converting capital reserve into shares in the first half of 2023 is as follows. Based on the total share capital recorded on the equity distribution registration date and excluding shares held in the repurchase special account, the Company plans to increase its capital by 4.5 shares for every 10 shares held by all shareholders. The equity registration date for the distribution is November 16, 2023, and the ex-rights and ex-dividend date is November 17, 2023. Due to this capital increase involving differentiated allotment, the proportion of change in circulating shares is calculated as 0.44997 after adjusting for the total share capital dilution. Starting from November 17, 2023, the conversion price was adjusted from RMB180.74 per share to RMB124.65 per share.
January 9, 2024	124.62	January 9, 2024	http://www.sse.com.cn	As the Company completed the registration of shares for the second vesting period of the first reserved

				grant and the first vesting period of the reserved grant under the 2022 Restricted Stock Plan on January 4, 2024, the Company's share capital increased from 224,811,240 shares to 224,892,432 shares. Starting from January 9, 2024, the conversion price was adjusted from RMB124.65 per share to RMB124.62 per share.
March 19, 2024	124.75	March 16, 2024	http://www.sse.com.cn	The Company changed the usage of the 800,466 shares held in the repurchase special account and canceled them. After this cancellation was completed, the Company's total share capital decreased from 224,892,592 shares to 224,092,126 shares. Starting from March 19, 2024, the conversion price was adjusted from RMB124.62 per share to RMB124.75 per share.
May 20, 2024	87.56	May 14, 2024	http://www.sse.com.cn	As the Company completed the registration of shares for the second vesting period of the initial grant under the 2022 Restricted Stock Incentive Plan on April 18, 2024, the Company's total share capital increased from 224,092,158 shares to 224,595,064 shares. In light of the Company's implementation of the 2023 annual equity distribution plan, the Company capitalized its capital reserves based on the total share capital recorded on the equity distribution record date. Starting from May 20, 2024, the conversion price was adjusted from RMB124.75 per share to RMB87.56 per share.
Latest conversion price as of the reporting period				87.56

(vi) The Company's debts, credit changes, and cash arrangements for future debt repayment

1. Debts

As of the end of the reporting period, the Company's total asset was RMB14,947.29 million, total liability was RMB10,781.85 million, and the debt-to-asset ratio was 72.13%.

2. Changes in credit

Based on a comprehensive analysis and assessment of the Company's operating conditions and related industrial performance, CSCI Pengyuan Credit Rating Limited issued the *2024 Rating Tracking Report for 2023 Wuxi Autowell Technology Co., Ltd. Convertible Bond* (Rating Tracking Report No. [2024] Tracking No. [390] 01) on June 24, 2024. The rating results are as follows. The Company's credit rating was AA-, with a stable outlook. The rating for the Autowell Convertible Bonds was also AA-. There was no change in the rating results compared with the previous assessment.

3. Cash arrangements for future debt repayment

In the future, the funds for repaying the principal and interest of these convertible bonds will mainly come from the cash flows generated by the Company's operating activities. Currently, the company is operating normally with a relatively reasonable asset structure, and faces low financial pressure overall with no repayment risk.

(vii) Other disclosure for the convertible bonds

On May 28, 2024, the Company released the *Announcement of Wuxi Autowell Technology Co., Ltd. Regarding Not Lowering the Conversion Price of Autowell Convertible Bonds*. As of May 27, 2024, the Company's stock price had triggered the downward adjustment clause for the conversion price of the "Autowell Convertible Bonds". After deliberation by the Company's third Board of Directors at its 53rd meeting, the board decided not to lower the conversion price of the "Autowell Convertible Bonds" at this time. Additionally, within the next six months (from the date of this announcement until November 27, 2024), if the conditions for a downward adjustment of the conversion price are met again, no adjustment proposal will be made.

Section X Financial Report

I. Audit Report

Applicable N/A

II. Financial Statements

Consolidated Balance Sheet

June 30, 2024

Prepared by 无锡奥特维科技股份有限公司

Unit: Yuan, Currency: RMB

Item	Note	June 30, 2024	December 31, 2023
Current assets:			
Cash and cash equivalents	VII.1	1,986,152,007.20	1,831,908,759.02
Settlement provisions			
Placements with banks and other financial institutions			
Trading financial assets	VII.2	220,055,388.89	1,013,130,849.65
Derivative financial assets			
Notes receivable			
Accounts receivable	VII.5	2,197,025,477.43	1,591,755,715.37
Accounts receivable financing	VII.7	593,758,687.62	1,399,734,854.14
Advances to suppliers	VII.8	168,103,926.36	148,511,350.80
Premium receivable			
Reinsurance receivable			
Reserves receivable under reinsurance contracts			
Other receivables	VII.9	49,474,649.42	66,611,598.53
Of which: Interest receivable			
Dividends receivable			
Financial assets under resale agreements			
Inventories	VII.10	7,340,248,121.92	7,629,583,282.50
Of which: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	VII.13	118,975,380.81	78,299,342.53
Total current assets		12,673,793,639.65	13,759,535,752.54
Non-current assets:			
Issuing of loans and advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	VII.17	3,336,396.44	3,340,670.41
Other equity investments			
Other non-current financial assets	VII.19	161,131,813.17	185,271,024.08
Investment property			

Fixed assets	VII.21	915,271,218.04	942,742,926.56
Construction in progress	VII.22	593,113,483.75	152,486,136.51
Productive biological assets			
Oil and gas assets			
Right-of-use assets	VII.25	98,971,710.54	111,527,510.58
Intangible assets	VII.26	179,488,910.12	183,348,881.80
Of which: Data resources			
Development expenditure			
Of which: Data resources			
Goodwill	VII.27	63,617,712.01	63,617,712.01
Long-term deferred expenses	VII.28	70,240,619.89	65,333,228.01
Deferred income tax assets	VII.29	137,826,831.79	109,367,225.11
Other non-current assets	VII.30	50,495,893.14	40,915,377.17
Total non-current assets		2,273,494,588.89	1,857,950,692.24
Total assets		14,947,288,228.54	15,617,486,444.78
Current liabilities:			
Short-term borrowings	VII.32	664,740,197.66	519,737,547.82
Borrowings from the central bank			
Placements from banks and other financial institutions			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable	VII.35	1,636,788,317.21	2,333,742,472.90
Accounts payable	VII.36	3,235,214,998.79	3,243,847,123.75
Advances from customers			
Contract liabilities	VII.38	3,261,471,207.28	3,906,972,602.22
Financial assets sold under repurchase agreements			
Due to customers and banks			
Customer brokerage deposits			
Securities underwriting brokerage deposits			
Employee benefits payable	VII.39	140,291,789.18	184,008,109.90
Taxes payable	VII.40	144,798,157.22	155,412,912.46
Other payables	VII.41	91,318,741.58	116,701,241.64
Of which: Interest payable			
Dividends payable		2,300,000.00	
Fees and commissions payable			
Reinsurance payables			
Liabilities held for sale			
Non-current liabilities due within one year	VII.43	129,549,089.73	145,205,892.87
Other current liabilities		8,569,188.87	4,333,632.85
Total current liabilities		9,312,741,687.52	10,609,961,536.41
Non-current liabilities:			
Insurance contract reserves			
Long-term borrowings	VII.45	319,027,747.75	141,007,258.34
Bonds payable	VII.46	998,084,628.12	969,066,247.00
Of which: Preferred shares			
Perpetual bonds			
Lease liabilities	VII.47	47,729,397.47	55,020,903.15

Long-term payables			
Long-term employee benefits payable			
Provisions	VII.50	32,355,137.07	20,642,029.65
Deferred income	VII.51	1,728,852.96	1,974,389.69
Deferred income tax liabilities	VII.29	70,179,374.41	75,825,231.59
Other non-current liabilities			
Total non-current liabilities		1,469,105,137.78	1,263,536,059.42
Total liabilities		10,781,846,825.30	11,873,497,595.83
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII.53	314,433,090.00	224,811,240.00
Other equity instruments	VII.54	155,721,138.64	155,724,995.61
Of which: Preferred shares			
Perpetual bonds			
Capital reserves	VII.55	1,307,482,433.37	1,408,941,067.90
Less: Treasury shares	VII.56	74,571,400.00	143,163,605.08
Other comprehensive income	VII.57	-1,442,470.28	401,818.53
Special reserves	VII.58	12,858,441.36	8,543,300.96
Surplus reserves	VII.59	157,216,545.00	112,405,620.00
Provisions for general risks			
Undistributed profits	VII.60	2,172,580,158.71	1,896,492,333.37
Total equity attributable to equity holders of the parent company (or shareholders' equity attributable to the parent company)		4,044,277,936.80	3,664,156,771.29
Non-controlling interests		121,163,466.44	79,832,077.66
Total owners' equity (or shareholders' equity)		4,165,441,403.24	3,743,988,848.95
Total liabilities and owners' equity (or shareholders' equity)		14,947,288,228.54	15,617,486,444.78

Company representative: 葛志勇
department: 李锴

Chief accountant: 殷哲

Head of the accounting

Balance Sheet of the Parent Company

June 30, 2024

Prepared by 无锡奥特维科技股份有限公司

Unit: Yuan, Currency: RMB

Item	Note	June 30, 2024	December 31, 2023
Current assets:			
Cash and cash equivalents		1,231,141,661.71	985,319,543.87
Trading financial assets		220,055,388.89	1,001,099,444.44
Derivative financial assets			
Notes receivable			
Accounts receivable	XIX.1	1,595,643,642.63	1,184,707,353.14
Accounts receivable financing		355,600,402.08	835,453,200.46
Advances to suppliers		55,441,374.74	27,245,799.70
Other receivables	XIX.2	1,503,138,972.94	1,169,349,500.49

Of which: Interest receivable			
Dividends receivable			
Inventories		3,008,607,384.30	3,845,809,410.02
Of which: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		1,269,854.05	
Total current assets		7,970,898,681.34	9,048,984,252.12
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	XIX.3	590,082,131.95	523,401,796.42
Other equity investments			
Other non-current financial assets		161,131,813.17	185,271,024.08
Investment property			
Fixed assets		807,174,727.85	827,915,209.08
Construction in progress		587,492,228.86	146,864,008.79
Productive biological assets			
Oil and gas assets			
Right-of-use assets		51,760,450.72	64,564,617.48
Intangible assets		129,443,656.48	131,385,467.65
Of which: Data resources			
Development expenditure			
Of which: Data resources			
Goodwill			
Long-term deferred expenses		31,645,833.15	27,308,498.16
Deferred income tax assets		54,832,616.02	48,399,593.58
Other non-current assets		25,930,014.79	27,438,193.77
Total non-current assets		2,439,493,472.99	1,982,548,409.01
Total assets		10,410,392,154.33	11,031,532,661.13
Current liabilities:			
Short-term borrowings		378,149,483.57	312,851,615.95
Trading financial liabilities			
Derivative financial liabilities			
Notes payable		960,588,488.48	1,409,662,258.54
Accounts payable		1,456,826,750.56	1,733,125,929.44
Advances from customers			
Contract liabilities		1,512,764,123.29	1,992,068,329.33
Employee benefits payable		81,146,668.28	110,988,159.37
Taxes payable		118,886,284.90	135,719,986.12
Other payables		124,160,897.95	119,030,837.35
Of which: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		86,912,619.87	113,839,333.42
Other current liabilities			
Total current liabilities		4,719,435,316.90	5,927,286,449.52
Non-current liabilities:			

Long-term borrowings		319,027,747.75	141,007,258.34
Bonds payable		998,084,628.12	969,066,247.00
Of which: Preferred shares			
Perpetual bonds			
Lease liabilities		29,881,843.03	33,555,099.76
Long-term payables			
Long-term employee benefits payable			
Provisions		22,286,981.29	15,405,188.20
Deferred income		635,840.46	881,377.19
Deferred income tax liabilities		53,387,900.75	61,234,880.67
Other non-current liabilities			
Total non-current liabilities		1,423,304,941.40	1,221,150,051.16
Total liabilities		6,142,740,258.30	7,148,436,500.68
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		314,433,090.00	224,811,240.00
Other equity instruments		155,721,138.64	155,724,995.61
Of which: Preferred shares			
Perpetual bonds			
Capital reserves		1,263,854,468.61	1,365,266,540.25
Less: Treasury shares		74,571,400.00	143,163,605.08
Other comprehensive income			
Special reserves		8,332,298.36	5,835,898.59
Surplus reserves		157,216,545.00	112,405,620.00
Undistributed profits		2,442,665,755.42	2,162,215,471.08
Total owners' equity (or shareholders' equity)		4,267,651,896.03	3,883,096,160.45
Total liabilities and owners' equity (or shareholders' equity)		10,410,392,154.33	11,031,532,661.13

Company representative: 葛志勇
department: 李锴

Chief accountant: 殷哲

Head of the accounting

Consolidated Income Statement

January–June 2024

Unit: Yuan, Currency: RMB

Item	Note	Semi-Annual 2024	Semi-Annual 2023
I. Total operating income		4,417,698,117.26	2,517,486,369.86
Of which: Operating income	VII.61	4,417,698,117.26	2,517,486,369.86
Interest income			
Earned premiums			
Income from fees and commissions			
II. Total operating costs		3,381,419,367.38	1,955,254,543.88
Of which: Operating costs	VII.61	2,924,028,824.33	1,595,013,807.86
Interest expenditure			
Expenditure of fees and commissions			
Refunded premiums			
Net claims paid			

Net provision for insurance liability reserves			
Policyholder dividends paid			
Reinsurance expenses			
Taxes and surcharges	VII.62	30,677,330.25	31,036,940.01
Selling expenses	VII.63	78,521,303.44	84,452,859.24
Administrative expenses	VII.64	157,714,200.42	109,488,543.37
R&D expenses	VII.65	178,114,245.75	130,002,217.29
Financial expenses	VII.66	12,363,463.19	5,260,176.11
Of which: Interest expenses		22,306,651.86	10,825,832.63
Interest income		6,806,134.18	3,442,183.96
Add: Other income	VII.67	97,792,783.11	72,288,115.01
Investment income (losses indicated by “-”)	VII.68	4,604,756.63	10,261,424.43
Of which: Share of profits of associates and joint ventures			
Gains on derecognition of financial assets measured at amortized cost (losses indicated by “-”)			
Foreign exchange gains (losses indicated by “-”)			
Net hedging gains (losses indicated by “-”)			
Gains on fair value changes (losses indicated by “-”)	VII.70	-24,009,988.68	3,541,871.52
Credit impairment losses (losses indicated by “-”)	VII.72	-79,917,190.37	-19,165,340.18
Asset impairment losses (losses indicated by “-”)	VII.73	-86,934,706.66	-26,919,530.72
Gains on disposal of assets (losses indicated by “-”)	VII.71	-154,897.44	
III. Operating profit (losses indicated by “-”)		947,659,506.47	602,238,366.04
Add: Non-operating income	VII.74	795,790.15	795,498.02
Less: Non-operating expenditure	VII.75	1,187,306.29	7,853,480.51
IV. Total profit (total loss indicated by “-”)		947,267,990.33	595,180,383.55
Less: Income tax expenses	VII.76	143,679,306.72	80,142,101.93
V. Net profit (net loss indicated by “-”)		803,588,683.61	515,038,281.62
(i) Classified by continuity of operations			
1. Net profit from continuing operations (net loss indicated by “-”)		803,588,683.61	515,038,281.62
2. Net profit from discontinued operations (net loss indicated by “-”)			
(ii) Classified by ownership			
1. Net profit attributable to shareholders of the parent company (net loss indicated by “-”)		769,082,688.50	522,523,778.99
2. Profit or loss attributable to non-controlling interests (net loss indicated by “-”)		34,505,995.11	-7,485,497.37
VI. Other comprehensive income, net of tax			

(i) Other comprehensive income attributable to equity holders of the parent company, net of tax	VII.57	1,442,470.28	
1. Other comprehensive income that cannot be reclassified to profit or loss			
(1) Changes in remeasurements of defined benefit plans			
(2) Other comprehensive income under equity method that cannot be reclassified to profit or loss			
(3) Changes in fair value of other equity investments			
(4) Changes in fair value due to own credit risk			
2. Other comprehensive income that will be reclassified to profit or loss		1,442,470.28	
(1) Other comprehensive income under the equity method that can be reclassified to profit or loss			
(2) Changes in fair value of other debt investments			
(3) Amounts recorded under other comprehensive income due to reclassification of financial assets			
(4) Provision for credit impairment of other debt investments			
(5) Cash flow hedge reserves			
(6) Foreign currency translation differences		1,442,470.28	
(7) Others			
(ii) Other comprehensive income attributable to non-controlling interests, net of tax			
VII. Total comprehensive income		805,031,153.89	515,038,281.62
(i) Total comprehensive income attributable to equity holders of the parent company		770,525,158.79	522,523,778.99
(ii) Total comprehensive income attributable to non-controlling interests		34,505,995.10	-7,485,497.37
VIII. Earnings per share:			
(i) Basic earnings per share (Yuan/share)		2.45	1.66
(ii) Diluted earnings per share(Yuan/share)		2.35	1.66

Earnings per share for the half year of 2023 represents the amount recalculated on the basis of the company's share capital as at the end of the current period.

In the current period, a business combination under common control occurred, and the net profit realized by the acquiree before the combination was RMB0, and the net profit realized by it in the previous period was RMB0.

Company representative: 葛志勇
department: 李锴

Chief accountant: 殷哲

Head of the accounting

Income Statement of the Parent Company

January–June 2024

Unit: Yuan, Currency: RMB

Item	Note	Semi-Annual 2024	Semi-Annual 2023
I. Operating income	XIX.4	3,328,114,043.88	2,060,728,910.40
Less: Operating costs	XIX.4	2,136,182,672.72	1,254,386,022.42
Taxes and surcharges		21,349,151.57	26,717,715.20
Selling expenses		47,489,784.02	64,541,861.72
Administrative expenses		105,562,114.85	83,443,196.06
R&D expenses		75,172,832.83	64,449,609.72
Financial expenses		-8,397,017.21	4,935,616.67
Of which: Interest expenses		15,437,179.12	6,718,438.07
Interest income		24,663,324.81	2,431,692.32
Add: Other income		62,338,112.53	63,815,554.10
Investment income (losses indicated by “-”)	XIX.5	4,285,536.94	6,515,476.86
Of which: Share of profits of associates and joint ventures			
Gains on derecognition of financial assets measured at amortized cost (losses indicated by “-”)			
Net hedging gains (losses indicated by “-”)			
Gains on fair value changes (losses indicated by “-”)		-24,009,988.68	3,339,129.85
Credit impairment losses (losses indicated by “-”)		-66,046,037.65	-14,908,995.79
Asset impairment losses (losses indicated by “-”)		-23,362,220.03	-3,599,671.02
Gains on disposal of assets (losses indicated by “-”)		-154,897.44	
II. Operating profit (losses indicated by “-”)		903,805,010.77	617,416,382.61
Add: Non-operating income		458,837.20	541,133.40
Less: Non-operating expenditure		1,144,165.09	7,716,498.48
III. Total profit (total loss indicated by “-”)		903,119,682.88	610,241,017.53
Less: Income tax expenses		129,674,535.38	88,945,265.31
IV. Net profit (net loss indicated by “-”)		773,445,147.50	521,295,752.22
(i) Net profit from continuing operations (net loss indicated by “-”)		773,445,147.50	521,295,752.22
(ii) Net profit from discontinued operations (net loss indicated by “-”)			
V. Other comprehensive income, net of tax			
(i) Other comprehensive income that cannot be reclassified to profit or loss			
1. Changes in remeasurements of defined benefit plans			
2. Other comprehensive income under equity method that cannot be reclassified to profit or loss			

3. Changes in fair value of other equity investments			
4. Changes in fair value due to own credit risk			
(ii) Other comprehensive income that will be reclassified to profit or loss			
1. Other comprehensive income under the equity method that can be reclassified to profit or loss			
2. Changes in fair value of other debt investments			
3. Amounts recorded under other comprehensive income due to reclassification of financial assets			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedge reserves			
6. Foreign currency translation differences			
7. Others			
VI. Total comprehensive income		773,445,147.50	521,295,752.22
VII. Earnings per share:			
(i) Basic earnings per share (Yuan/share)			
(ii) Diluted earnings per share(Yuan/share)			

Company representative: 葛志勇
department: 李锴

Chief accountant: 殷哲

Head of the accounting

Consolidated Cash Flow Statement

January–June 2024

Unit: Yuan, Currency: RMB

Item	Note	Semi-Annual 2024	Semi-Annual 2023
I. Cash flows from operating activities:			
Cash received from sales of goods and rendering of services		3,050,053,201.78	2,093,832,526.85
Net increase in customer deposits and deposits from other banks			
Net increase in borrowings from the central bank			
Net increase in placements from other financial institutions			
Cash received from premiums under original insurance contracts			
Net cash received from reinsurance business			
Net increase in policyholder deposits and investments			

Cash received from interest, fees, and commissions			
Net increase in placements from banks and other financial institutions			
Net increase in proceeds from repurchase transactions			
Net cash received from customer brokerage deposits			
Cash received from tax refunds		149,664,652.21	98,071,947.58
Cash received from other operating activities	VII.78	76,996,871.33	56,016,037.53
Subtotal of cash inflows from operating activities		3,276,714,725.32	2,247,920,511.96
Cash paid for purchasing goods and receiving services		2,134,430,902.65	1,090,823,951.94
Net increase in customer loans and advances			
Net increase in deposits with the central bank and other banks			
Cash paid for claims under original insurance contracts			
Net increase in placement with banks and other financial institutions			
Cash paid for interest, fees, and commissions			
Cash paid for policyholder dividends			
Cash paid to and for employees		546,187,396.25	404,057,565.36
Cash paid for taxes		415,227,105.10	322,533,186.29
Cash paid for other operating activities	VII.78	190,580,419.83	161,609,556.26
Subtotal of cash outflows from operating activities		3,286,425,823.83	1,979,024,259.85
Net cash flows from operating activities		-9,711,098.51	268,896,252.11
II. Cash flows from investing activities:			
Cash received from the disposal of investments		2,866,000,000.00	4,261,900,000.00
Cash received from investment income		16,859,229.38	15,233,134.23
Net cash received from disposal of fixed assets, intangible assets, and other long-term assets		6,000.00	33,290.00
Net cash received from the disposal of subsidiaries and other operations			
Cash received from other investing activities	VII.78		9,695,092.03
Subtotal of cash inflows from investing activities		2,882,865,229.38	4,286,861,516.26
Cash paid for acquisition and construction of fixed assets, intangible assets, and other		406,367,781.11	320,862,510.53

long-term assets			
Cash paid for investments		2,100,762,628.16	3,829,640,000.00
Net increase in pledged loans			
Net cash paid for acquiring subsidiaries and other operations			
Cash paid for other investing activities			
Subtotal of cash outflows from investing activities		2,507,130,409.27	4,150,502,510.53
Net cash flows from investing activities		375,734,820.11	136,359,005.73
III. Cash flows from financing activities:			
Cash received from equity investments		7,983,308.00	27,715,382.00
Of which: Cash received by subsidiaries from equity investments by non-controlling shareholders		6,483,308.00	27,715,382.00
Cash received from borrowings		317,976,242.40	119,500,000.00
Cash received from other financing activities	VII.78	25,375,480.36	26,708,085.76
Subtotal of cash inflows from financing activities		351,335,030.76	173,923,467.76
Cash paid for repayment of debts		77,220,000.00	191,200,000.00
Cash paid for dividends, profit distributions, or interest payments		455,240,307.66	251,441,204.44
Of which: Dividends and profits paid by subsidiaries to non-controlling shareholders			
Cash paid for other financing activities	VII.78	34,972,012.68	175,256,352.36
Subtotal of cash outflows from financing activities		567,432,320.34	617,897,556.80
Net cash flows from financing activities		-216,097,289.58	-443,974,089.04
IV. Effects of exchange rate fluctuation on cash and cash equivalents		10,867,322.50	1,134,727.34
V. Net increase in cash and cash equivalents		160,793,754.52	-37,584,103.86
Add: Opening balance of cash and cash equivalents		1,520,761,970.93	597,816,992.50
VI. Closing balance of cash and cash equivalents		1,681,555,725.45	560,232,888.64

Company representative: 葛志勇
department: 李锴

Chief accountant: 殷哲

Head of the accounting

Cash Flows Statement of the Parent Company

January–June 2024

Unit: Yuan, Currency: RMB

Item	Note	Semi-Annual 2024	Semi-Annual 2023
I. Cash flows from operating activities:			

Cash received from sales of goods and rendering of services		2,416,515,866.24	1,552,869,252.19
Cash received from tax refunds		51,117,053.57	60,713,050.02
Cash received from other operating activities		48,425,237.05	81,845,396.67
Subtotal of cash inflows from operating activities		2,516,058,156.86	1,695,427,698.88
Cash paid for purchasing goods and receiving services		1,311,805,982.81	729,314,252.80
Cash paid to and for employees		321,889,379.17	254,275,210.96
Cash paid for taxes		317,393,554.57	300,388,712.12
Cash paid for other operating activities		114,755,520.38	147,738,908.87
Subtotal of cash outflows from operating activities		2,065,844,436.93	1,431,717,084.75
Net cash flows from operating activities		450,213,719.93	263,710,614.13
II. Cash flows from investing activities:			
Cash received from the disposal of investments		2,700,000,000.00	3,838,900,001.00
Cash received from investment income		16,412,264.76	14,268,687.53
Net cash received from disposal of fixed assets, intangible assets, and other long-term assets		5,325.00	29,270.00
Net cash received from the disposal of subsidiaries and other operations			
Cash received from other investing activities		10,000,000.00	66,500,000.00
Subtotal of cash inflows from investing activities		2,726,417,589.76	3,919,697,958.53
Cash paid for acquisition and construction of fixed assets, intangible assets, and other long-term assets		401,575,285.97	310,956,237.17
Cash paid for investments		1,977,466,754.16	3,437,390,000.00
Net cash paid for acquiring subsidiaries and other operations			
Cash paid for other investing activities		256,500,000.00	112,000,000.00
Subtotal of cash outflows from investing activities		2,635,542,040.13	3,860,346,237.17
Net cash flows from investing activities		90,875,549.63	59,351,721.36
III. Cash flows from financing activities:			
Cash received from equity investments			
Cash received from borrowings		216,276,242.40	69,600,000.00
Cash received from other financing activities		25,375,480.36	26,708,084.76

Subtotal of cash inflows from financing activities		241,651,722.76	96,308,084.76
Cash paid for repayment of debts		51,300,000.00	128,200,000.00
Cash paid for dividends, profit distributions, or interest payments		452,076,647.44	249,626,418.57
Cash paid for other financing activities		21,201,753.51	165,062,115.56
Subtotal of cash outflows from financing activities		524,578,400.95	542,888,534.13
Net cash flows from financing activities		-282,926,678.19	-446,580,449.37
IV. Effects of exchange rate fluctuation on cash and cash equivalents		8,817.29	1,085.45
V. Net increase in cash and cash equivalents		258,171,408.66	-123,517,028.43
Add: Opening balance of cash and cash equivalents		820,719,064.27	487,231,217.84
VI. Closing balance of cash and cash equivalents		1,078,890,472.93	363,714,189.41

Company representative: 葛志勇
department: 李锴

Chief accountant: 殷哲

Head of the accounting

Consolidated Statement of Changes in Equity
January–June 2024

Unit: Yuan, Currency: RMB

Item	Semi-Annual 2024													Non-controlling interests	Total owners' equity
	Equity attributable to equity holders of the parent company											Subtotal			
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Provisions for general risks	Undistributed profits		Others		
	Preferred shares	Perpetual bonds	Others												
I. Closing balance of the previous year	224,811,240.00			155,724,995.61	1,408,941,067.90	143,163,605.08	401,818.53	8,543,300.96	112,405,620.00		1,896,492,333.37		3,664,156,771.29	79,832,077.66	3,743,988,848.95
Add: Changes in accounting policies													-		-
Correction of prior period errors													-		-
Others													-		-
II. Opening balance of the current year	224,811,240.00	-	-	155,724,995.61	1,408,941,067.90	143,163,605.08	401,818.53	8,543,300.96	112,405,620.00	-	1,896,492,333.37	-	3,664,156,771.29	79,832,077.66	3,743,988,848.95
III. Amount of changes during the current period (decreases indicated by "-")	89,621.850.00	-	-	-3,856.97	-101,458,634.53	-68,592,205.08	-1,844,288.81	4,315,140.40	44,810,925.00	-	276,087.825.34	-	380,121,165.51	41,331,388.78	421,452,554.29
(i) Total							-1,844,288.8				769,082.68		767,238.3	34,505,995.11	801,744,394.80

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comprehensive income							1				8.50		99.69		
(ii) Capital contributed or withdrawn by owners	584,290.00	-	-	-3,856.97	59,192,562.25	3,021,431.70	-	-	-	-	-	-	56,751,563.58	8,038,925.21	64,790,488.79
1. Ordinary shares contributed by owners	584,098.00				28,850,511.76	3,021,431.70							26,413,178.06	7,983,308.00	34,396,486.06
2. Capital contributed by holders of other equity instruments	192.00			-3,856.97	23,658.81								19,993.84		19,993.84
3. Share-based payments recognized as owners' equity					30,318,391.68								30,318,391.68	2,733,013.34	33,051,405.02
4. Others													-	-2,677,396.13	-2,677,396.13
(iii) Profit distribution	-	-	-	-	-	-	-	-	44,810,925.00	-	-492,994.863.16	-	-448,183,938.16	-2,300,000.00	-450,483,938.16
1. Transfer to surplus reserves									44,810,925.00		-44,810,925.00		-		-
2. Transfer to general risk reserves													-		-
3. Distributions to owners (or shareholders)											-448,183,938.16		-448,183,938.16	-2,300,000.00	-450,483,938.16
4. Others													-		-
(iv) Transfers within equity	89,037,560.00	-	-	-	-160,651,196.78	-71,613,636.78	-	-	-	-	-	-	-	-	-
1. Capital reserves transferred	89,838,026.00				-89,838,026.00								-		-

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to capital (or share capital)																	
2. Surplus reserves transferred to capital (or share capital)														-			-
3. Surplus reserves used to offset losses														-			-
4. Remeasure ments of defined benefit plans transferred to retained earnings														-			-
5. Other comprehen sive income transferred to retained earnings														-			-
6. Others	-800,466 .00				-70,813,170.78	-71,613,636.7 8								-			-
(v) Special reserves	-	-	-	-	-	-	-	4,315,140.40	-	-	-	-	-	4,315,140. 40	1,086,468.46		5,401,608.86
1. Provision in the current period								6,440,251.47						6,440,251. 47	1,086,468.46		7,526,719.93
2. Utilization in the current period								-2,125,111.0 7						-2,125,11 1.07			-2,125,111.07
(vi) Others														-			-
IV. Current closing balance	314,433, 090.00	-	-	155,7 21,13 8.64	1,307,482,433.3 7	74,571,400.00	-1,442,470.2 8	12,858,441.3 6	157,216,545.0 0	-	2,172,580, 158.71	-	4,044,277, 936.80	121,163,466.4 4		4,165,441,403.2 4	

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Item	Semi-Annual 2023													Non-controlling interests	Total owners' equity
	Equity attributable to equity holders of the parent company														
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Other comprehensive income	Surplus reserves	Provisions for general risks	Undistributed profits	Others	Subtotal		
Preferred shares		Perpetual bonds	Others												
I. Closing balance of the previous year	154,470,010.00				1,418,290,574.80			77,235,005.00		921,352,498.22		2,571,348,088.02	17,706,809.80	2,589,054,897.82	
Add: Changes in accounting policies										430,386.33		430,386.33	41,926.81	472,313.14	
Correction of prior period errors															
Others															
II. Opening balance of the current year	154,470,010.00				1,418,290,574.80			77,235,005.00		921,782,884.55		2,571,778,474.35	17,748,736.61	2,589,527,210.96	
III. Amount of changes during the current period (decreases indicated by "-")	357,251.00				62,755,950.29	149,845,276.54	4,188,034.01	178,625.50		276,401,539.73		194,036,123.99	28,541,273.94	222,577,397.93	
(i) Total comprehensive income										522,523,778.99		522,523,778.99	-7,485,497.37	515,038,281.62	
(ii) Capital contributed or withdrawn by owners	357,251.00				62,755,950.29	149,845,276.54						-86,732,075.25	35,596,371.36	-51,135,703.89	
1. Ordinary shares contributed by owners	357,251.00				26,350,833.76	149,845,276.54						-123,137,191.78	42,198,927.80	-80,938,263.98	
2. Capital contributed by holders of other equity instruments															

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3. Share-based payments recognized as owners' equity					28,092,917.25							28,092,917.25	1,709,641.84	29,802,559.09
4. Others					8,312,199.28							8,312,199.28	-8,312,198.28	1.00
(iii) Profit distribution								178,625.50	-246,122,239.26			-245,943,613.76		-245,943,613.76
1. Transfer to surplus reserves								178,625.50	-178,625.50					
2. Transfer to general risk reserves														
3. Distributions to owners (or shareholders)									-245,943,613.76			-245,943,613.76		-245,943,613.76
4. Others														
(IV) Transfers within equity														
1. Capital reserves transferred to capital (or share capital)														
2. Surplus reserves transferred to capital (or share capital)														
3. Surplus reserves used to offset losses														
4. Remeasurements of defined benefit plans transferred to retained earnings														
5. Other comprehensive income transferred to retained earnings														
6. Others														
(v) Special reserves								4,188,034.01				4,188,034.01	430,399.95	4,618,433.96
1. Provision in the current								4,188,034.01				4,188,034.01	430,399.95	4,618,433.96

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period														
2. Utilization in the current period														
(vi) Others														
IV. Current closing balance	154,827,261.0 0			1,481,046,525.0 9	149,845,276.5 4		4,188,034.01	77,413,630.5 0		1,198,184,424.2 8		2,765,814,598.3 4	46,290,010.55	2,812,104,608.8 9

Company representative: 葛志勇

Chief accountant: 殷哲

Head of the accounting department: 李锴

Statement of Changes in Equity of the Parent Company

January–June 2024

Unit: Yuan, Currency: RMB

Item	Semi-Annual 2024										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
		Preferred shares	Perpetual bonds	Others							
I. Closing balance of the previous year	224,811,240.00			155,724,995.61	1,365,266,540.25	143,163,605.08		5,835,898.59	112,405,620.00	2,162,215,471.08	3,883,096,160.45
Add: Changes in accounting policies											
Correction of prior period errors											
Others											
II. Opening balance of the current year	224,811,240.00			155,724,995.61	1,365,266,540.25	143,163,605.08		5,835,898.59	112,405,620.00	2,162,215,471.08	3,883,096,160.45
III. Amount of changes during the current period (decreases indicated by "-")	89,621,850.00			-3,856.97	-101,412,071.64	-68,592,205.08		2,496,399.77	44,810,925.00	280,450,284.34	384,555,735.58
(i) Total comprehensive income										773,445,147.50	773,445,147.50
(ii) Capital contributed or withdrawn by owners	584,290.00			-3,856.97	59,239,125.14	3,021,431.70					56,798,126.47
1. Ordinary shares contributed by owners	584,098.00				28,850,511.76	3,021,431.70					26,413,178.06
2. Capital contributed by holders of other equity instruments	192.00			-3,856.97	23,658.81						19,993.84
3. Share based payments recognized as owners' equity					30,364,954.57						30,364,954.57
4. Others											
(iii) Profit distribution									44,810,925.00	-492,994,863.16	-448,183,938.16
1. Transfer to surplus reserves									44,810,925.00	-44,810,925.00	
2. Distributions to owners (or shareholders)										-448,183,938.16	-448,183,938.16

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3. Others											
(iv) Transfers within equity	89,037,560.00				-160,651,196.78	-71,613,636.78					
1. Capital reserves transferred to capital (or share capital)	89,838,026.00				-89,838,026.00						
2. Surplus reserves transferred to capital (or share capital)											
3. Surplus reserves used to offset losses											
4. Remeasurements of defined benefit plans transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others	-800,466.00				-70,813,170.78	-71,613,636.78					
(v) Special reserves								2,496,399.77			2,496,399.77
1. Provision in the current period								3,773,853.36			3,773,853.36
2. Utilization in the current period								-1,277,453.59			-1,277,453.59
(vi) Others											
IV. Current closing balance	314,433,090.00			155,721,138.64	1,263,854,468.61	74,571,400.00		8,332,298.36	157,216,545.00	2,442,665,755.42	4,267,651,896.03

Item	Semi-Annual 2023										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
		Preferred shares	Perpetual bonds	Others							
I. Closing balance of the previous year	154,470,010.00				1,410,132,725.05				77,235,005.00	1,143,151,674.39	2,784,989,414.44
Add: Changes in accounting policies										390,323.35	390,323.35
Correction of prior period errors											
Others											
II. Opening balance of the current year	154,470,010.00				1,410,132,725.05				77,235,005.00	1,143,541,997.74	2,785,379,737.79
III. Amount of changes during the current period (decreases indicated by "-")	357,251.00				55,077,276.23	149,845,276.54		2,917,949.30	178,625.50	275,173,512.96	183,859,338.45
(i) Total comprehensive income										521,295,752.22	521,295,752.22
(ii) Capital contributed or withdrawn by owners	357,251.00				55,077,276.23	149,845,276.54					-94,410,749.31
1. Ordinary shares contributed by owners	357,251.00				26,350,833.76	149,845,276.54					-123,137,191.78

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2. Capital contributed by holders of other equity instruments											
3. Share-based payments recognized as owners' equity					28,726,442.47					28,726,442.47	
4. Others											
(iii) Profit distribution								178,625.50	-246,122,239.26	-245,943,613.76	
1. Transfer to surplus reserves								178,625.50	-178,625.50		
2. Distributions to owners (or shareholders)									-245,943,613.76	-245,943,613.76	
3. Others											
(iv) Transfers within equity											
1. Capital reserves transferred to capital (or share capital)											
2. Surplus reserves transferred to capital (or share capital)											
3. Surplus reserves used to offset losses											
4. Remeasurements of defined benefit plans transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
(v) Special reserves								2,917,949.30		2,917,949.30	
1. Provision in the current period								2,917,949.30		2,917,949.30	
2. Utilization in the current period											
(vi) Others											
IV. Current closing balance	154,827,261.00				1,465,210,001.28	149,845,276.54		2,917,949.30	77,413,630.50	1,418,715,510.70	2,969,239,076.24

Company representative: 葛志勇

Chief accountant: 殷哲

Head of the accounting department: 李锴

III. Basic Corporate Information

1. Company profile

√ Applicable N/A

Wuxi Autowell Technology Co., Ltd. (hereinafter referred to as “the Company” or the “Parent Company,” or the “Company”) was established on February 1, 2010. The legal representative of the Company is Ge Zhiyong

The registered address of the Company is No. 3 Xinhua Road, New District, Wuxi. The Company’s shares were listed and traded on May 21, 2020 on the STAR Market.

The Company now holds a business license with unified social credit code 913202005502754040, and as of June 30, 2024, the Company has a registered capital of RMB 314,433,090 with a total number of 314,433,090 shares (par value RMB 1 per share). Among them, 24,192,315 are outstanding shares restricted, while 290,240,775 are unrestricted.

The operating period of the Company: From February 1, 2010 to an indefinite period

The business scope of the Company: R&D, manufacturing, sales, and technical services of industrial automatic control systems, special equipment for the electronics industry, photovoltaic equipment and components; processing, manufacturing, and sales of mechanical parts; sales of general machinery and accessories; software development; import and export of various commodities and technologies (except for those that are restricted or prohibited by the government) as principal or agent, subject to approval by competent authorities for items requiring specific authorization. Licensed items: power generation, transmission, and distribution services, subject to approval by competent authorities for items requiring specific authorization. General items: technological services for solar power generation (Except for items requiring government approval, the business entity may operate the activities listed on the business license at its discretion.)

The actual controllers of the Company are Ge Zhiyong and Li Wen.

The financial statements have been authorized for issuance by the Board of Directors on August 22, 2024.

VI. Basis of Preparation of the Financial Statements

1. Basis of preparation

The financial statements are prepared on the basis of going concern.

2. Going concern

√ Applicable N/A

The Company has adequately evaluated its ability to continue as a going concern for the 12 months from the end of the reporting period, and the evaluation results indicate that there are no matters that cast significant doubt on its ability to continue as a going concern.

V. Significant Accounting Policies and Accounting Estimates

Notes on specific accounting policies and accounting estimates:

√ Applicable N/A

The Company determines accounting policies and accounting estimates appropriate for its businesses, including policies for accounts receivable, accounts receivable financing, valuation of inventories, depreciation of fixed assets, amortization of intangible assets, depreciation of right-of-use assets, the timing of revenue recognition, and share-based payments; as well as accounting estimates for impairment of inventories and bad debt provisions for receivables.

The following disclosures cover specific accounting policies and accounting estimates formulated by the Company in accordance with the actual production and operating characteristics.

1. Declaration of compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises and present true and complete information on the financial positions, operating results, changes in equity, and cash flows of the Company.

2. Accounting period

The Company adopts the calendar year from January 1 to December 31 as its accounting year.

3. Operating cycle

Applicable N/A

The Company's operating cycle is 12 months.

4. Functional currency

The Company adopts RMB as its functional currency. The Company's subsidiaries determine their functional currencies based on the primary economic environment in which they operate, with Autowell Japan Co., Ltd.'s functional currency being the Japanese yen, Autowell (Singapore) Pte Ltd.'s functional currency being the U.S. dollar, and Autowell (Malaysia) Sdn Bhd's functional currency being the ringgit. The financial statements are presented in RMB.

5. Method and basis for determining the materiality criteria

Applicable N/A

Item	Materiality criteria
Material receivables that require provision for bad debt on an individual basis	Items representing more than 0.03% of the original value of accounts receivable at the end of the period
Material construction in progress	Items representing more than 1% of the original value of fixed assets at the end of the period
Material receivables with an age of more than one year or overdue	Items representing more than 0.1% of the original value of total assets at the end of the period

6. Accounting treatment method for the combination of businesses under or not under the same control

Applicable N/A

Combination of businesses under the same control: The assets and liabilities acquired by the acquirer, including goodwill resulting from the acquisition of the acquiree by the ultimate controller, are measured on the basis of the carrying values as recorded in the ultimate controller's consolidated financial statements for the acquiree's assets and liabilities on the date of the combination. The difference between the carrying value of the net assets acquired in the combination and the carrying value of the consideration paid for the combination (or the total face value of the shares issued) is adjusted to equity premium in capital reserves, and the retained earnings is adjusted to the extent that the equity premium in the capital surplus is not sufficient to eliminate the difference.

Combination of businesses not under the same control: The costs of combination refer to the fair value of the assets surrendered, the liabilities incurred or assumed, and the equity securities issued by the acquirer on the acquisition date for gaining control over the acquiree. The difference between the higher

combination costs and the share of fair value of the identifiable net assets of the acquiree is recognized as goodwill. If the combination costs are less than the share of the fair value of the acquiree's identifiable net assets obtained from the combination, the difference is included in the current profit or loss. Each of the identifiable assets, liabilities, and contingent liabilities of the acquiree acquired in the combination that meets the conditions for recognition is measured at fair value at the date of acquisition.

Costs incurred directly due to the combination are recorded into current profit or loss at the time of occurrence. The transaction costs incurred for issuing equity securities or debt securities for the combination are included in the initial amount recognized for the equity securities or debt securities.

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

√ Applicable N/A

1. Criteria for determining control

The Company and all its subsidiaries are included in the consolidated financial statements based on control. Control refers to the cases where the Company has power over the investee, has rights to variable returns from participating in the relevant activities of the investee, and can use the power over the investee to influence its return amount.

2. Procedures of consolidation

The Company regards the entire group of businesses as one accounting entity and prepares consolidated financial statements in accordance with unified accounting policies to reflect the financial position, results of operations, and cash flows of the business group. The effects of intra-group transactions between the Company and its subsidiaries, as well as among subsidiaries, are eliminated. Where an intra-group transaction indicates an impairment loss of relevant assets, the full amount of such loss is recognized. If the accounting policies or accounting periods adopted by subsidiaries are inconsistent with those of the Company, necessary adjustments are made to align with the Company's accounting policies and accounting periods when preparing the consolidated financial statements.

The portion of equity, net profit or loss, and total comprehensive income attributable to non-controlling shareholders is separately presented under the owners' equity section in the consolidated balance sheet and under the net profit item and total comprehensive income item in the consolidated income statement. If the share of losses attributable to non-controlling shareholders in a subsidiary in the current period exceeds the non-controlling interest in the shareholders' equity of the subsidiary at the beginning of the period, the excess is charged against non-controlling shareholders' equity.

(1) Addition of subsidiaries or businesses

In the reporting period, if a subsidiary or business is added due to a business combination under common control, the operating results and cash flows of the subsidiary or business from the beginning of the period to the end of the reporting period are included in the consolidated financial statements. Additionally, the opening balances and comparative figures in the consolidated financial statements are adjusted to reflect the assumption that the reporting entity, as a combined entity, has been part of the

consolidated group since the date when the ultimate controlling party began to exercise control.

If control over an investee under common control is obtained due to additional investment or other reasons, any gains or losses, other comprehensive income, and other changes in net assets recognized in relation to the equity investment held prior to gaining control, from the later of the date the original equity was acquired or the date the acquirer and the acquiree were under common control until the date of the combination, are reversed and adjusted against the opening retained earnings or current profit or loss in the comparative period of the consolidated financial statements.

During the reporting period, the addition of subsidiaries or businesses as a result of a non-common control business combination is included in the consolidated financial statements from the date of purchase on the basis of the fair value of each identifiable asset, liability, and contingent liability determined at the date of purchase.

If control over an investee not under common control is obtained due to additional investment or for other reasons, the equity interest held in the acquiree prior to the acquisition date is remeasured at its fair value on the acquisition date. The difference between the fair value and the carrying value is recognized in the current period's investment income. Any other comprehensive income and other changes in equity that were recognized in relation to the equity interest held prior to the acquisition date, which may be reclassified to profit or loss in future periods, are reclassified to investment income in the current period as of the acquisition date.

(2) Disposal of subsidiaries

① General treatment

When control over an investee is lost as a result of the disposal of a portion of the equity investment or for other reasons, the remaining equity interest after disposal is remeasured at its fair value on the date of loss of control. The difference between the sum of the consideration received from the disposal and the fair value of the remaining equity interest, less the share of the net assets of the original subsidiary attributable to the proportion of equity previously held (including goodwill) from the acquisition date or combination date, is recognized as investment income in the period when control is lost. Any other comprehensive income and changes in equity recognized under the equity method that are related to the original subsidiary's equity investment and can be reclassified into profit or loss in future periods are reclassified into current period investment income at the time of loss of control.

② Stepwise disposal of subsidiaries

When a subsidiary's equity investment is disposed of in stages through multiple transactions until control is lost, if the terms, conditions, and economic impact of each transaction meet one or more of the following criteria, it typically indicates that these transactions are accounted for as a single package deal:

- i. The transactions are entered into simultaneously or in contemplation of one another;

- ii. The transactions as a whole achieve a complete commercial result;
- iii. The realization of one transaction depends on the occurrence of at least one of the other transactions; or
- iv. One transaction is not economically justified when viewed in isolation, but is economically justified when considered together with other transactions.

If the transactions are considered as a single package deal, they are accounted for as a single disposal of the subsidiary which causes the loss of control over the subsidiary. The difference between each disposal price before the loss of control and the share of the subsidiary's net assets corresponding to the disposed investment is recognized in other comprehensive income in the consolidated financial statements, and upon loss of control, this cumulative amount is reclassified into profit or loss for the period in which control is lost.

If the transactions are not considered as a single package deal, each disposal before the loss of control is accounted for as a partial disposal of the subsidiary's equity investment without loss of control. Upon loss of control, the general treatment for the disposal of subsidiaries is applied.

(3) Purchase of non-controlling interests in subsidiaries

When additional long-term equity investment is acquired due to the purchase of non-controlling interests, the difference between the newly acquired long-term equity investment and the share of the subsidiary's net assets attributable to the proportion of newly acquired shares, calculated cumulatively from the acquisition date or combination date, is adjusted against the share premium in the capital reserves in the consolidated balance sheet. If the capital reserves are insufficient to offset the difference, retained earnings are adjusted.

(4) Partial disposal of equity investments in subsidiaries without loss of control

The difference between the consideration received from the disposal and the share of the subsidiary's net assets attributable to the disposed long-term equity investment, calculated cumulatively from the acquisition date or combination date, is adjusted against the share premium in the capital reserves in the consolidated balance sheet. If the capital reserves are insufficient to offset the difference, retained earnings are adjusted.

8. Classification of joint venture arrangements and accounting treatment of joint operations

Applicable N/A

9. Determination criteria of cash and cash equivalents

Cash equivalents refer to investments held by businesses with short term (generally refer to a period within 3 months from the purchasing date), highly liquid, readily convertible to cash with known amount, and with small risk of value fluctuation.

10. Foreign currency transactions and translation of foreign currency statements

Applicable N/A

1. Foreign currency transactions

Foreign currency transactions are translated into RMB using the spot exchange rate on the date of the transaction for accounting purposes.

On the balance sheet date, the balances of foreign currency monetary items are translated at the spot exchange rate on that date. The resulting exchange differences, except for those arising from foreign currency-specific borrowings related to the acquisition or construction of qualifying assets, which are treated by the principles of capitalizing borrowing costs, are recognized in the current period's profit or loss.

2. Translation of foreign currency financial statements

The assets and liabilities in the balance sheet are translated at the spot exchange rate on the balance sheet date. For equity items, other than "undistributed profits," the historical exchange rates at the time of the transactions are used for translation. Income and expense items in the income statement are translated using the spot exchange rate on the date of the transaction.

Upon disposal of a foreign operation, the cumulative translation differences related to that foreign operation, which were previously recognized in equity, are reclassified to profit or loss in the period of disposal.

11. Financial instruments

√ Applicable □ N/A

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

1. Classification of financial instruments

Based on the Company's business model for managing financial assets and the characteristics of the contractual cash flows, financial assets are classified at initial recognition as financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (FVOCI), and financial assets measured at fair value through profit or loss (FVTPL).

The Company classifies financial assets as measured at amortized cost if both of the following conditions are met and the financial assets are not designated as at FVTPL:

- The business model aims to hold the asset to collect the contractual cash flows;
- The contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company classifies financial assets as at FVOCI (debt instruments) if both of the following conditions are met and the financial assets are not designated as at FVTPL:

- The business model aims both to collect contractual cash flows and to sell the financial asset;
- The contractual cash flows are solely payments of principal and interest on the principal amount

outstanding.

For investments in equity instruments that are not held for trading, the Company may, at initial recognition, irrevocably designate them as at FVOCI (equity instruments). This designation is made on an individual investment basis, and the related investment meets the definition of an equity instrument from the issuer's perspective.

In addition to the financial assets measured at amortized cost and FVOCI mentioned above, the Company classifies all other financial assets as at FVTPL. At initial recognition, if it eliminates or significantly reduces an accounting mismatch, the Company may irrevocably designate a financial asset that would otherwise be classified as measured at amortized cost or at FVOCI as a financial asset measured at FVTPL.

Financial liabilities are classified at initial recognition as either financial liabilities at FVTPL or at amortized cost.

A financial liability may be designated at FVTPL at initial recognition if it meets one of the following conditions:

- 1) The designation eliminates or significantly reduces an accounting mismatch.
- 2) The financial liability is managed and its performance is evaluated on a fair value basis, following the Company's documented risk management or investment strategy, and information about the financial liability is provided internally on that basis to key management personnel.
- 3) The financial liability contains an embedded derivative that needs to be separated.

2. Basis for recognizing and measuring financial instruments

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables, debt investments, etc. These assets are initially measured at fair value, with related transaction costs included in the initial recognition amount. Accounts receivable that do not contain a significant financing component and those for which the Company has decided not to consider the financing component of one year or less are initially measured at the contractual transaction price.

Interest calculated using the effective interest method during the holding period is recognized in the current profit or loss.

Upon recovery or disposal, the difference between the consideration received and the carrying value of the financial asset is recognized in the current profit or loss.

(2) Financial assets at FVOCI (debt instruments)

Financial assets measured at FVOCI (debt instruments) include accounts receivable financing, other debt investments, etc. These assets are initially measured at fair value, with related transaction costs included in the initial recognition amount. Subsequently, these financial assets are measured at fair value,

with changes in fair value, except for interest calculated using the effective interest method, impairment losses or gains, and foreign exchange gains or losses, recognized in other comprehensive income.

Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are transferred from other comprehensive income to current profit or loss.

(3) Financial assets at FVOCI (equity instruments)

Financial assets at FVOCI (equity instruments) include investments in other equity instruments, etc. These assets are initially measured at fair value, with related transaction costs included in the initial recognition amount. Subsequently, these financial assets are measured at fair value, with changes in fair value recognized in other comprehensive income. Dividends received are recognized in current profit or loss.

Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are transferred from other comprehensive income to retained earnings.

(4) Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, derivative financial assets, and other non-current financial assets. These assets are initially measured at fair value, with related transaction costs recognized in current profit or loss. Subsequently, these financial assets are measured at fair value, with changes in fair value recognized in current profit or loss.

(5) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading, derivative financial liabilities, etc. These liabilities are initially measured at fair value, with related transaction costs recognized in current profit or loss. Subsequently, these financial liabilities are measured at fair value, with changes in fair value recognized in current profit or loss.

Upon derecognition, the difference between the carrying value and the consideration paid is recognized in the current profit or loss.

(6) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost include short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable, and long-term payables. These liabilities are initially measured at fair value, with related transaction costs included in the initial recognition amount.

Interest calculated using the effective interest method during the holding period is recognized in the current profit or loss.

Upon derecognition, the difference between the consideration paid and the carrying value of the financial liability is recognized in the current profit or loss.

3. Criteria and measurement methods for derecognition and transfer of financial assets

The Company derecognizes a financial asset when one of the following conditions is met:

- The contractual rights to the cash flows from the financial asset expire;
- The financial asset has been transferred, and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee;
- The financial asset has been transferred, although the Company has neither transferred nor retained substantially all the risks and rewards of ownership, it has not retained control over the financial asset.

If the Company and a counterparty modify or renegotiate a contract in a way that results in a substantial modification, the original financial asset is derecognized, and a new financial asset is recognized based on the modified terms.

If, in a transfer of a financial asset, the Company retains substantially all the risks and rewards of ownership of the financial asset, the asset is not derecognized.

In assessing whether a financial asset transfer meets the above derecognition criteria, the Company applies the principle of substance over form.

The Company distinguishes between transfers of the financial assets as a whole and transfers of a portion of a financial asset. If the transfer of financial assets as a whole meets the derecognition criteria, the difference between the following two amounts is recognized in profit or loss in the current period:

- (1) The carrying value of the transferred financial asset; and
- (2) The sum of the consideration received from the transfer and any cumulative gain or loss previously recognized in other comprehensive income that is associated with the transferred financial asset (in cases where the financial asset is a debt instrument measured at FVOCI).

If the transfer of a portion of a financial asset meets the derecognition criteria, the carrying value of the financial assets as a whole is allocated between the portion that is derecognized and the portion that is not derecognized, based on their relative fair values. The difference between the following two amounts is recognized in profit or loss in the current period:

- (1) The carrying value of the portion that is derecognized; and
- (2) The sum of the consideration received for the portion that is derecognized and the cumulative gain or loss previously recognized in other comprehensive income that is associated with the portion that is derecognized (in cases where the financial asset is a debt instrument measured at FVOCI).

If the transfer of a financial asset does not meet the derecognition criteria, the Company continues to recognize the financial asset and recognizes the consideration received as a financial liability.

4. Derecognition of financial liabilities

A financial liability, or part of it, is derecognized when the obligation specified in the contract is

discharged. If the Company enters into an agreement with a creditor to replace an existing financial liability with a new financial liability, and the terms of the new financial liability are substantially different from those of the existing financial liability, the existing financial liability is derecognized and a new financial liability is recognized.

If the terms of an existing financial liability are substantially modified, the existing financial liability, or part of it, is derecognized, and the modified financial liability is recognized as a new financial liability.

When a financial liability is fully or partially derecognized, the difference between the carrying value of the derecognized financial liability and the consideration paid (including any transferred non-cash assets or new financial liabilities assumed) is recognized in profit or loss in the current period.

If the Company repurchases a portion of a financial liability, the carrying value of the financial liability is allocated on the repurchase date between the portion that continues to be recognized and the portion that is derecognized, based on their relative fair values. The difference between the carrying value allocated to the derecognized portion and the consideration paid, including any transferred non-cash assets or new financial liabilities assumed, is recognized in profit or loss in the current period.

5. Methods for determining the fair value of financial assets and financial liabilities

For financial instruments with active markets, the fair value is determined based on quoted prices in those active markets. For financial instruments for which no active market exists, fair value is determined using valuation techniques. In applying valuation techniques, the Company uses valuation methods that are appropriate under the current circumstances and are supported by sufficient and reliable data and other relevant information. The inputs used in the valuation are consistent with the characteristics of the asset or liability considered by market participants in the transaction, with a preference given to observable inputs when available. Unobservable inputs are used only when relevant observable inputs are not available or are impractical to obtain.

6. Impairment testing and accounting treatment for financial instruments

The Company accounts for the impairment of financial assets measured at amortized cost, financial assets at FVOCI (debt instruments), and financial guarantee contracts based on expected credit losses.

The Company considers reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions in assessing credit risk and calculating the present value of the difference between the contractual cash flows and the expected cash flows. This present value is weighted by the probability of default to determine the expected credit loss.

For receivables and contract assets arising from transactions governed by *Accounting Standard for Business Enterprises No. 14—Revenue*, the Company measures the loss allowance based on the expected credit losses over the entire lifetime of the asset, regardless of whether a significant financing component

exists.

For lease receivables arising from transactions governed by *Accounting Standard for Business Enterprises No. 21—Leases*, the Company also measures the loss allowance based on the expected credit losses over the entire lifetime of the lease.

For other financial instruments, the Company assesses changes in credit risk since initial recognition at each balance sheet date.

The Company evaluates whether the credit risk of a financial instrument has significantly increased since initial recognition by comparing the risk of default on the balance sheet date with the risk of default at initial recognition, to assess relative changes in default risk over the expected lifetime of the financial instrument. Generally, if a financial instrument is more than 30 days past due, the Company considers that the credit risk has increased significantly unless there is strong evidence that the credit risk has not increased significantly since initial recognition.

If the credit risk of a financial instrument is low on the balance sheet date, the Company considers that the credit risk has not significantly increased since initial recognition.

If the credit risk of a financial instrument has significantly increased since initial recognition, the Company measures the loss allowance based on the expected credit losses over the entire lifetime of the financial instrument. If the credit risk has not significantly increased, the Company measures the loss allowance based on the expected credit losses for the next 12 months. The increase or reversal of the loss allowance is recognized as impairment loss or gain in profit or loss in the current period. For financial assets measured at FVOCI (debt instruments), the loss allowance is recognized in other comprehensive income, and the impairment loss or gain is recognized in profit or loss in the current period, without reducing the carrying value of the financial asset presented in the balance sheet.

If there is objective evidence that a receivable has been credit-impaired, the Company recognizes an impairment loss on that receivable on an individual basis.

For financial instruments other than the receivables for which individual impairment has been recognized, the Company groups financial instruments based on credit risk characteristics and determines expected credit losses on a collective basis. The categories and basis for determining expected credit losses for accounts receivable, accounts receivable financing, and other receivables are as follows:

Item	Category	Determination basis
Accounts receivable, other receivables	Aging category	Expected credit losses are calculated and an aging schedule of other receivables against the

Item	Category	Determination basis
		expected credit loss rate prepared by referring to historical credit loss experience, combined with current conditions and forecasts of future economic conditions.
Accounts receivable financing	Note type	Expected credit losses are calculated and an aging schedule of other receivables against the expected credit loss rate prepared by referring to historical credit loss experience, combined with current conditions and forecasts of future economic conditions.

If the Company no longer reasonably expects to recover the contractual cash flows of a financial asset in full or in part, the carrying amount of the financial asset is written off directly.

12. Notes receivable

Applicable N/A

13. Accounts receivable

Applicable N/A

Please refer to “11. Financial instruments” in “V. Significant Accounting Policies and Accounting Estimates” in this section.

14. Accounts receivable financing

Applicable N/A

Please refer to “11. Financial instruments” in “V. Significant Accounting Policies and Accounting Estimates” in this section.

15. Other receivables

Applicable N/A

Please refer to “11. Financial instruments” in “V. Significant Accounting Policies and Accounting Estimates” in this section.

16. Inventories

Applicable N/A

Categories of inventories, inventory valuation method, inventory system, and amortization method for low-value consumables and packaging materials

Applicable N/A

1. Classification and cost of inventories

Inventories are classified into raw materials, work in progress, self-produced semi-finished goods, finished goods, goods dispatched, and materials consigned for processing.

Inventories are initially measured at cost. The cost of inventories includes purchase costs, processing costs, and other expenditures incurred to bring the inventories to their current location and condition.

2. Inventory valuation method

Inventories are valued at the weighted average cost method when issued.

3. Inventory system

The perpetual inventory system is adopted.

4. Amortization method for low-value consumables and packages

(1) Low-value consumables are amortized using the one-time write-off method;

(2) Packaging materials are amortized using the one-time write-off method.

Recognition criteria and methods for provision for inventory write-downs

Applicable N/A

Inventories are measured at the lower of cost and net realizable value on the balance sheet date. When the cost of inventories exceeds their net realizable value, a provision for inventory write-downs is recognized. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion, estimated selling expenses, and relevant taxes.

For finished goods, merchandise, and materials held for sale directly, the net realizable value is determined by the estimated selling price less estimated selling expenses and relevant taxes in the normal production and operation process. For materials that require processing, the net realizable value is determined by the estimated selling price of the finished goods produced, less the estimated costs of completion, estimated selling expenses, and relevant taxes in the normal production and operation process. For inventories held to fulfill sales contracts or service contracts, the net realizable value is calculated based on the contract price. If the quantity of inventories held exceeds the quantity ordered under the sales contract, the net realizable value of the excess inventory is based on the general selling price.

Categories and criteria for provision for inventory write-downs based on grouped inventories, and the basis for determining the net realizable value of different types of inventories

Applicable N/A

Inventory grouping categories	Grouping basis	The basis for determining the net realizable value
Raw materials - Grouped by aging	Inventory aging	Net realizable value determined based on aging
Merchandise - Grouped by aging	Inventory aging	Net realizable value determined based on aging
Self-produced semi-finished goods - Grouped by aging	Inventory aging	Net realizable value determined based on aging

Methods and basis for calculating the net realizable value of inventories grouped by aging

Applicable N/A

Aging	Calculation methods for the net realizable value of inventories
Within 2 years	100% of the carrying amount
2–3 years	50% of the carrying amount
Over 3 years	0% of the carrying amount

17. Contract assets

Applicable N/A

Methods and criteria for recognizing contract assets

Applicable N/A

Contract assets or contract liabilities are presented in the balance sheet based on the relationship between the fulfillment of performance obligations and customer payments. The right to consideration for goods or services transferred to a customer, which is conditional on factors other than the passage of time, is presented as a contract asset. Contract assets and contract liabilities under the same contract are presented on a net basis. The Company's unconditional right to consideration from customers, which depends solely on the passage of time, is presented separately as receivables.

Categories and criteria for provision for bad debts based on credit risk characteristics

Applicable N/A

Method for calculating aging-based credit risk characteristics for contract assets

Applicable N/A

Determination of individual provisions for bad debts and criteria for individual provisions

Applicable N/A

18. Non-current assets or disposal groups held for sale

Applicable N/A

Criteria for classification and accounting treatment of non-current assets or disposal groups held for sale

Applicable N/A

Recognition criteria and presentation of discontinued operations

Applicable N/A

19. Long-term equity investments

Applicable N/A

1. Criteria for determining joint control and significant influence

Joint control refers to the shared control over an arrangement in accordance with relevant agreements, where decisions about the relevant activities of the arrangement require the unanimous consent of the parties sharing control. Where the Company and other joint venture partners jointly control an investee and have rights to the investee's net assets, the investee is considered as a joint venture of the Company.

Significant influence refers to the power to participate in the financial and operating policy decisions of an investee, but not control or jointly control with other parties the formulation of those policies. If the Company can exert significant influence over an investee, the investee is considered an associate of the Company.

2. Determine the initial investment cost**(1) Long-term equity investments arising from business combinations**

For long-term equity investments in subsidiaries arising from business combinations under common control, the initial investment cost is determined based on the share of the carrying value of the equity of the acquiree in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying value of the consideration paid is adjusted against the share premium in the capital reserves. If the share premium is insufficient to offset the difference, retained earnings are adjusted. When control over an investee under common control is obtained due to additional investment or other reasons, if the initial investment cost of the long-term equity investment recognized under the above principles is different from the sum of the carrying value of the long-term equity investment before the combination and the carrying value of the additional consideration paid on the combination date, the difference is adjusted against the share premium. If the share premium is insufficient to offset the difference, it is deducted from retained earnings.

For long-term equity investments in subsidiaries arising from business combinations not under common control, the initial investment cost is determined based on the acquisition cost as of the acquisition date. When control over an investee not under common control is obtained due to additional

investment or for other reasons, the initial investment cost is determined based on the carrying value of the previously held equity investment plus the cost of the additional investment.

(2) Long-term equity investments acquired through means other than business combinations

For long-term equity investments acquired through cash payments, the initial investment cost is determined based on the actual purchase price paid.

For long-term equity investments acquired through the issuance of equity securities, the initial investment cost is determined based on the fair value of the equity securities issued.

3. Subsequent measurement and the recognition of profit or loss

(1) Long-term equity investments accounted for using the cost method

The Company accounts for long-term equity investments in subsidiaries using the cost method, unless the investment is classified as held for sale. Except for the portion of the purchase price or consideration paid that includes declared but unpaid cash dividends or profits at the time of acquisition, the Company recognizes the current investment income based on the share of the declared cash dividends or profits distributed by the investee.

(2) Long-term equity investments accounted for using the equity method

Long-term equity investments in associates and joint ventures are accounted for using the equity method. Where the initial investment cost exceeds the share of the fair value of the identifiable net assets of the investee at the time of the investment, the excess is not adjusted to the initial investment cost of the long-term equity investment. If the initial investment cost is less than the share of the fair value of the identifiable net assets of the investee at the time of the investment, the difference is recognized in profit or loss for the period and the cost of the long-term equity investment is adjusted accordingly.

The Company recognizes its share of the net profit or loss and other comprehensive income of the investee, to which it is entitled or for which it is responsible, as investment income and other comprehensive income, respectively, while adjusting the carrying value of the long-term equity investment. The carrying value of the long-term equity investment is reduced by the portion of profits or cash dividends declared by the investee that is attributable to the Company. For other changes in the equity of the investee, aside from net profit or loss, other comprehensive income, and profit distributions (referred to as “other equity changes”), the carrying value of the long-term equity investment is adjusted and the change is recognized in owners’ equity.

When recognizing the share of the investee’s net profit or loss, other comprehensive income, and other equity changes, the Company bases these amounts on the fair value of the identifiable net assets of the investee at the time the investment was acquired. Adjustments are made to align the investee’s net profit and other comprehensive income with the Company’s accounting policies and reporting periods before recognition.

Unrealized gains and losses from internal transactions between the Company and its associates or joint ventures are eliminated in proportion to the Company's share, and investment income is recognized on that basis, except where the transferred or sold assets constitute a business. Unrealized internal transaction losses with the investee are fully recognized if they are related to asset impairment losses.

If the investee incurs net losses, the Company reduces the carrying value of the long-term equity investment and any other long-term interests that substantially form part of the net investment in the investee up to zero, except when the Company shall bear additional losses. If the associate or joint venture subsequently generates net profits, the Company resumes recognizing its share of profits after covering any unrecognized losses.

(3) Disposal of long-term equity investments

When disposing of a long-term equity investment, the difference between its carrying value and the actual proceeds received is recognized in profit or loss in the current period.

For partial disposals of long-term equity investments accounted for using the equity method, if the remaining equity interest is still accounted for using the equity method, the portion of other comprehensive income previously recognized under the equity method is reclassified proportionately, based on the same basis as if the investee had directly disposed of related assets or liabilities. Other changes in owners' equity are reclassified proportionately to profit or loss for the period.

When the disposal of equity investments results in the loss of joint control or significant influence over the investee, any other comprehensive income previously recognized under the equity method is accounted for based on the same principles as if the investee had directly disposed of related assets or liabilities when the equity method is discontinued. All other changes in owners' equity are reclassified to profit or loss upon discontinuation of the equity method.

When the disposal of a portion of an equity investment results in the loss of control over the investee, and in the preparation of individual financial statements, if the remaining equity interest allows the Company to exert joint control or significant influence over the investee, the remaining equity interest is accounted for using the equity method. The remaining equity interest is adjusted as if it were accounted for using the equity method from the date of acquisition. The portion of other comprehensive income recognized before obtaining control over the investee is reclassified proportionately, based on the same basis as if the investee had directly disposed of related assets or liabilities. Other changes in owners' equity recognized under the equity method are reclassified proportionately to profit or loss for the period. If the remaining equity interest does not allow the Company to exert joint control or significant influence over the investee, it is recognized as a financial asset, and the difference between its fair value on the date control is lost and its carrying value is recognized in profit or loss for the period. All other comprehensive income and changes in owners' equity recognized prior to the acquisition of

control over the investee are reclassified in full.

When control over a subsidiary is lost due to the stepwise disposal of equity investments through multiple transactions, and these transactions are part of a single package deal, all such transactions are accounted for as a single transaction that results in the disposal of the subsidiary's equity investment and the loss of control. The difference between the disposal price and the carrying value of the equity investment corresponding to each disposal, prior to the loss of control, is recognized as other comprehensive income in the individual financial statements, and reclassified in full to profit or loss in the period when control is lost. If the transactions are not part of a single package deal, each transaction is accounted for separately.

20. Investment property

N/A

21. Fixed assets

(1) Recognition criteria

Applicable N/A

Fixed assets refer to tangible assets held for use in the production of goods, provision of services, rental, or managing operations, with a useful life exceeding one accounting period. Fixed assets are recognized when they simultaneously meet the following criteria:

(1) It is probable that the economic benefits associated with the fixed asset will flow to the enterprise;

(2) The cost of the fixed asset can be measured reliably.

Fixed assets are initially measured at cost (taking into account the effect of estimated dismantling costs).

Subsequent expenditures related to fixed assets are included in the cost of the fixed assets when it is probable that the economic benefits related to them will flow to the enterprise and their cost can be reliably measured; the carrying value is derecognized for the replaced parts. All other subsequent expenditures are recognized in profit or loss for the period in which they are incurred.

(2) Depreciation method

Applicable N/A

Fixed assets are depreciated by the straight-line method, classified according to the categories of fixed assets, estimated useful life, and estimated residual value rate to determine the depreciation rate. For fixed assets that have recognized impairment losses, depreciation is calculated in future periods based on the carrying value after deducting the impairment provision and considering the remaining useful life. If different parts of a fixed asset have different useful lives or provide economic benefits to the enterprise in different ways, different depreciation rates or methods are selected, and depreciation is calculated separately.

The depreciation methods, depreciable period, residual value rates, and annual depreciation rates for each category of fixed assets are as follows:

Categories	Depreciation method	Depreciable period (year)	Residual value rate	Annual depreciation rate
Buildings and structures	Straight-line method	20	5.00	4.75
Machinery equipment	Straight-line method	10	5.00	9.50
Office equipment	Straight-line method	5	5.00	19.00
Transportation equipment	Straight-line method	4	5.00	23.75
Electronic equipment	Straight-line method	3	5.00	31.67
Other equipment	Straight-line method	5	5.00	19.00

When a fixed asset is disposed of or is expected to generate no future economic benefits from its use or disposal, it is derecognized. The amount of the proceeds from the sale, transfer, retirement, or destruction of a fixed asset, net of its carrying value and related taxes and fees, is recognized in profit or loss in the current period.

22. Construction in progress

√ Applicable □ N/A

Construction in progress is measured at actual costs. The actual costs include construction costs, installation costs, borrowing costs that qualify for capitalization, and other necessary expenditures incurred to bring the construction in progress to the intended usable state. When construction in progress reaches the intended usable state, it is transferred to fixed assets and depreciation begins in the following month. The Company's criteria and timing for transferring construction in progress to fixed assets are as follows:

Categories	Criteria and timing for transfer to fixed assets
Buildings and structures	(1) The main construction and ancillary works have been substantially completed; (2) The construction has met the intended design requirements and has been inspected and accepted by survey, design, construction, supervision, and other relevant units; (3) The construction has passed inspection by external parties such as fire safety, land, and planning authorities; (4) If the construction project has reached the intended usable state but the final settlement of accounts has not yet been completed, the actual cost of the project is estimated and transferred to fixed assets from the date the intended usable state is reached.

Categories	Criteria and timing for transfer to fixed assets
Machinery equipment to be installed and commissioned	(1) The relevant equipment and other supporting facilities have been fully installed; (2) The equipment has been tested and can operate normally and stably for a period of time; (3) The production equipment can produce qualified products consistently over a period of time; (4) The equipment has been inspected and accepted by asset management personnel and users.

23. Borrowing costs

√ Applicable □ N/A

1. Principles for recognizing capitalization of borrowing costs

Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction, or production of qualifying assets are capitalized and included in the cost of the relevant assets. Other borrowing costs are recognized as expenses in the period in which they are incurred and are included in profit or loss in the current period.

Qualifying assets refer to assets such as fixed assets, investment properties, and inventories that necessarily take a substantial period to get ready for their intended use or sale.

2. Capitalization period of borrowing costs

The capitalization period refers to the time from the commencement of capitalization of borrowing costs until the point at which capitalization ceases, excluding any period during which capitalization is suspended.

Borrowing costs begin to be capitalized when all of the following conditions are met:

(1) Expenditures for the asset have been incurred, including cash payments, the transfer of non-cash assets, or the assumption of interest-bearing liabilities for the acquisition, construction, or production of qualifying assets;

(2) Borrowing costs have been incurred;

(3) Activities necessary to prepare the asset for its intended use or sale are in progress.

Capitalization of borrowing costs ceases when the qualifying asset is ready for its intended use or sale.

3. Suspension of capitalization

If there is an abnormal interruption in the acquisition, construction, or production process of a qualifying asset, and the interruption lasts for more than three consecutive months, capitalization of borrowing costs is suspended. If the interruption is necessary to bring the qualifying asset to its intended usable or saleable condition, capitalization of borrowing costs continues. Borrowing costs incurred

during the interruption are recognized as profit or loss in the current period, and capitalization resumes when the acquisition, construction, or production activities recommence.

4. Calculation method for the capitalization rate and capitalization amount of borrowing costs

For specific borrowings obtained for the acquisition, construction, or production of qualifying assets, the amount of borrowing costs to be capitalized is determined by subtracting the interest income earned from the unused borrowed funds deposited in the bank or the investment income earned from temporary investments, from the actual borrowing costs incurred during the period.

For general borrowings used for the acquisition, construction, or production of qualifying assets, the amount of borrowing costs to be capitalized is calculated by applying the capitalization rate to the weighted average of the asset expenditures that exceed the specific borrowings. The capitalization rate is determined based on the weighted average actual interest rate of the general borrowings.

During the capitalization period, exchange differences on foreign currency-specific borrowings, including both principal and interest, are capitalized and included in the cost of the qualifying assets. Exchange differences on the principal and interest of other foreign currency borrowings, except for foreign currency-specific borrowings, are recognized in profit or loss in the current period.

24. Biological assets

Applicable N/A

25. Oil and gas assets

Applicable N/A

26. Intangible assets

Valuation method for intangible assets

(1) The Company initially measures intangible assets at cost upon acquisition.

The cost of purchased intangible assets includes the purchase price, related taxes, and other expenditures directly attributable to bringing the asset to its intended use.

(2) Subsequent measurement

When acquiring an intangible asset, the Company assesses and determines its useful life.

Intangible assets with a finite useful life are amortized over the period during which they are expected to generate economic benefits for the Company. If the period during which the intangible asset is expected to generate economic benefits for the Company cannot be reasonably estimated, the asset is classified as having an indefinite useful life and is not amortized.

(1) Useful life and the basis for its determination, estimation, amortization method, or review procedures

Applicable N/A

1. Estimation of useful life for intangible assets with a finite useful life

Item	Estimated useful life	Amortization method	Basis for determining estimated useful life
Software	5	Straight-line method	Estimated benefit period
Land	50	Straight-line method	Estimated benefit period
Patents	10	Straight-line method	Estimated benefit period
Others	3	Straight-line method	Estimated benefit period
Non-patented technology	10	Straight-line method	Estimated benefit period

2. Criteria for determining the indefinite useful life of intangible assets and procedures for reviewing useful life

If the period during which the intangible asset is expected to generate economic benefits for the Company cannot be reasonably estimated, the asset is classified as having an indefinite useful life and is not amortized. The Company does not have any intangible assets with an indefinite useful life during the reporting period.

(2) Scope of aggregation and accounting treatment for R&D expenditures

Applicable N/A

1. Scope of aggregation for R&D expenditures

The Company aggregates all expenses directly related to the R&D activities, including employee benefits for R&D personnel, expenses related to equity incentives, material input costs, depreciation and amortization expenses, and costs for outsourced R&D activities.

2. Specific criteria for differentiating the research phase and the development phase

Expenditures on internal R&D projects are classified into research phase expenditures and development phase expenditures.

Research phase: This stage involves original and planned investigations undertaken to acquire and understand new scientific or technical knowledge.

Development phase: This stage involves applying research findings or other knowledge to a plan or

design for the production of new or substantially improved materials, devices, products, etc., before commencing commercial production or use.

3. Specific conditions for capitalizing development phase expenditures

Expenditures during the research phase are included in the profit or loss of the current period when they occur. Development phase expenditures are capitalized as intangible assets when all of the following conditions are met; otherwise, they are included in the current profit or loss:

(1) The technical feasibility of completing the intangible asset so that it can be utilized or sold is established;

(2) There is an intention to complete the intangible asset and use or sell it;

(3) There is evidence of how the intangible asset will generate economic benefits, including demonstrating the existence of a market for the products produced using the intangible asset or for the intangible asset itself, or if it is to be used internally, demonstrating its usefulness;

(4) There are adequate technical, financial, and other resources available to complete the development of the intangible asset and to use or sell it;

(5) The expenditures attributable to the development phase of the intangible asset can be reliably measured.

If it is not possible to distinguish between the expenditures attributable to the research phase and the development phase, all R&D expenditures are recognized in profit or loss as incurred.

27. Impairment of long-term assets

√ Applicable □ N/A

For long-term assets such as long-term equity investments, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives, and oil and gas assets, an impairment test is conducted if there are indications of impairment as of the balance sheet date. If the impairment test indicates that the recoverable amount of an asset is less than its carrying value, the impairment provision is made according to the difference and included in the impairment loss. The recoverable amount is the higher of the asset's net fair value after deducting disposal costs or the present value of the expected future cash flows from the asset. Provision for impairment is calculated and recognized on an individual asset basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs is determined. An asset group is the smallest identifiable group of assets that generates cash inflows independently.

For goodwill arising from business combinations, intangible assets with indefinite useful lives, and intangible assets that are not yet ready for use, impairment tests are conducted at least annually, regardless of whether there are indications of impairment.

When conducting a goodwill impairment test, the carrying value of goodwill resulting from the business combination is allocated to the relevant asset group or groups on a reasonable basis from the acquisition date. If it is difficult to allocate the goodwill to the relevant asset group, it is allocated to a group of asset groups. The relevant asset group or combination of asset groups are those that are expected to benefit from the synergies of the business combination.

When performing an impairment test on an asset group or combination of asset groups that include goodwill, if there are indications of impairment for the asset group or combination of asset groups that are associated with the goodwill, an impairment test is first conducted on the asset group or combination of asset groups without considering the goodwill. The recoverable amount is calculated and compared with the carrying value, and any impairment loss is recognized. The impairment test is then conducted on the asset group or combination of asset groups that include the goodwill. If the recoverable amount is less than the carrying value, the impairment loss is first allocated to reduce the carrying value of the goodwill allocated to the asset group or group of asset groups. Any remaining impairment loss is then allocated proportionally to reduce the carrying values of the other assets in the asset group or combination of asset groups based on the relative carrying values of those assets.

Once an impairment loss is recognized for the above assets, it is not reversed in subsequent accounting periods.

28. Long-term deferred expenses

Applicable N/A

Long-term deferred expenses refer to expenditures that have already been incurred but should be amortized over the current and subsequent periods, with an amortization period of more than one year.

The amortization period and method for each expense item are as follows:

Item	Amortization method	Amortization period
Renovation costs	Straight-line method	Estimated benefit period
Others	Straight-line method	Estimated benefit period

29. Contract liabilities

Applicable N/A

Contract assets or contract liabilities are presented in the balance sheet based on the relations between the fulfillment of performance obligations and customer payments. The obligation to transfer goods or provide services to a customer, for which consideration has been received or is receivable, is presented as a contract liability. Contract assets and contract liabilities under the same contract are presented on a net basis.

30. Employee benefits

(1) Accounting treatment of short-term benefits

√ Applicable N/A

The Company recognizes the actual amount of short-term benefits incurred during the accounting period in which employees provide services to the Company as a liability and includes it in the current period's profit or loss or the cost of relevant assets.

The Company calculates and determines the amount of employee benefits for social insurance contributions and housing provident funds, as well as union fees and employee education expenses, based on the prescribed accrual basis and provision ratio during the accounting period in which employees render services.

Employee welfare expenses incurred by the Company are recognized in profit or loss or the cost of relevant assets based on the actual amount incurred when they occur, with non-monetary benefits measured at fair value.

(2) Accounting treatment of post-employment benefits

√ Applicable N/A

(1) Defined contribution plans

The Company contributes to basic pension insurance and unemployment insurance for employees following the relevant local government regulations. The contributions are calculated based on the prescribed contribution base and percentage and are recognized as a liability and included in the current period's profit or loss or the cost of relevant assets during the accounting period in which employees render services. Additionally, the Company participates in enterprise annuity plans/supplementary pension insurance funds approved by the relevant national authorities. Contributions to the annuity plans/local social insurance agencies, calculated as a percentage of total employee wages, are recognized as expenses in the current period's profit or loss or the cost of relevant assets.

(2) Defined benefit plans

The Company attributes the benefit obligations arising from defined benefit plans to the period during which employees render services based on a formula determined by the projected unit credit method and recognizes the expenses in the current period's profit or loss or the cost of relevant assets.

The present value of defined benefit plan obligations, minus the fair value of defined benefit plan assets, results in a deficit or surplus that is recognized as a net defined benefit liability or asset. If a surplus exists in the defined benefit plan, the Company measures the net asset of the defined benefit plan at the lower of the surplus or the asset ceiling.

All obligations under defined benefit plans, including those expected to be settled within twelve months after the end of the annual reporting period in which the employees render services, are

discounted using the market yield of government bonds or high-quality corporate bonds in an active market with maturity and currency that match the defined benefit plan obligations as of the balance sheet date.

Service costs arising from defined benefit plans and the net interest on the net defined benefit liability or asset are recognized in the current period's profit or loss or the cost of relevant assets. Changes resulting from remeasurement of the net defined benefit liability or asset are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent accounting periods. Upon termination of the original defined benefit plan, amounts previously recognized in other comprehensive income are reclassified to undistributed profits within equity.

When a defined benefit plan is settled, the difference between the present value of the defined benefit plan obligations as of the settlement date and the settlement price is recognized as a gain or loss on settlement.

(3) Accounting treatment of termination benefits

Applicable N/A

When the Company provides termination benefits to employees, it recognizes a liability for employee benefits arising from termination benefits and includes it in the current period's profit or loss at the earlier of the following dates: when the Company is unable to unilaterally withdraw the offer of termination benefits due to the termination plan or layoff proposal; or when the Company recognizes costs or expenses related to restructuring that involves the payment of termination benefits.

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

Applicable N/A

31. Provisions

Applicable N/A

The Company recognizes a provision for an obligation related to a contingent event when all of the following conditions are met:

- (1) The obligation is a present obligation assumed by the Company;
- (2) It is probable that an outflow of economic benefits will be required to settle the obligation;
- (3) The amount of the obligation can be reliably estimated.

Provisions are initially measured at the best estimate of the expenditure required to settle the present obligation.

In determining the best estimate, the Company takes into account the risks, uncertainties, and the time value of money associated with the contingent event. Where the effect of the time value of money is significant, the best estimate is determined by discounting the expected future cash outflows.

If there is a continuous range of possible outcomes and each outcome within that range is equally likely, the best estimate is the midpoint of the range; in other situations, the best estimate is determined as follows:

If the contingency involves a single item, the most likely amount is used;

If the contingency involves multiple items, the estimate is calculated by weighing all possible outcomes by their associated probabilities.

Where the expenditure required to settle a provision is expected to be reimbursed, in whole or in part, by a third party, the reimbursement is recognized as a separate asset when it is virtually certain that the reimbursement will be received. The amount recognized for reimbursement does not exceed the carrying value of the provision.

The Company reviews the carrying value of provisions at each balance sheet date and adjusts them to reflect the current best estimate if there is evidence that the carrying value does not reflect the best estimate.

The provision recognized by the Company includes the estimated cost for post-sale quality maintenance of products, which is accrued at 1.2% of the total sales revenue of the complete products.

32. Share-based payments

Applicable N/A

The Company engages in share-based payment transactions, granting equity instruments or incurring liabilities based on equity instruments in exchange for services provided by employees or other parties. Share-based payments are classified as either equity-settled or cash-settled.

1. Equity-settled share-based payments

For equity-settled share-based payments in exchange for services provided by employees, the fair value of the equity instruments granted is measured at the grant date. For transactions where the equity instruments are vested immediately upon granting, the cost or expense is recognized on the grant date at the fair value of the equity instruments, with a corresponding increase in capital reserves. For transactions where the equity instruments are vested after completing a service period or achieving specific performance conditions during the vesting period, the Company recognizes the services received during the vesting period based on the best estimate of the number of equity instruments expected to vest, measured at the fair value at the date of grant, with a corresponding increase in capital reserves at each balance sheet date.

If the terms of an equity-settled share-based payment are modified, the Company recognizes, at a minimum, the services received as if the terms had not been modified. In addition, any increase in the fair value of the equity instruments resulting from the modification, or any modification that benefits the employees as of the modification date, is recognized as an additional cost of the services acquired.

If an equity-settled share-based payment is canceled during the vesting period, the Company accounts for the cancellation as an acceleration of vesting, recognizing immediately the amount that would otherwise have been recognized for services received over the remainder of the vesting period, with a corresponding increase in capital reserves. However, if a new equity instrument is granted as a replacement for the canceled equity instrument and is identified as a replacement on the grant date, the replacement equity instrument is treated as a modification of the original equity instrument, and the Company accounts for it accordingly.

2. Cash-settled share-based payments

For cash-settled share-based payments, the liability is measured at the fair value of the liability incurred based on the Company's shares or other equity instruments. For transactions where the liability is vested immediately upon granting, the Company recognizes the cost or expense at the grant date, measured at the fair value of the liability, with a corresponding increase in liabilities. For transactions where the liability is vested after completing a service period or achieving specific performance conditions during the vesting period, the Company recognizes the services received during the vesting period based on the best estimate of the vested liability, measured at the fair value of the liability, with a corresponding increase in liabilities at each balance sheet date. The fair value of the liability is remeasured at each balance sheet date and on the settlement date, with any changes recognized in profit or loss in the current period.

If the terms and conditions of a cash-settled share-based payment are modified to become equity-settled, the Company measures the equity-settled share-based payment at the fair value of the equity instruments granted on the modification date, regardless of whether the modification occurs during or after the vesting period. The Company recognizes the services received up to the modification date as capital reserves, while derecognizing the liability for the cash-settled share-based payment previously recognized on the modification date. The difference between the two is recognized in profit or loss in the current period. If the vesting period extends or shortens as a result of the modification, the Company accounts for the transaction over the revised vesting period.

33. Other financial instruments such as preferred shares and perpetual bonds

Applicable N/A

34. Revenue

(1) Disclosure of accounting policies used for revenue recognition and measurement by business type

Applicable N/A

1. Accounting policies used for revenue recognition and measurement

The Company recognizes revenue when it fulfills its performance obligations under a contract, i.e., when the customer obtains control of the related goods or services. The customer obtains control of the related goods or services when it can direct the use of and obtain substantially all the economic benefits from the goods or services.

If a contract contains two or more performance obligations, the Company allocates the transaction price to each performance obligation based on the relative standalone selling prices of the goods or services promised in the contract. The Company measures revenue based on the transaction price allocated to each performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to the customer. The Company determines the transaction price based on the contract terms and its customary business practices, considering factors such as variable consideration, the existence of a significant financing component in the contract, non-cash consideration, and consideration payable to the customer. The Company determines the transaction price including variable consideration at an amount that is not expected to materially reverse cumulative revenue recognized when the uncertainty is resolved. If a significant financing component exists in the contract, the Company determines the transaction price as the amount payable by the customer in cash at the point in time when the customer obtains control of the goods or services, and the difference between the transaction price and the contract consideration is amortized over the contract period using the effective interest method.

A performance obligation is fulfilled over time if one of the following conditions is met; otherwise, it is fulfilled at a point in time:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.
- The customer controls the asset as the Company creates or enhances it.
- The asset being created has no alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date, cumulatively, throughout the term of the contract.

For performance obligations satisfied over time, the Company recognizes revenue based on the progress toward complete satisfaction of the performance obligation during the period, except when the

progress cannot be reasonably measured. The Company determines the progress toward satisfaction of the performance obligation using an output method or an input method, depending on the nature of the goods or services. When progress cannot be reasonably measured, but costs incurred are expected to be recoverable, the Company recognizes revenue to the extent of the costs incurred until progress is reasonably determinable.

For performance obligations fulfilled at a point in time, the Company recognizes revenue when the customer obtains control of the related goods or services. In determining whether a customer has obtained control of the goods or services, the Company considers the following indicators:

- The Company has a present right to payment for the goods or services, meaning the customer has a present obligation to pay for the goods or services.
- The Company has transferred the legal title of the goods to the customer, meaning the customer has obtained legal ownership of the goods.
- The Company has transferred physical possession of the goods to the customer, meaning the customer has taken physical possession of the goods.
- The Company has transferred the significant risks and rewards of ownership of the goods to the customer, meaning the customer has obtained the primary risks and rewards of ownership of the goods.
- The customer has accepted the goods or services.

The Company determines whether it acts as a principal or an agent in a transaction by assessing whether it controls the goods or services before transferring them to the customer. If the Company controls the goods or services before transferring them to the customer, it acts as a principal and recognizes revenue based on the gross amount of consideration received or receivable. Otherwise, the Company acts as an agent and recognizes revenue based on the amount of commission or fee to which it expects to be entitled.

2. Disclosure of specific revenue recognition methods and measurement approaches by business type

(1) Revenue from the sale of automated equipment

The Company's main products are automated equipment. After the Company signs an equipment sales contract with a customer, the Company delivers the completed equipment to the customer for acceptance. The Company also arranges for personnel to install, commission, and test the equipment until it passes trial operation. After the customer confirms acceptance on the product acceptance form and other documents, the Company recognizes the corresponding sales revenue and transfers the cost of the equipment sold and the cost of the services provided.

(2) Revenue from the sale of spare parts related to equipment

The Company recognizes revenue from the sale of spare parts related to equipment when the goods are delivered to the customer and the customer signs the receipt.

(3) Revenue from equipment modification services

The Company provides equipment modification services. Revenue is recognized by the Company after the modification and installation are completed and the customer confirms acceptance on the modification project acceptance form and other documents. The Company also carries forward the cost of modification materials and the cost of the services provided.

(2) Different revenue recognition methods and measurement approaches involving different operating models for similar business activities

Applicable N/A

35. Contract costs

Applicable N/A

36. Government grants

Applicable N/A

1. Types

Government grants refer to the monetary or non-monetary assets that the Company receives from the government without compensation. These grants are categorized as either asset-related government grants or income-related government grants.

Asset-related government grants are those that the Company receives to acquire, construct, or otherwise form long-term assets. Income-related government grants refer to all government grants other than those related to assets.

The specific criteria for classifying government grants as asset-related are as follows: Government grants used to construct or otherwise form long-term assets are classified as asset-related government grants.

The specific criteria for classifying government grants as income-related are as follows: All government grants that are not asset-related are classified as income-related government grants.

For government grants where the government documents do not clearly specify the target, the Company determines whether the grant is asset-related or income-related based on the following judgment criteria:

(1) If the government document specifies a particular project that the grant targets, the Company allocates the grant based on the relative proportion of expenditures that will form assets versus those that will be expensed. This allocation ratio is reviewed at each balance sheet date and adjusted if necessary.

(2) If the government document only generally states the purpose without specifying a particular

project, the grant is classified as income-related.

2. Recognition timing

Income-related government grants: For government grants obtained by the Company based on a fixed quota, they are measured at the receivable amount and recognized when the Company meets the attached conditions and it is certain that the government grant will be received. For government grants not obtained by the Company based on a fixed quota, they are recognized when the Company meets the attached conditions and actually receives the government grant funds.

Asset-related government grants: These are recognized when the Company meets the attached conditions and actually receives the government grant funds.

3. Accounting treatment

Asset-related government grants are either deducted from the carrying value of the related asset or recognized as deferred income. If recognized as deferred income, the amount is systematically amortized into profit or loss over the useful life of the related asset using a reasonable method. If the grant is related to the Company's normal activities, it is included in other income; if unrelated to the Company's normal activities, it is included in non-operating income.

If the grant is used to compensate for future costs, expenses, or losses of the Company, it is recognized as deferred income and included in profit or loss during the period in which the related costs, expenses, or losses are recognized. If related to the Company's normal activities, it is included in other income; if unrelated to the Company's normal activities, it is included in non-operating income or is used to offset the related costs, expenses, or losses. If the grant is used to compensate for costs, expenses, or losses already incurred by the Company, it is directly included in the profit or loss in the current period. If related to the Company's normal activities, it is included in other income; if unrelated to the Company's normal activities, it is included in non-operating income or is used to offset against the related costs, expenses, or losses.

37. Deferred income tax assets and deferred income tax liabilities

Applicable N/A

Income tax includes current income tax and deferred income tax. Except for income tax arising from business combinations and transactions or events directly recognized in equity (including other comprehensive income), the Company recognizes current income tax and deferred income tax in profit or loss for the period.

Deferred income tax assets and deferred income tax liabilities are recognized based on the

differences (temporary differences) between the tax bases of assets and liabilities and their carrying values.

Deferred income tax assets are recognized for deductible temporary differences to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized. Deferred income tax assets are also recognized for deductible losses and tax credits that can be carried forward to future years, to the extent that it is probable that future taxable income will be available against which these deductible losses and tax credits can be utilized.

Deferred income tax liabilities are recognized for taxable temporary differences, except in certain specific circumstances.

Specific circumstances where deferred income tax assets or deferred income tax liabilities are not recognized include:

- The initial recognition of goodwill;
- Transactions or events that are not business combinations and, at the time of the transaction, do not affect accounting profit or taxable income (or deductible loss), and do not result in taxable or deductible temporary differences.
- For taxable temporary differences related to investments in subsidiaries, associates, and joint ventures, deferred income tax liabilities are recognized, except when the Company can control the timing of the reversal of the temporary differences, and probably, the temporary differences will not reverse in the foreseeable future. For deductible temporary differences related to investments in subsidiaries, associates, and joint ventures, deferred income tax assets are recognized when the temporary differences will probably reverse in the foreseeable future and sufficient taxable income will be available to utilize the deductible temporary differences.

At the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on the tax laws.

The Company reviews the carrying value of deferred income tax assets at each balance sheet date. If it is no longer probable that sufficient taxable income will be available to utilize the benefits of the deferred income tax assets, the carrying value of the deferred tax assets is written down accordingly. The write-downs are reversed when it is more likely than not that sufficient taxable income will be available to allow the benefits of the deferred tax assets to be utilized.

When there is a legally enforceable right to offset current income tax assets against current income tax liabilities and the intention to settle on a net basis, or to acquire the assets and settle the liabilities simultaneously, current income tax assets and current income tax liabilities are presented on a net basis after offsetting.

At the balance sheet date, deferred income tax assets and deferred income tax liabilities are presented on a net basis after offsetting when the following conditions are simultaneously met:

- The taxable entity has a legal right to settle current income tax assets against current income tax liabilities;
- The deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity, or on different taxable entities that intend to settle current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously in each future period when material amounts of deferred income tax assets or liabilities are expected to reverse.

38. Leases

√ Applicable N/A

Simplified treatment for short-term leases and low-value asset leases as a lessee: judgment criteria and accounting treatment

√ Applicable N/A

(1) Right-of-use assets

At the commencement date of the lease, the Company recognizes right-of-use assets for leases other than short-term leases and low-value asset leases. Right-of-use assets are initially measured at cost.

The cost includes:

- The initial measurement amount of the lease liability;
- Lease payments made on or before the commencement date, less any lease incentives received;
- Initial direct costs incurred by the Company;
- Costs expected to be incurred by the Company for dismantling and removing the leased asset, rehabilitating the site on which the asset is located, or restoring the leased asset to the condition required by the lease terms, excluding costs incurred to produce inventory.

The Company subsequently depreciates the right-of-use assets using a straight-line method over the lease term. If the ownership of the leased asset can be reasonably determined by the end of the lease term, the right-of-use asset is depreciated over the remaining useful life of the leased asset; otherwise, the leased asset is depreciated over the shorter of the lease term or the remaining useful life of the leased asset.

The Company determines whether the right-of-use asset has been impaired by the principles set forth in “27. Impairment of long-term assets” and accounts for any identified impairment losses accordingly.

(2) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities for leases other than short-term leases and low-value asset leases. Lease liabilities are initially measured at the present value of the lease payments that have not yet been paid. Lease payments include:

- Fixed payments (including in-substance fixed payments), net of amounts related to any lease incentives;
- Variable lease payments that depend on an index or rate;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option, if the Company is reasonably certain to exercise that option;
- Payments for terminating the lease provided the lease term reflects the exercise of a termination option.

The Company uses the interest rate implicit in the lease as the discount rate, or if that rate cannot be readily determined, the Company uses its incremental borrowing rate as the discount rate.

The Company calculates the interest expense on the lease liability over the lease term at a fixed periodic rate of interest and recognizes it in profit or loss or as part of the cost of the related asset.

Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss or as part of the cost of the related asset in the period in which the event or condition that triggers those payments occurs.

After the commencement date of the lease, the Company remeasures the lease liability and adjusts the corresponding right-of-use asset under the following circumstances. If the carrying value of the right-of-use asset has been reduced to zero and a further reduction in the lease liability is required, the difference is recognized in profit or loss in the current period:

- When there is a change in the assessment of a purchase option, renewal option, or termination option, or when the actual exercise of such an option differs from the previous assessment, the Company remeasures the lease liability based on the present value of the revised lease payments using the revised discount rate.
- When there is a change in the amount of in-substance fixed payments, the expected amount payable under a residual value guarantee, or the index or rate used to determine lease payments, the Company remeasures the lease liability at the present value of the revised lease payments using the original discount rate. However, if the change in lease payments results from a change in a floating interest rate, the present value is calculated based on the revised discount rate.

(3) Short-term leases and low-value asset leases

The Company elects not to recognize right-of-use assets and lease liabilities for short-term leases

and low-value asset leases. Instead, the related lease payments are recognized in profit or loss or as part of the cost of the related asset on a straight-line basis over the lease term. A short-term lease is defined as a lease that, at the commencement date, has a lease term of 12 months or less and does not contain a purchase option. A low-value asset lease refers to a lease where the value of the underlying asset is low when it is new. If the Company subleases or expects to sublease the leased asset, the original lease does not qualify as a low-value asset lease.

(4) Lease modifications

If a lease modification meets both of the following conditions, the Company accounts for the lease modification as a separate lease:

- The lease modification increases the scope of the lease by adding the right to use one or more underlying assets;
- The increased consideration for the lease modification is comparable to the standalone price for the increase in scope adjusted to reflect the circumstances of the contract.

If a lease modification is not accounted for as a separate lease, the Company reallocates the consideration in the modified contract, reassesses the lease term, and remeasures the lease liability at the present value of the revised lease payments using a revised discount rate as of the effective date of the modification.

If the lease modification results in a reduction in the scope of the lease or a shortening of the lease term, the Company reduces the carrying value of the right-of-use asset and recognizes any gain or loss related to the partial or full termination of the lease in profit or loss in the current period. For other lease modifications that result in the remeasurement of the lease liability, the Company adjusts the carrying value of the right-of-use asset accordingly.

Criteria for lease classification and accounting treatment as a lessor

Applicable N/A

At the commencement date of the lease, the Company classifies leases as either finance leases or operating leases. A finance lease refers to a lease that transfers substantially all the risks and rewards incidental to ownership of the leased asset, regardless of whether the title is eventually transferred. An operating lease refers to a lease other than a finance lease. When the Company acts as an intermediate lessor, the classification of a sublease is based on the right-of-use asset arising from the original lease.

(1) Accounting treatment for operating leases

Lease payments received under operating leases are recognized as lease income on a straight-line basis over the lease term. Initial direct costs incurred by the Company related to operating leases are capitalized and apportioned to profit or loss on the same basis as the lease income. Variable lease

payments not included in the lease receipts are recognized in profit or loss when they occur. When an operating lease is modified, the Company accounts for it as a new lease from the effective date of the modification. Lease receipts or amounts receivable related to the lease before the modification are regarded as receipts under the new lease.

(2) Accounting treatment for finance leases

At the commencement date of a finance lease, the Company recognizes finance lease receivables and derecognizes the leased asset. When initially measuring finance lease receivables, the Company records them at the net investment in the lease. The net investment in the lease is the sum of the present value of the lease payments not yet received and the unguaranteed residual value at the commencement date of the lease term, discounted at the interest rate implicit in the lease.

The Company calculates and recognizes interest income over the lease term using a constant periodic rate of return on the net investment in the lease. The derecognition and impairment of finance lease receivables are accounted for in accordance with the principles outlined in “11. Financial instruments” under the subsection “V. Significant Accounting Policies and Accounting Estimates.”

Variable lease payments not included in the measurement of the net investment in the lease are recognized in profit or loss in the period when they occur.

If a finance lease modification meets both of the following conditions, the Company regards the modification as a separate lease:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets;
- The consideration for the lease modification is equivalent to the standalone price for the increase in scope adjusted to reflect the circumstances of the contract.

If a finance lease modification is not accounted for as a separate lease, the Company handles the modified lease as follows:

- If the lease would have been effective and classified as an operating lease at the commencement date based on the modified terms, the Company accounts for the lease as a new lease from the effective date of the modification, using the net investment in the lease as the carrying value of the leased asset as of the modification date.
- If the lease would have been effective and classified as a finance lease at the commencement date based on the modified terms, the Company applies the accounting policies for contract modifications as described in “11. Financial instruments” under the subsection “V. Significant Accounting Policies and Accounting Estimates.”

Sale and leaseback transactions

The Company evaluates whether the transfer of an asset in a sale and leaseback transaction qualifies as a sale based on the principles outlined in “34. Revenue” in these notes.

(1) As a lessee

If the transfer of an asset in a sale and leaseback transaction qualifies as a sale, the Company, as the lessee, measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying value of the asset that relates to the right of use retained by the Company. The Company recognizes only the gain or loss related to the rights transferred to the lessor.

If the transfer of an asset in a sale and leaseback transaction does not qualify as a sale, the Company, as the lessee, continues to recognize the transferred asset and recognizes a financial liability equal to the transfer proceeds. The accounting for the financial liability is detailed in “11. Financial instruments” under the subsection “V. Significant Accounting Policies and Accounting Estimates.”

(2) As a lessor

If the transfer of an asset in a sale and leaseback transaction qualifies as a sale, the Company, as the lessor, accounts for the asset purchase in accordance with the policies described in “2. The Company as a lessor” and accounts for the leaseback in accordance with the lease classification criteria and accounting treatment for leases. If the transfer of an asset in a sale and leaseback transaction does not qualify as a sale, the Company, as the lessor, does not recognize the transferred asset but instead recognizes a financial asset equal to the transfer proceeds. The accounting for the financial asset is detailed in “11. Financial instruments” under the subsection “V. Significant Accounting Policies and Accounting Estimates.”

39. Other significant accounting policies and accounting estimates

Applicable N/A

Repurchase of the Company’s own shares:

When the Company repurchases its own shares, whether for reducing registered capital or for employee incentives, the amount actually paid for the shares are accounted for as treasury stock and recorded in a memorandum account. If the repurchased shares are subsequently canceled, the difference between the total par value of the shares canceled (based on the number of shares and their par value) and the actual repurchase payment is deducted from the capital reserve. If the capital reserve is insufficient to offset the difference, the remaining amount is deducted from retained earnings. If the repurchased shares are granted to employees as part of an equity-settled share-based payment arrangement, the cost of the treasury shares delivered to the employees and the accumulated amount in the capital reserve (other capital reserves) during the vesting period are derecognized upon the employees exercising their rights to purchase the shares. The difference is adjusted in the capital reserve

(share premium).

Debt restructuring

The Company as a creditor

The Company derecognizes a receivable when the contractual rights to the cash flows from the receivable expire. For debt restructuring involving the settlement of debt through the transfer of assets or conversion of debt into equity instruments, the Company recognizes the relevant assets when they meet the definition and recognition criteria.

For debt restructuring in the form of settlement of debt through the transfer of non-financial assets, the Company initially measures the acquired non-financial asset at cost. The cost of inventory includes the fair value of the relinquished receivable and any other directly attributable costs such as taxes, transportation fees, loading and unloading fees, and insurance costs incurred to bring the asset to its present location and condition. The cost of investments in associates or joint ventures includes the fair value of the relinquished receivable and any other directly attributable costs such as taxes. The cost of investment property includes the fair value of the relinquished receivable and any other directly attributable costs such as taxes. The cost of fixed assets includes the fair value of the relinquished receivable and any directly attributable costs such as taxes, transportation fees, loading and unloading fees, installation fees, and professional service fees incurred before the asset is brought to its intended use. The cost of biological assets includes the fair value of the relinquished receivable and any directly attributable costs including taxes, transportation fees, and insurance costs. The cost of intangible assets includes the fair value of the relinquished receivable and any directly attributable costs such as taxes incurred to bring the asset to its intended use. For debt restructuring involving the conversion of debt into equity instruments, where the creditor converts the debt into an investment in an associate or joint venture, the Company measures the initial investment cost based on the fair value of the relinquished receivable and any directly attributable costs such as taxes. The difference between the fair value of the relinquished receivable and its carrying value is recognized in profit or loss in the current period.

For debt restructuring involving the modification of other terms, the Company recognizes and measures the restructured receivable under the principles set out in “11. Financial instruments” under the subsection “V. Significant Accounting Policies and Accounting Estimates.”

For debt restructuring involving the settlement of debt through the transfer of multiple assets or a combination of methods, the Company first recognizes and measures the acquired financial assets and restructured receivables under “11. Financial instruments” under the subsection “V. Significant Accounting Policies and Accounting Estimates.” Then, the Company allocates the net amount of the fair value of the relinquished receivable, after deducting the amounts recognized for the acquired financial

assets and restructured receivables, based on the proportionate fair values of the other acquired assets, and determines the costs of these assets using the aforementioned methods. The difference between the fair value of the relinquished receivable and its carrying value is recognized in profit or loss in the current period.

The Company as a debtor

The Company derecognizes a liability when the present obligation for the liability is discharged.

For debt restructuring in the form of the settlement of debt through the transfer of assets, the Company derecognizes the liability when the transferred assets and the extinguished debt meet the derecognition criteria. The difference between the carrying value of the extinguished debt and the carrying value of the transferred assets is recognized in profit or loss in the current period.

For debt restructuring in the form of the conversion of debt into equity instruments, the Company derecognizes the liability when the extinguished debt meets the derecognition criteria. The Company measures the initial recognition of the equity instruments at their fair value. If the fair value of the equity instruments cannot be reliably measured, the Company measures them at the fair value of the extinguished debt. The difference between the carrying value of the extinguished debt and the recognized amount of the equity instruments is recognized in profit or loss in the current period.

For debt restructuring in the form of the modification of other terms, the Company recognizes and measures the restructured debt in accordance with the principles set out in “11. Financial instruments” under the subsection “V. Significant Accounting Policies and Accounting Estimates.”

For debt restructuring in the form of the settlement of debt through the transfer of multiple assets or a combination of methods, the Company recognizes and measures the equity instruments and restructured debt following the methods described above. The difference between the carrying value of the extinguished debt and the carrying value of the transferred assets, along with the recognized amounts of the equity instruments and restructured debt, is recognized in profit or loss in the current period.

40. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

Applicable N/A

(2) Changes in significant accounting estimates

Applicable N/A

(3) Adjustment of the financial statements at the beginning of the year of initial implementation of new accounting standards or interpretations in 2024

Applicable N/A

41. Others

Applicable N/A

Taxes

1. Major tax categories and tax rates

Major tax categories and tax rates

√ Applicable □ N/A

Category	Tax base	Tax rate
Value added tax (VAT)	The output tax is calculated based on the sales of goods and taxable service income calculated according to tax laws. After deducting the input tax that can be deducted in the current period, the difference is the payable value-added tax.	5.00%, 6.00%, 9.00%, 13.00%
Urban maintenance and construction tax	It is calculated and paid based on the actual value-added tax and consumption tax paid.	7.00%
Corporate income tax	It is calculated and paid based on taxable income	15.00%, 17.00%, 20.00%, 23.20%, 24%, 25.00%
Educational surcharge	It is calculated and paid based on the actual value-added tax and consumption tax paid.	3.00%
Local educational surcharge	It is calculated and paid based on the actual value-added tax and consumption tax paid	2.00%

√ Applicable □ N/A

Taxable entity	Income tax rate (%)
Wuxi Autowell Technology Co., Ltd.	15.00
Wuxi Autowell Intelligent Equipment Co., Ltd.	15.00
Wuxi Autowell Optical Application Co., Ltd.	25.00
Wuxi Autowell Supply Chain Management Co., Ltd.	25.00
Wuxi Songci Electromechanical Co., Ltd.	15.00
Wuxi Autowell XuRi Technology Co., Ltd.	15.00
Wuxi Autowell Coshin Semiconductor Technology Co., Ltd.	25.00
Wuxi Autowell Zhiyuan Equipment Co., Ltd.	25.00
Qinhuangdao Autowell Zhiyuan Equipment Co., Ltd.	20.00
Wuxi Leddo Technology Co., Ltd.	20.00
Wuxi Autowell Jiexin Technology Co., Ltd.	20.00
AUTOWELL Japan Corporation.	23.20
Autowell (Singapore) PTE. LTD.	17.00
Wuxi Polar New Enegy Co., Ltd.	20.00
AUTOWELL (MALAYSIA) SDN. BHD.	24.00
Polar New Enegy (Bengbu) Co., Ltd.	15.00
Wuhu Polar Photovoltaic Power Generation Co., Ltd.	25.00
Beijing Linkong Polar Energy Management Co., Ltd.	20.00

Polar New Energy (Foshan) Co., Ltd.	20.00
Zhengzhou Polar New Energy Co., Ltd.	20.00
Anhui Hengzhi Copper-Indium-Gallium-Selenium Technology Co., Ltd.	15.00

2. Tax incentives

√ Applicable □ N/A

According to the *Notice of the Ministry of Finance and the State Administration of Taxation on VAT Policies for Software Products* (CS [2011] No. 100), general taxpayers who sell their self-developed software products shall be subject to an immediate refund policy for any portion of their actual VAT liability exceeding 3% after being levied at the time of declaration. The software products as mentioned in this Notice refer to information processing programs and related documents and data, including computer software products, information systems, and embedded software products. Embedded software products refer to the software products that are embedded in computer hardware and machinery equipment, sold together with them, and form part of the computer hardware or machinery equipment. The embedded software products produced by the Company align with the above tax incentive policy. The Company has obtained a notice of qualification for tax incentives issued by Wuxi Municipal Tax Service, State Taxation Administration, and the tax incentive policy has taken effect since January 1, 2011.

According to the *Announcement on Filing for the Second Batch of High-tech Enterprises Identified in Jiangsu Province in 2021* issued by the National Leading Group Office for the Administration of High-tech Enterprise Identification, Wuxi Autowell Technology Co., Ltd. was reviewed and approved as a high-tech enterprise in 2021 and obtained a certificate of high-tech enterprise on November 30, 2021 with the certificate number of GR202132005383. The qualification is valid for three years, and its corporate income tax would be calculated at a reduced rate of 15% from 2021 to 2023 according to tax provisions.

According to the *Announcement on Filing for the Third Batch of High-tech Enterprises Identified in Jiangsu Province in 2022* issued by the National Leading Group Office for the Administration of High-tech Enterprise Identification, Wuxi Autowell Intelligent Equipment Co., Ltd. was reviewed and approved as a high-tech enterprise in 2022 and obtained a certificate of high-tech enterprise on November 18, 2022 with the certificate number of GR202232009007. The qualification is valid for three years, and its corporate income tax is reduced by 15% from 2022 to 2024 according to tax provisions.

According to the *Announcement on Filing for the Second Batch of High-tech Enterprises Identified in Jiangsu Province in 2023* issued by the National Leading Group Office for the Administration of

High-tech Enterprise Identification, Wuxi Songci Electromechanical Co., Ltd. was reviewed and approved as a high-tech enterprise in 2023, with the certificate number of GR202332000273. The qualification is valid for three years, and its corporate income tax is reduced by 15% from 2023 to 2025 according to tax provisions.

According to the *Announcement on Filing for the First Batch of High-tech Enterprises Identified in Anhui Province in 2022* issued by the National Leading Group Office for the Administration of High-tech Enterprise Identification, Polar Photovoltaics (Bengbu) Co., Ltd. was reviewed and approved as a high-tech enterprise in 2022 and obtained a certificate of high-tech enterprise on October 18, 2022 with the certificate number of GR202234000834. The qualification is valid for three years, and its corporate income tax is reduced at 15% from 2022 to 2024 according to tax provisions.

According to the *Announcement on Filing for High-tech Enterprises Identified in Anhui Province at the end of 2022* issued by the National Leading Group Office for the Administration of High-tech Enterprise Identification, Anhui Hengzhi Copper-Indium-Gallium-Selenium Technology Co., Ltd. reviewed and approved as a high-tech enterprise in 2022 and obtained a certificate of high-tech enterprise on October 18, 2022 with the certificate number of GR202234003486. The qualification is valid for three years, and its corporate income tax is reduced by 15% from 2022 to 2024 according to tax provisions.

According to the *Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing Preferential Policies for Income Taxes of Small and Micro Enterprises* (Announcement No. 13, 2022 by the Ministry of Finance and the State Administration of Taxation), for small low-profit enterprises with annual taxable income exceeding RMB1 million but no more than RMB3 million from January 1, 2022 to December 31, 2024, the portion shall be included in the taxable income at a reduced rate of 25%, and their corporate income tax shall be paid at a rate of 20%.

According to the *Announcement of the Ministry of Finance and the State Administration of Taxation on Preferential Policies for Income Taxes of Small and Micro Enterprises and Individual Businesses* (Announcement No. 6, 2023 by the Ministry of Finance and the State Administration of Taxation), for small low-profit enterprises with annual taxable income of no more than RMB1 million from January 1, 2023 to December 31, 2024, the portion shall be included in the taxable income at a reduced rate of 25%, and their corporate income tax shall be paid at a rate of 20%.

The subsidiaries of the Company, including Wuxi Autowell Zhiyuan Equipment Co., Ltd., Qinhuangdao Autowell Zhiyuan Equipment Co., Ltd., Wuxi Leddo Technology Co., Ltd., Wuxi Autowell Jiexin Technology Co., Ltd., Wuxi Polar New Energy Co., Ltd., Beijing Linkong Polar

Energy Management Co., Ltd., Polar New Energy (Foshan) Co., Ltd. and Zhengzhou Polar New Energy Co., Ltd., are eligible for the preferential policies for small low-profit enterprises in 2023. For the portion with an annual taxable income not exceeding RMB1 million, it is included in the taxable income at a reduced rate of 25%, and corporate income tax is paid at the rate of 20%; for the portion with an annual taxable income exceeding RMB1 million but no more than RMB3 million, it is included in the taxable income at a reduced rate of 25%, and corporate income tax is paid at the rate of 20%.

3. Others

Applicable N/A

VII. Notes to the Consolidated Financial Statements

1. Monetary funds

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
Cash on hand	394,157.19	387,917.07
Cash in banks	1,681,161,568.26	1,516,171,305.90
Other monetary funds	304,596,281.75	315,349,536.05
Deposits due from financial companies	-	-
Total	1,986,152,007.20	1,831,908,759.02
Of which: Total amount due from overseas institutions	13,192,742.88	2,348,432.99

Other notes

Other monetary fund items:

Item	Closing balance	Closing balance of last year
Margin on bank acceptance bill	292,606,828.41	260,008,526.56
Cash for investment	-	4,202,747.96
Performance bond	8,334,747.34	51,138,261.53
Frozen fund	3,654,706.00	
Total	304,596,281.75	315,349,536.05

2. Trading financial assets

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance	Specified reasons and basis
Financial assets at fair value through profit or loss			/
Of which:			
Designated financial assets	220,055,388.89	1,013,130,849.65	

measured at fair value through profit or loss in the current period			
Of which:			
Total	220,055,388.89	1,013,130,849.65	/

Other notes:

Applicable N/A

3. Derivative financial assets

Applicable N/A

4. Notes receivable

(1) Classification of notes receivable

Applicable N/A

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

Applicable N/A

(3) Notes receivable not yet matured on the balance sheet date that have been endorsed or discounted by the Company at the end of the period

Applicable N/A

(4) Disclosure by bad debt provision method

Applicable N/A

Provision for bad debts based on individual item:

Applicable N/A

Provision for bad debts based on the combination of items:

Applicable N/A

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

Applicable N/A

Basis for classification at different phases and provision ratio for bad debts

N/A

Notes to significant changes in the carrying amount of accounts receivable with changes in loss provisions in the current period:

Applicable N/A

(5) Provision for bad debts

Applicable N/A

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

Applicable N/A

Other notes:

N/A

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

Applicable N/A

Of which, significant notes receivable written off:

Applicable N/A

Notes to the write-off of notes receivable:

Applicable N/A

Other notes:

Applicable N/A

5. Accounts receivable

(1) Disclosure by aging

Applicable N/A

Unit: Yuan, Currency: RMB

Aging	Closing balance	Opening balance
Within 1 year		
Of which: sub-items within 1 year		
	2,170,091,311.00	1,583,764,305.97
Subtotal of accounts within 1 year	2,170,091,311.00	1,583,764,305.97
1 to 2 years	203,849,637.91	150,428,366.49
2 to 3 years	67,006,098.16	41,321,786.08
Over 3 years	67,659,804.98	48,078,490.10
Less: Provision for bad debts	311,581,374.62	231,837,233.27
Total	2,197,025,477.43	1,591,755,715.37

(2) Disclosure by bad debt provision method

Applicable N/A

Type	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts		Carrying value	Carrying amount		Provision for bad debts		Carrying value
	Amount	Ratio (%)	Amount	Provision ratio (%)		Amount	Ratio (%)	Amount	Provision ratio (%)	
Provision for bad debts based on individual items	132,740,164.67	5.29	132,740,164.67	100.00	-	100,049,103.70	5.49	100,049,103.70	100.00	-
Of which:										
Provision for bad debts based on individual items	132,740,164.67	5.29	132,740,164.67	100.00	-	100,049,103.70	5.49	100,049,103.70	100.00	-
Provision for bad debts based on the combination of items	2,375,866,687.38	94.71	178,841,209.95	7.53	2,197,025,477.43	1,723,543,844.94	94.51	131,788,129.57	7.65	1,591,755,715.37
Of which:										
Provision for bad debts based on the combination of credit risk characteristics	2,375,866,687.38	94.71	178,841,209.95	7.53	2,197,025,477.43	1,723,543,844.94	94.51	131,788,129.57	7.65	1,591,755,715.37
Total	2,508,606,852.05	/	311,581,374.62	/	2,197,025,477.43	1,823,592,948.64	/	231,837,233.27	/	1,591,755,715.37

Unit: Yuan, Currency: RMB

Provision for bad debts based on individual items:

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Name	Closing balance			
	Carrying amount	Provision for bad debts	Provision ratio (%)	Provision reasons
Customer 1	761,966.00	761,966.00	100.00	On the verge of bankruptcy
Customer 2	405,369.80	405,369.80	100.00	Bankruptcy
Customer 3	762,559.59	762,559.59	100.00	Difficulty in payment collection
Customer 4	135,750.00	135,750.00	100.00	Difficulty in payment collection
Customer 5	200,000.00	200,000.00	100.00	Under prosecution
Customer 6	790,959.00	790,959.00	100.00	Under prosecution
Customer 7	3,113,451.05	3,113,451.05	100.00	Bankruptcy
Customer 8	6,009,191.50	6,009,191.50	100.00	Bankruptcy
Customer 9	816,760.00	816,760.00	100.00	Bankruptcy
Customer 10	1,979,760.13	1,979,760.13	100.00	Under prosecution
Customer 11	17,987,500.00	17,987,500.00	100.00	Bankruptcy
Customer 12	1,572,512.86	1,572,512.86	100.00	Under prosecution
Customer 13	737.82	737.82	100.00	Difficulty in payment collection
Customer 14	1,111,894.00	1,111,894.00	100.00	Difficulty in payment collection
Customer 15	602,000.00	602,000.00	100.00	Difficulty in payment collection
Customer 16	2,273,337.06	2,273,337.06	100.00	Bankruptcy
Customer 17	1,592,000.00	1,592,000.00	100.00	Difficulty in payment collection
Customer 18	1,112,000.00	1,112,000.00	100.00	Bankruptcy
Customer 19	2,514,000.00	2,514,000.00	100.00	Under prosecution
Customer 20	670,828.99	670,828.99	100.00	Under prosecution
Customer 21	15,119,600.27	15,119,600.27	100.00	Difficulty in payment collection
Customer 22	5,022,400.00	5,022,400.00	100.00	Under prosecution
Customer 23	9,590,631.73	9,590,631.73	100.00	Bankruptcy
Customer 24	15,500.00	15,500.00	100.00	Difficulty in payment collection
Customer 25	1,018,267.50	1,018,267.50	100.00	Difficulty in payment collection
Customer 26	1,827,230.76	1,827,230.76	100.00	Under prosecution
Customer 27	640,000.00	640,000.00	100.00	Under prosecution
Customer 28	150,000.00	150,000.00	100.00	Under prosecution
Customer 29	17,385.00	17,385.00	100.00	Difficulty in payment collection
Customer 30	771,000.00	771,000.00	100.00	Bankruptcy
Customer 31	6,524,000.00	6,524,000.00	100.00	Difficulty in payment collection
Customer 32	1,640,000.00	1,640,000.00	100.00	Difficulty in payment

				collection
Customer 33	3,000,000.00	3,000,000.00	100.00	Under prosecution
Customer 34	7,518,700.00	7,518,700.00	100.00	Difficulty in payment collection
Customer 35	12,373,833.24	12,373,833.24	100.00	Difficulty in payment collection
Customer 36	928,000.00	928,000.00	100.00	Difficulty in payment collection
Customer 37	3,840,000.00	3,840,000.00	100.00	Difficulty in payment collection
Customer 38	1,969,200.00	1,969,200.00	100.00	Bankruptcy
Customer 39	227,020.50	227,020.50	100.00	Difficulty in payment collection
Customer 40	3,941,537.07	3,941,537.07	100.00	Difficulty in payment collection
Customer 41	2,939,377.30	2,939,377.30	100.00	Difficulty in payment collection
Customer 42	1,325,903.50	1,325,903.50	100.00	Difficulty in payment collection
Customer 43	888,000.00	888,000.00	100.00	Under prosecution
Customer 44	7,040,000.00	7,040,000.00	100.00	Difficulty in payment collection
Total	132,740,164.67	132,740,164.67	100.00	/

Notes to provision for bad debts based on individual items:

Applicable N/A

Provision for bad debts based on the combination of items:

Applicable N/A

Combination provision item: Provision for bad debts based on the combination of credit risk characteristics

Unit: Yuan, Currency: RMB

Name	losing balance		
	Accounts receivable	Provision for bad debts	Provision ratio (%)
Within 1 year	2,127,564,460.45	106,085,298.72	5.00
1 to 2 years	184,379,691.69	26,740,810.90	15.00
2 to 3 years	35,814,869.80	17,907,434.90	50.00
Over 3 years	28,107,665.43	28,107,665.43	100.00
Total	2,375,866,687.38	178,841,209.95	

Notes to provision for bad debts based on the combination of items:

Applicable N/A

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

Applicable N/A

Basis for classification at different phases and provision ratio for bad debts

N/A

Notes to significant changes in the carrying amount of accounts receivable with changes in loss provisions in the current period:

Applicable N/A

(3) Provision for bad debts√ Applicable N/A

Unit: Yuan, Currency: RMB

Type	Opening balance	Amount of change for the period				Closing balance
		Provision	Amount recovered or reversed	Amount charged off or written off	Other changes	
Provision for bad debts based on individual items	100,049,103.70	45,372,333.30	12,627,272.33	54,000.00		132,740,164.67
Provision for bad debts based on combination of items	131,788,129.57	85,774,067.22	38,720,986.84			178,841,209.95
Total	231,837,233.27	131,146,400.52	51,348,259.17	54,000.00	-	311,581,374.62

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

 Applicable N/A**(4) Accounts receivable actually written off in the current period**√ Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount written off
Accounts receivable actually written off	54,000.00

Of which, significant accounts receivable written off

√ Applicable N/A

Unit: Yuan, Currency: RMB

Entity name	Nature of accounts receivable	Amount written off	Write-off reasons	Write-off procedures performed	Whether the payment is generated from related party transactions
Jiangsu Jingke Tiansheng Energy Co., Ltd.	Payment for goods	54,000.00	A reduction of RMB54,000	Approved by the Management	No
Total	/	54,000.00	/	/	/

Notes to the write-off of accounts receivable:

 Applicable N/A**(5) Top five accounts receivable and contract assets by closing balance of debtor**√ Applicable N/A

Unit: Yuan, Currency: RMB

Entity name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Ratio of the total closing balance of accounts receivable and contract assets(%)	Closing balance of provision for bad debts
Customer 1	198,032,188.21		198,032,188.21	7.90	9,905,109.41
Customer 2	184,356,718.17		184,356,718.17	7.35	9,217,835.91
Customer 3	163,903,309.73		163,903,309.73	6.53	11,355,541.13
Customer 4	146,293,522.83		146,293,522.83	5.83	9,627,159.13
Customer 5	140,497,111.71		140,497,111.71	5.60	8,655,989.73
Total	833,082,850.65	-	833,082,850.65	33.21	48,761,635.30

Other notes

N/A

Other notes:

 Applicable N/A**6. Contract assets****(1) Contract assets** Applicable N/A**(2) Amount and reasons for significant changes in carrying value during the reporting period** Applicable N/A**(3) Disclosure by bad debt provision method** Applicable N/A

Provision for bad debts based on individual items:

 Applicable N/A

Notes to provision for bad debts based on individual items:

 Applicable N/A

Provision for bad debts based on the combination of items:

 Applicable N/A

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

 Applicable N/A

Basis for classification at different phases and provision ratio for bad debts

Notes to significant changes in the carrying amount of contract assets with changes in loss provisions in the current period:

 Applicable N/A**(4) Provision for bad debts on contract assets in the current period** Applicable N/A

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

Applicable N/A

Other notes:

N/A

(5) Contract assets actually written off in the current period

Applicable N/A

Of which, significant contract assets written off

Applicable N/A

Notes to the write-off contract assets:

Applicable N/A

Other notes:

Applicable N/A

7. Receivable financing

(1) Classification of receivable financing

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
Notes receivable	593,758,687.62	1,399,734,854.14
Total	593,758,687.62	1,399,734,854.14

(2) Receivable financing pledged by the Company at the end of the period

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Pledged amount at the end of the period
Notes receivable	170,332,260.22
Total	170,332,260.22

(3) Receivable financing not yet matured on the balance sheet date that have been endorsed or discounted by the Company at the end of the period

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount derecognized at the end of the period	Amount not yet derecognized at the end of the period
Notes receivable	217,848,735.88	425,709,101.20
Total	217,848,735.88	425,709,101.20

(4) Disclosure by bad debt provision method

Applicable N/A

Provision for bad debts based on individual items:

Applicable N/A

Notes to provision for bad debts based on individual items:

Applicable N/A

Provision for bad debts based on the combination of items:

Applicable N/A

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

Applicable N/A

Basis for classification at different phases and provision ratio for bad debts

N/A

Notes to significant changes in the carrying amount of receivable financing with changes in loss provisions in the current period:

Applicable N/A

(5) Provision for bad debts

Applicable N/A

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

Applicable N/A

Other notes:

N/A

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

Applicable N/A

Of which, significant receivable financing written off:

Applicable N/A

Notes to the write-off of receivable financing:

Applicable N/A

(7) Changes in capital period and fair value of accounts receivable:

Applicable N/A

Unit: Yuan, Currency: RMB

Item	As at end of last year	Increase	Derecognized amount	Total increase	Closing balance	Accumulated provision for losses recognized in other comprehensive income
Notes receivable	1,399,734,854.14	2,148,270,507.93	2,954,246,674.45	-	593,758,687.62	-
Total	1,399,734,854.14	2,148,270,507.93	2,954,246,674.45	-	593,758,687.62	-

(8) Other notes:

Applicable N/A

8. Prepayments**(1) Prepayments by aging**

Applicable N/A

Unit: Yuan, Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	157,024,220.08	93.40	143,368,856.76	96.53
1 to 2 years	9,859,926.01	5.87	3,349,468.35	2.26
2 to 3 years	1,219,292.27	0.73	1,586,850.77	1.07
Over 3 years	488.00	0.00	206,174.92	0.14
Total	168,103,926.36	100.00	148,511,350.80	100.00

Reasons for delayed settlement of significant prepayments with an aging of over 1 year:

N/A

(2) Top five prepayments by closing balance of supplier

Applicable N/A

Unit: Yuan, Currency: RMB

Entity name	Closing balance	Ratio of total closing balance of prepayments(%)
Supplier 1	10,989,000.00	6.54
Supplier 2	8,171,467.30	4.86
Supplier 3	7,153,440.00	4.26
Supplier 4	6,850,095.50	4.07
Supplier 5	6,519,048.00	3.88
Total	39,683,050.80	23.61

Other notes

Applicable N/A

9. Other receivables

Itemlist

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
Interest receivable	-	-
Dividends receivable	-	-
Other receivables	49,474,649.42	66,611,598.53
Total	49,474,649.42	66,611,598.53

Other notes:

Applicable N/A

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

Applicable N/A

(2) Significant overdue interest

Applicable N/A

(3) Disclosure by bad debt provision method

Applicable N/A

Provision for bad debts based on individual items:

Applicable N/A

Notes to provision for bad debts based on individual items:

Applicable N/A

Provision for bad debts based on the combination of items:

Applicable N/A

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

Applicable N/A

(4) Provision for bad debts

Applicable N/A

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

Applicable N/A

Other notes:

N/A

(5) Interest receivable actually written off in the current period

Applicable N/A

Of which, significant interest receivable written off:

Applicable N/A

Notes to the write-off of interest receivable:

Applicable N/A

Other notes:

Applicable N/A

Dividends receivable

(1) Dividends receivable

Applicable N/A

(2) Significant dividends receivable with an aging of over 1 year

Applicable N/A

(3) Disclosure by bad debt provision method

Applicable N/A

Provision for bad debts based on individual items:

Applicable N/A

Notes to provision for bad debts based on individual items:

Applicable N/A

Provision for bad debts based on the combination of items:

Applicable N/A

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

Applicable N/A

(4) Provision for bad debts

Applicable N/A

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

Applicable N/A

Other notes:

N/A

(5) Dividends receivable actually written off in the current period

Applicable N/A

Of which, significant

Applicable N/A

Notes to the write-off of dividends receivable:

Applicable N/A

Other notes:

Applicable N/A

Other receivables

(1) Disclosure by aging

Applicable N/A

Unit: Yuan, Currency: RMB

Aging	Closing balance	Opening balance
Within 1 year		
Of which: sub-items within 1 year		
	40,414,114.09	63,611,380.34
Subtotal of receivables within 1 year	40,414,114.09	63,611,380.34
1 to 2 years	10,508,316.20	5,902,447.12
2 to 3 years	3,780,000.00	3,406,518.75
Over 3 years	1,081,403.50	1,081,403.50
Less: Provision for bad debts	6,309,184.37	7,390,151.18
Total	49,474,649.42	66,611,598.53

(2) Classification by nature of receivables

Applicable N/A

Unit: Yuan, Currency: RMB

Nature of receivables	Closing balance	Opening balance
Provision for bad debts based on individual items	859,023.95	859,023.95
Provision for bad debts based on the combination of credit risk characteristics	54,924,809.84	73,142,725.76
Total	55,783,833.79	74,001,749.71

(3) Provision for bad debts√ Applicable N/A

Unit: Yuan, Currency: RMB

Provision for bad debts	Phase 1	Phase 2	Phase 3	Total
	Expected credit loss for the next 12 months	Expected credit loss over the entire lifetime (without credit impairment)	Expected credit loss over the entire lifetime (with credit impairment)	
Balance as at January 1, 2024	6,531,127.23	-	859,023.95	7,390,151.18
Balance as at January 1, 2024, in the current period	-	-	-	-
-- Carry over to Phase 2	-	-	-	-
-- Carry over to Phase 3	-	-	-	-
-- Carry over to Phase 2	-	-	-	-
-- Carry over to Phase 1	-	-	-	-
Provision	1,406,638.54	-	-	1,406,638.54
Reversal	2,487,605.35	-	-	2,487,605.35
Charge-off	-	-	-	-
Write-off	-	-	-	-
Other change	-	-	-	-
Balance as at June 30, 2024	5,450,160.42	-	859,023.95	6,309,184.37

Basis for classification at different phases and provision ratio for bad debts

N/A

Notes to significant changes in the carrying amount of other receivables with changes in loss provisions in the current period:

√ Applicable N/A

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

 Applicable N/A**(4) Provision for bad debts**√ Applicable N/A

Unit: Yuan, Currency: RMB

Type	Opening balance	Amount of change for the period				Closing balance
		Provision	Amount recovered or reversed	Amount charged off or written off	Other changes	
Provision for bad debts based on individual items	859,023.95	-	-	-	-	859,023.95
Provision for bad debts based on combination of items	6,531,127.23	1,406,638.54	2,487,589.52	-	-15.83	5,450,160.42
Total	7,390,151.18	1,406,638.54	2,487,589.52	-	-15.83	6,309,184.37

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

 Applicable N/A

Other notes

N/A

(5) Other receivables actually written off in the current period Applicable N/A

Of which, significant receivables written off:

 Applicable N/A

Notes to the write-off of other receivables:

 Applicable N/A**(6) Top five other receivables by closing balance of debtor** Applicable N/A

Unit: Yuan, Currency: RMB

Entity name	Closing balance	Ratio of total closing balance of other receivables (%)	Nature	Aging	Closing balance of provision for bad debts
Institution 1	7,969,538.42	16.10	Export drawback	Within 1 year	
Institution 2	2,970,000.00	6.00	Rental bond	2 - 3 years	1,485,000.00
Institution 3	2,020,000.00	4.08	Bid bond	Within 1 year	101,000.00
Institution 4	1,912,298.00	3.87	Rental bond	Within 1 year to 1-2 years	176,813.20
Institution 5	1,650,000.00	3.34	Rental bond	1 - 2 years	247,500.00
Total	16,521,836.42	33.39	/	/	2,010,313.20

(7) Presented as other receivables due to centralized fund management Applicable N/A

Other notes:

 Applicable N/A

10. Inventory**(1) Classification of inventory**

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for inventory impairment/provision for impairment of contract performance costs	Carrying value	Carrying amount	Provision for inventory impairment/provision for impairment of contract performance costs	Carrying value
Raw materials	309,508,719.37	20,265,092.48	289,243,626.89	374,137,100.65	18,193,741.13	355,943,359.52
Goods in progress	686,865,440.08	8,201,076.25	678,664,363.83	976,796,067.52	6,494,578.45	970,301,489.07
Commodity stocks	171,436,481.34	11,755,072.65	159,681,408.69	68,265,331.71	8,887,853.40	59,377,478.31
Goods shipped in transit	6,306,205,547.81	159,136,564.08	6,147,068,983.73	6,266,820,333.22	100,522,588.20	6,166,297,745.02
Consigned processing materials	24,658,783.31	-	24,658,783.31	48,602,221.22	-	48,602,221.22
Self-made semi-finished goods	42,687,830.28	1,756,874.81	40,930,955.47	30,920,063.46	1,859,074.10	29,060,989.36
Total	7,541,362,802.19	201,114,680.27	7,340,248,121.92	7,765,541,117.78	135,957,835.28	7,629,583,282.50

(2) Data resources recognized as inventory

□ Applicable √ N/A

(3) Provision for inventory impairment and provision for impairment of contract performance cost

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Opening balance	Increase		Decrease		Closing balance
		Provision	Others	Amount reversed or charged off	Other	
Raw materials	18,193,741.13	6,203,152.23	-	1,359,942.88	2,771,858.00	20,265,092.48
Goods in progress	6,494,578.45	1,706,497.80	-	-	-	8,201,076.25
Commodity stocks	8,887,853.40	3,588,177.55	-	-	720,958.30	11,755,072.65
Goods shipped in transit	100,522,588.20	76,556,833.34	-	-	17,942,857.46	159,136,564.08
Self-made	1,859,074.10	-102,199.29	-	-	-	1,756,874.81

semi-finished goods						
Total	135,957,835.28	87,952,461.63	-	1,359,942.88	21,435,673.76	201,114,680.27

Reasons for reversal or charge-off of provision for inventory impairment in the period

Applicable N/A

Provision for inventory impairment based on the combination of items

Applicable N/A

Criteria on provision for inventory impairment based on the combination of items

Applicable N/A

(4) Capitalized amount of borrowing costs included in the closing balance of inventory and its calculation criteria and basis

Applicable N/A

(5) Notes to amortized amount of contract performance cost in the period

Applicable N/A

Other notes:

Applicable N/A

11. Held-for-sale assets

Applicable N/A

12. Non-current assets due within one year

Applicable N/A

Debt investments due within one year

Applicable N/A

Other debt investments due within one year

Applicable N/A

Other notes to non-current assets due within one year

N/A

13. Other current assets

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
Contract acquisition cost	-	-
Cost of returned goods receivable	-	-
Withholding income tax	216,838.33	15,737.67
Input tax to be deducted	118,758,542.48	78,283,604.86
Total	118,975,380.81	78,299,342.53

Other notes:

N/A

14. Debt Investments**(1) Debt investments**

Applicable N/A

Change in the provision for impairment of debt investments in the period

Applicable N/A

(2) Significant debt investments at the end of the period

Applicable N/A

(3) Provision for impairment

Applicable N/A

Basis for classification at different phases and provision ratio for impairment:

N/A

Notes to significant changes in the carrying amount of debt investments with changes in loss provisions in the current period:

Applicable N/A

The amount of provision for impairment for the period and the basis for evaluating whether the credit risk of financial instruments has significantly increased:

Applicable N/A

(4) Debt investments actually written off in the period

Applicable N/A

Of which, significant debt investments written off

Applicable N/A

Notes to the write-off of debt investments:

Applicable N/A

Other notes:

N/A

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

Applicable N/A

Change in the provision for impairment of other debt investments in the period

Applicable N/A

(2) Significant other debt investments at the end of the period

Applicable N/A

(3) Provision for impairment

Applicable N/A

(4) Other debt investments actually written off in the period

Applicable N/A

Of which, significant other debt investments written off

Applicable N/A

Notes to the write-off of other debt investments:

Applicable N/A

Other notes:

Applicable N/A

16. Long-term receivables**(1) Long-term receivables**

Applicable N/A

(2) Disclosure by bad debt provision method

Applicable N/A

Provision for bad debts based on individual items:

Applicable N/A

Notes to provision for bad debts based on individual items:

Applicable N/A

Provision for bad debts based on the combination of items:

Applicable N/A

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

Applicable N/A

(3) Provision for bad debts

Applicable N/A

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

Applicable N/A

Other notes:

N/A

(4) Long-term receivables actually written off in the current period

Applicable N/A

Of which, significant long-term receivables written off:

Applicable N/A

Notes to the write-off of long-term receivables:

Applicable N/A

Other notes:

Applicable N/A

17. Long-term equity investments**(1) Long-term equity investments**

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

The investee entity	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Additional investment	Reduced investment	Investment gains and losses recognized under the equity method	Adjustment of other comprehensive income	Other equity changes	Declaration of distribution of cash dividends or profits	Provision for impairment	Others		
1. Joint ventures											
Subtotal	-	-	-	-	-	-	-	-	-	-	
2. Affiliates											
Bengbu Renovacuum Technology Co., Ltd.	3,340,670.41	-	-	-4,273.97	-	-	-	-	-	3,336,396.44	-
Subtotal	3,340,670.41	-	-	-4,273.97	-	-	-	-	-	3,336,396.44	-
Total	3,340,670.41	-	-	-4,273.97	-	-	-	-	-	3,336,396.44	-

(2) Impairment testing of long-term equity investments

□ Applicable √ N/A

Other notes

N/A

18. Other equity investments

(1) Other equity investments

Applicable N/A

(2) Notes to derecognition in the current period

Applicable N/A

Other notes:

Applicable N/A

19. Other non-current financial assets

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	161,131,813.17	185,271,024.08
Of which: Debt investments	20,969,754.40	20,969,754.40
Equity investments	140,162,058.77	164,301,269.68
Total	161,131,813.17	185,271,024.08

Other notes:

N/A

20. Investment properties

Measurement model for investment properties

N/A

(1) Impairment testing of investment properties using cost measurement model

Applicable N/A

Other notes

Applicable N/A

21. Fixed assets

Itemlist

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	915,271,218.04	942,742,926.56
Disposal of fixed assets	-	-
Total	915,271,218.04	942,742,926.56

Other notes:

N/A

Fixed assets

(1) Fixed assets

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Buildings and structures	Machinery equipment	Means of transport	Office equipment	Electronic equipment	Other equipment	Total
I. Original carrying value							
1. Opening balance	848,381,122.75	79,672,765.28	19,442,339.37	13,006,214.15	24,216,722.29	50,919,708.87	1,035,638,872.71
2. Increase	5,715,544.96	1,007,870.84	718,839.82	76,721.54	2,014,752.53	1,247,796.60	10,781,526.29
(1) Procurement	5,715,544.96	1,007,870.84	718,839.82	76,721.54	2,014,752.53	1,247,796.60	10,781,526.29

(2) Transfer from constructio n in progress	-	-	-	-	-	-	-
(3) Increase of business merger	-	-	-	-	-	-	-
3. Decrease	-	882,416.81	-	10,994.69	353,445.88	106,651.32	1,353,508.70
(1) Disposal or scrapping	-	882,416.81	-	10,994.69	353,445.88	106,651.32	1,353,508.70
4. Closing balance	854,096,667.71	79,798,219.31	20,161,179.19	13,071,941.00	25,878,028.94	52,060,854.15	1,045,066,890.30
II. Accumulat ed depreciatio n							-
1. Opening balance	36,381,823.05	18,762,376.46	11,058,084.28	3,458,784.30	11,701,135.26	11,533,742.80	92,895,946.15
2. Increase	23,320,765.70	2,725,397.55	1,487,851.91	1,164,518.11	3,725,053.96	4,896,108.53	37,319,695.76
(1) Provision	23,320,765.70	2,725,397.55	1,487,851.91	1,164,518.11	3,725,053.96	4,896,108.53	37,319,695.76
3. Decrease	5,108.22	203,176.19	-	522.25	204,442.17	6,720.82	419,969.65
(1) Disposal or scrapping	5,108.22	203,176.19	-	522.25	204,442.17	6,720.82	419,969.65
4. Closing balance	59,697,480.53	21,284,597.82	12,545,936.19	4,622,780.16	15,221,747.05	16,423,130.51	129,795,672.26
III. Provision for impairment							-
1. Opening balance	-	-	-	-	-	-	-
2. Increase	-	-	-	-	-	-	-
(1) Provision	-	-	-	-	-	-	-
3. Decrease	-	-	-	-	-	-	-
(1) Disposal or scrapping	-	-	-	-	-	-	-
4. Closing	-	-	-	-	-	-	-

balance							
IV. Carrying value							-
1. Closing carrying value	794,399,187.18	58,513,621.4 9	7,615,243.00	8,449,160.84	10,656,281.8 9	35,637,723.6 4	915,271,218.04
2. Opening carrying value	811,999,299.70	60,910,388.8 2	8,384,255.09	9,547,429.85	12,515,587.0 3	39,385,966.0 7	942,742,926.56

(2) Temporarily idle fixed assets

Applicable N/A

(3) Fixed assets leased under operating lease

Applicable N/A

(4) Fixed assets without certificate of title

Applicable N/A

(5) Impairment testing of fixed assets

Applicable N/A

Other notes:

Applicable N/A

Disposal of fixed assets

Applicable N/A

22. Construction in progress

Itemlist

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	593,113,483.75	152,486,136.51
Construction materials	-	-
Total	593,113,483.75	152,486,136.51

Other notes:

N/A

Construction in progress**(1) Construction in progress**

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment	Carrying value	Carrying amount	Provision for impairment	Carrying value
Platform-	209,019,558.94	-	209,019,558.94	112,705,043.63	-	112,705,043.63

based high-end intelligent equipment and smart factory						
Specialized lithium ion and photovoltaic equipment and R&D center project	378,472,669.92	-	378,472,669.92	34,158,965.16	-	34,158,965.16
Other sporadic projects	5,621,254.89	-	5,621,254.89	5,622,127.72	-	5,622,127.72
Total	593,113,483.75	-	593,113,483.75	152,486,136.51	-	152,486,136.51

(2) Changes in significant construction projects in progress in the period

Applicable N/A

Unit: Yuan, Currency: RMB

Project name	Budget	Opening balance	Increase in the current period	Fixed assets carried over in the period	Other decrease	Closing balance	Ratio of project investment in total budget (%)	Progress	Accumulated interest capitalization	Of which: capitalized interest in the current period	Interest capitalization ratio in the current period (%)	Source of funds
Platform-based high-end intelligent equipment and smart factory	1,059,419,000.00	112,705,043.63	209,019,558.94	-	-	321,724,602.57	30.37	70%	20,657,407.91	15,431,086.89	100.00	Capital raised from others
Specialized lithium ion and photovoltaic equipment and R&D center project	1,041,909,500.00	34,158,965.16	231,608,661.13	-	-	265,767,626.29	25.51	70%	1,564,750.62	1,564,750.62	100.00	Self-financing
Total	-	146,864,008.79	440,628,220.07	-	-	587,492,228.86	/	/	22,222,158.53	16,995,837.51	/	/

(3) Provision for impairment of construction in progress

Applicable N/A

(4) Impairment testing of construction in progress

Applicable N/A

Other notes

Applicable N/A

Construction materials

Applicable N/A

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

Applicable N/A

(2) Impairment testing of productive biological assets using cost measurement model

Applicable N/A

(3) Productive biological assets using fair-value measurement model

Applicable N/A

Other notes

Applicable N/A

24. Oil and gas assets**(1) Oil and gas assets**

Applicable N/A

(2) Impairment testing of oil and gas assets

Applicable N/A

Other notes:

N/A

25. Right-of-use assets**(1) Right-of-use assets**

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Buildings and structures	Transportation equipment	Total
I. Original carrying value			
1. Opening balance	169,560,129.16	802,150.79	170,362,279.95
2. Increase	14,843,870.62	-	14,843,870.62
- New leasing	14,843,870.62	-	14,843,870.62
3. Decrease	3,717,538.62	-	3,717,538.62
- Disposal	3,717,538.62	-	3,717,538.62
4. Closing balance	180,686,461.16	802,150.79	181,488,611.95
II. Accumulated depreciation			
1. Opening balance	58,634,231.67	200,537.70	58,834,769.37
2. Increase	27,204,636.08	40,137.14	27,244,773.22
(1) Provision	27,204,636.08	40,137.14	27,244,773.22
3. Decrease	3,562,641.18	-	3,562,641.18
(1) Disposal	3,562,641.18	-	3,562,641.18
4. Closing balance	82,276,226.57	240,674.84	82,516,901.41
III. Provision for impairment			
1. Opening balance	-	-	-
2. Increase	-	-	-
(1) Provision	-	-	-
3. Decrease	-	-	-
(1) Disposal	-	-	-
4. Closing balance	-	-	-
IV. Carrying value			

1. Closing carrying value	98,410,234.59	561,475.95	98,971,710.54
2. Opening carrying value	110,925,897.49	601,613.09	111,527,510.58

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

□ Applicable √ N/A

Other notes:

N/A

26. Intangible assets**(1) Intangible assets**

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Land use right	Patents	Software	Others	Non-patented technology	Total
I. Original carrying value						
1. Opening balance	139,156,777.58	31,550,208.49	23,282,373.11	311,245.61	11,730,000.00	206,030,604.79
2. Increase	-	-	1,853,368.29	-	-	1,853,368.29
(1) Procurement	-	-	1,853,368.29	-	-	1,853,368.29
(2) Internal R&D	-	-	-	-	-	-
(3) Increase of business merger	-	-	-	-	-	-
(4) Investor's Investment	-	-	-	-	-	-
3. Decrease	-	-	-	-	-	-
(1) Disposal	-	-	-	-	-	-
4. Closing balance	139,156,777.58	31,550,208.49	25,135,741.40	311,245.61	11,730,000.00	207,883,973.08
II. Accumulated amortization						-
1. Opening balance	4,907,035.47	4,580,060.84	12,607,425.32	196,201.36	391,000.00	22,681,722.99
2. Increase	1,565,836.99	1,169,955.59	2,044,624.71	34,513.28	898,409.40	5,713,339.97
(1) Provision	1,565,836.99	1,169,955.59	2,044,624.71	34,513.28	898,409.40	5,713,339.97
3. Decrease	-	-	-	-	-	-
(1)	-	-	-	-	-	-

Disposal						
4. Closing balance	6,472,872.46	5,750,016.43	14,652,050.03	230,714.64	1,289,409.40	28,395,062.96
III. Provision for impairment						-
1. Opening balance	-	-	-	-	-	-
2. Increase	-	-	-	-	-	-
(1) Provision	-	-	-	-	-	-
3. Decrease	-	-	-	-	-	-
(1) Disposal	-	-	-	-	-	-
4. Closing balance	-	-	-	-	-	-
IV. Carrying value						-
1. Closing carrying value	132,683,905.12	25,800,192.06	10,483,691.37	80,530.97	10,440,590.60	179,488,910.12
2. Opening carrying value	134,249,742.11	26,970,147.65	10,674,947.79	115,044.25	11,339,000.00	183,348,881.80

The proportion of intangible assets produced through the Company's internal R&D to the balance of intangible assets is 0% at the end of the period

(2) Data resources recognized as intangible assets

Applicable N/A

(3) Land use right without the certificate of title

Applicable N/A

(4) Impairment testing of intangible assets

Applicable N/A

Other notes:

Applicable N/A

27. Goodwill

(1) Original carrying value of goodwill

Applicable N/A

Unit: Yuan, Currency: RMB

Name of the	Opening	Increase	Decrease	Closing
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invested entity or formation of goodwill	balance	Formed due to business merger	Others	Disposal	Others	balance
Songci Electromechanical	20,371,470.55	-	-	-	-	20,371,470.55
Leddo Technology	19,369,760.40	-	-	-	-	19,369,760.40
Polar New Energy	33,880,285.98	-	-	-	-	33,880,285.98
Total	73,621,516.93	-	-	-	-	73,621,516.93

(2) Provision for impairment of goodwill

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Name of the invested entity or formation of goodwill	Opening balance	Increase		Decrease		Closing balance
		Provision	Others	Disposal	Others	
Leddo Technology	9,608,936.17	-	-	-	-	9,608,936.17
Polar New Energy	394,868.75	-	-	-	-	394,868.75
Total	10,003,804.92	-	-	-	-	10,003,804.92

(3) Relevant information about the asset group or portfolio of asset groups that contains goodwill

√ Applicable □ N/A

Name	Composition and basis of the asset group or portfolio	Operating division and basis	Whether it is consistent with previous years
Songci Electromechanical	Long term assets and goodwill; the products produced by the asset group that contains goodwill, with an active market, can generate independent cash flows, which can be recognized as a separate asset group	Photovoltaic equipment segment	Yes
Leddo Technology	Long term assets and goodwill; the products produced by the asset group that contains goodwill, with an active market, can generate independent cash	Semiconductor segment	Yes

	flows, which can be recognized as a separate asset group		
Polar New Energy	Long term assets and goodwill; the products produced by the asset group that contains goodwill, with an active market, can generate independent cash flows, which can be recognized as a separate asset group	Photovoltaic equipment segment and power generation station	Yes

Changes in an asset group or asset group portfolio

Applicable N/A

Other notes

Applicable N/A

(4) Specific method for determining recoverable amount

The recoverable amount is determined based on the net fair value after deducting disposal expenses

Applicable N/A

The recoverable amount is determined based on the present value of expected future cash flows

Applicable N/A

Reasons for the significant differences between the aforementioned information and the information used in previous years' impairment testing or external information

Applicable N/A

Reasons for the significant discrepancy between the information used by the Company for impairment testing and the actual situation in the previous years

Applicable N/A

(5) Performance commitment and corresponding impairment of goodwill

When goodwill is formed, there is a performance commitment, and the reporting period or the previous period is within the performance commitment period

Applicable N/A

Other notes

Applicable N/A

28. Long-term deferred expenses

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Opening balance	Increase	Amortized amount	Other decrease	Closing balance
Renovation costs	48,222,043.21	10,668,231.73	10,202,931.02	271,017.70	48,416,326.22
Others	17,111,184.80	11,317,920.00	6,604,811.13	-	21,824,293.67
Total	65,333,228.01	21,986,151.73	16,807,742.15	271,017.70	70,240,619.89

Other notes:

N/A

29. Deferred income tax assets/deferred income tax liabilities**(1) Undeducted deferred income tax assets**

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	234,790,478.39	36,212,505.35	172,802,851.32	26,236,297.08
Unrealized profits from internal transactions	4,340,476.33	651,071.45	982,453.48	147,368.03
Deductible losses	188,684,692.92	35,117,961.83	132,492,161.32	24,075,388.04
Credit impairment losses	284,106,864.29	44,411,285.52	206,156,735.64	33,660,930.35
Estimated liabilities	31,260,862.31	4,689,129.34	18,750,246.20	2,812,536.93
Deferred income	635,840.46	95,376.07	881,377.19	132,206.58
Share payment	6,500,915.26	975,137.29	42,764,329.03	6,414,649.35
Lease liabilities	101,782,104.77	15,674,364.94	103,976,963.34	15,887,848.75
Total	852,102,234.74	137,826,831.79	678,807,117.52	109,367,225.11

(2) Undeducted deferred income tax liabilities

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Change in fair value of financial assets	66,367,226.99	9,955,084.05	91,581,898.67	13,740,425.32
Appreciation of consolidated assets of different controlling enterprises after valuation	62,647,052.58	9,397,057.89	55,137,721.47	8,270,658.22
Accelerated depreciation of fixed assets	72,998,434.53	10,949,765.18	82,285,569.83	12,342,835.47
Right-of-use assets	91,774,070.22	14,152,281.99	101,599,597.11	15,518,294.13
Initial measurement and amortization of convertible bonds	171,501,235.35	25,725,185.30	173,020,122.99	25,953,018.45
Total	465,288,019.67	70,179,374.41	503,624,910.07	75,825,231.59

(3) Deferred income tax assets or liabilities presented at net value after offsetting

□ Applicable √ N/A

(4) Details of unrecognized deferred income tax assets

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
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Deductible temporary differences	-	-
Deductible losses	478,568,539.66	383,746,232.72
Total	478,568,539.66	383,746,232.72

(5) The deductible losses of unrecognized deferred Income tax assets will be due in the following years

Applicable N/A

Unit: Yuan, Currency: RMB

Year	Closing balance	Opening balance at	Remarks
2024	5,242,848.48	5,242,848.48	
2025	8,130,424.71	8,130,424.71	
2026	35,808,068.44	35,808,068.44	
2027	41,231,584.82	41,231,584.82	
2028	84,143,947.70	84,143,947.70	
2029	61,572,983.56	11,817,613.11	
2030	5,173,709.05	5,099,027.64	
2031	59,852,589.14	59,852,589.14	
2032	101,380,226.72	102,527,871.15	
2033	28,795,553.11	29,892,257.53	
2034	47,236,603.93	-	
Total	478,568,539.66	383,746,232.72	/

Other notes:

Applicable N/A

30. Other non-current assets

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment	Carrying value	Carrying amount	Provision for impairment	Carrying value
Contract acquisition cost	-	-	-	-	-	-
Contract performance cost	-	-	-	-	-	-
Cost of returned goods receivable	-	-	-	-	-	-
Contract assets	-	-	-	-	-	-
Earnest money for investment	11,184,500.00	-	11,184,500.00	12,553,250.00	-	12,553,250.00
Prepaid long-term asset	39,311,393.14	-	39,311,393.14	28,362,127.17	-	28,362,127.17

construction funds						
Total	50,495,893.14	-	50,495,893.14	40,915,377.17	-	40,915,377.17

Other notes:

N/A

31. Assets with restricted ownership or right of use

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Closing balance				Opening balance			
	Carrying amount	Carrying value	Restriction type	Restrictions	Carrying amount	Carrying value	Restriction type	Restrictions
Monetary funds	304,596,281.75	304,596,281.75	Others	Security deposit	311,146,788.09	311,146,788.09	Others	Security deposit
Receivable financing	170,332,260.22	170,332,260.22	Pledge	Pledge	856,879,803.37	856,879,803.37	Pledge	Pledge
Receivable financing	425,709,101.20	425,709,101.20	Others	Endorsed or discounted	167,409,902.56	167,409,902.56	Others	Endorsed or discounted
Total	900,637,643.17	900,637,643.17	/	/	1,335,436,494.02	1,335,436,494.02	/	/

Other notes:

N/A

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

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
Guaranteed borrowings	222,327,275.83	152,572,134.15
Unsecured borrowings	209,862,541.67	199,755,511.11
Receivable financing not yet derecognized	232,550,380.16	167,409,902.56
Total	664,740,197.66	519,737,547.82

Notes to the classification of short-term borrowings:

N/A

(2) Short-term borrowings that are overdue but not yet repaid

□ Applicable √ N/A

Other notes:

□ Applicable √ N/A

33. Trading financial liabilities

□ Applicable √ N/A

Other notes:

□ Applicable √ N/A

34. Derivative financial liabilities

□ Applicable √ N/A

35. Notes payable√ Applicable N/A

Unit: Yuan, Currency: RMB

Type	Closing balance	Opening balance
Trade acceptance	-	-
Bank acceptance	1,636,520,306.81	2,333,573,500.10
L/C	268,010.40	168,972.80
Total	1,636,788,317.21	2,333,742,472.90

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

36. Accounts payable**(1) Disclosure of accounts payable**√ Applicable N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
Within 1 year	3,197,318,431.85	3,229,334,831.38
1 - 2 years	37,552,801.08	12,946,275.37
2 - 3 years	73,906.30	152,774.16
Over 3 years	269,859.56	1,413,242.84
Total	3,235,214,998.79	3,243,847,123.75

(2) Significant accounts payable with an aging of over 1 year or overdue Applicable N/A

Other notes:

 Applicable N/A**37. Advances from customers****(1) Disclosure of advances from customers** Applicable N/A**(2) Significant advances from customers with an aging of over 1 year** Applicable N/A**(3) Amount and reasons for significant changes in carrying value during the reporting period** Applicable N/A

Other notes:

 Applicable N/A**38. Contract liabilities****(1) Contract liabilities**√ Applicable N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
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Advances on sales	3,261,471,207.28	3,906,972,602.22
Total	3,261,471,207.28	3,906,972,602.22

(2) Significant contract liabilities with an aging of over 1 year

Applicable N/A

(3) Amount and reasons for significant changes in carrying value during the reporting period

Applicable N/A

Other notes:

Applicable N/A

39. Staff remuneration payable**(1) Disclosure of staff remuneration payable**

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term remuneration	184,008,109.90	478,945,566.54	522,662,710.05	140,290,966.39
II. Termination benefits - defined contribution plan	-	22,118,748.32	22,117,925.53	822.79
III. Severance pay	-	770,138.10	770,138.10	-
IV. Other benefits due within one year	-	-	-	-
Total	184,008,109.90	501,834,452.96	545,550,773.68	140,291,789.18

(2) Disclosure of short-term remuneration

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Opening balance	Increase	Decrease	Closing balance
I. Salary, bonuses, allowances, and subsidies	183,884,575.58	429,279,929.50	473,241,244.84	139,923,260.24
II. Employees' welfare benefits	-	16,279,904.02	16,279,904.02	-
III. Social insurance	-	10,949,681.34	10,949,681.34	-
Of which: Medical insurance	-	9,352,580.96	9,352,580.96	-
Work-related injury insurance	-	608,972.55	608,972.55	-
Maternity insurance	-	988,127.83	988,127.83	-
IV. Housing provident funds	-	21,162,925.31	21,152,342.36	10,582.95
V. Trade union outlays and employee education outlays	123,534.32	1,273,126.37	1,039,537.49	357,123.20
VI. Short-term paid absence	-	-	-	-
VII. Short-term profit-sharing plan	-	-	-	-
Total	184,008,109.90	478,945,566.54	522,662,710.05	140,290,966.39

(3) Disclosure of defined contribution plans

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic pension insurance	-	21,425,055.39	21,424,356.65	698.74
2. Unemployment insurance	-	693,692.93	693,568.88	124.05
3. Annuity payment	-	-	-	-
Total	-	22,118,748.32	22,117,925.53	822.79

Other notes:

□ Applicable √ N/A

40. Tax payable

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
VAT	30,393,180.74	60,273,475.01
Consumption tax	-	-
Business tax	-	-
Corporate income tax	106,318,605.66	82,758,361.80
Personal income tax	1,437,773.58	1,908,417.14
Urban maintenance and construction tax	1,977,119.84	3,806,546.78
Urban garbage disposal costs	57,736.00	56,860.00
Educational surcharge	1,412,975.52	2,719,709.06
Stamp tax	1,364,605.65	1,702,536.75
Urban land use tax	73,304.40	268,359.39
Environment tax	111,498.42	206,349.12
Property tax	1,651,357.41	1,704,499.33
Others	-	7,798.08
Total	144,798,157.22	155,412,912.46

Other notes:

N/A

41. Other payables**(1) Item list**

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
Interest payable	-	-
Dividends payable	2,300,000.00	-
Other payables	89,018,741.58	116,701,241.64
Total	91,318,741.58	116,701,241.64

Interest payable

□ Applicable √ N/A

Dividends payable

 Applicable N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
Dividends of ordinary shares	2,300,000.00	-
Total	2,300,000.00	-

Other notes, including important dividends payable that have not been paid for more than one year, should disclose the reasons for failure of payment:

N/A

Other payables

(1) Disclosure of other payables by nature of payment Applicable N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
Obligation for repurchase of restricted shares	74,571,400.00	74,571,400.00
Investment funds to be paid	-	27,000,000.00
Engineering retention money, quality assurance deposit, earnest money, and security deposit	9,170,568.78	8,830,425.82
Equity incentive funds pending certification	-	4,059,129.40
Others	5,276,772.80	2,240,286.42
Total	89,018,741.58	116,701,241.64

(2) Other significant payables with an aging of over 1 year or overdue Applicable N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Reasons for non-repayment or carryover
Engineering retention money, quality assurance deposit, earnest money, and security deposit	6,513,440.00	Long term cooperation, with extended payment term
Total	6,513,440.00	/

Other notes:

 Applicable N/A**42. Held-for-sale liabilities** Applicable N/A**43. Non-current liabilities due in one year** Applicable N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	76,830,239.17	93,763,615.82
Bonds payable due within one year	-	-
Long-term payables due within one year	-	-

Lease liabilities due within one year	50,818,850.56	50,682,277.05
Interest on bonds payable due within one year	1,900,000.00	760,000.00
Total	129,549,089.73	145,205,892.87

Other notes:

N/A

44. Other current liabilities

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
Output tax for charge off	8,569,188.87	4,333,632.85
Total	8,569,188.87	4,333,632.85

Change in short-term bonds payable:

□ Applicable √ N/A

Other notes:

□ Applicable √ N/A

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

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
Pledged borrowings	-	-
Mortgaged borrowings	-	-
Guaranteed borrowings	-	-
Unsecured borrowings	319,027,747.75	141,007,258.34
Total	319,027,747.75	141,007,258.34

Notes to the classification of long-term borrowings:

N/A

Other notes

□ Applicable √ N/A

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

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
Convertible corporate bonds	998,084,628.12	969,066,247.00
Total	998,084,628.12	969,066,247.00

(2) Details of bonds payable: (excluding preferred shares, perpetual bonds and other financial instruments classified as financial liabilities)

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Bond name	Nominal value	Coupon rate (%)	Date of issue	Tenor	Amount issued	Opening balance	Bonds issued in the current period	Interest accrued at par	Amortization based on premium	Transfer-in of non-current	Repayment In the current period	Closing balance	Default or not
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								value	m or discount	liabilities due within one year			
Autowell Convertible Bonds	100	0.2	2023/8/10	6年6 years	1,140,000.00	969,066,247.00	-	1,140,000.00	29,038,374.96	-1,140,000.00	-19,993.84	998,084,628.12	否No
Total	/	/	/	/	1,140,000.00	969,066,247.00	-	1,140,000.00	29,038,374.96		-19,993.84	998,084,628.12	/

(3) Notes to convertible corporate bonds

√ Applicable □ N/A

Item	Equity conversion conditions	Time.
Wuxi Autowell Technology Co., Ltd. issues convertible corporate bonds to unspecified parties	2. Holders of convertible bonds may exercise the right to convert the convertible bonds to shares of the Company at the current price during the period from the first trading day after six months from the date of issuance of the convertible bonds to the maturity date of the convertible bonds.	Start and end dates: from February 19, 2024 to August 9, 2029 (the original start date of February 16, 2024 was a statutory holiday, but according to the Prospectus, it should be postponed to the first trading day thereafter, which is February 19, 2024).

Basis for accounting treatment and judgment of equity conversion

□ Applicable √ N/A

(4) Notes to other financial instruments classified as financial liabilities

Basic information about other outstanding financial instruments such as preferred shares and perpetual bonds at the end of the period

□ Applicable √ N/A

Changes in outstanding financial instruments such as preferred shares and perpetual bonds at the end of the period

□ Applicable √ N/A

Notes to the basis for classification of other financial instruments as financial liabilities

□ Applicable √ N/A

Other notes:

□ Applicable √ N/A

47. Lease liabilities

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
Leasing payment	49,110,800.96	57,305,281.98
Less: Unrecognized financing costs	1,381,403.49	2,284,378.83
Total	47,729,397.47	55,020,903.15

Other notes:

N/A

48. Long-term payables

Item list

 Applicable N/A

Long-term payables

 Applicable N/A

Special payables

 Applicable N/A**49. Long-term staff remuneration payable** Applicable N/A**50. Estimated liabilities** Applicable N/A

Unit: Yuan, Currency: RMB

Item	Opening balance	Closing balance	Reasons for formation
External guarantees	-	-	
Pending actions	-	-	
Product quality assurance	20,642,029.65	32,355,137.07	Product quality assurance
Obligation of restructuring	-	-	
Loss-bearing contracts to be executed	-	-	
Refunds payable	-	-	
Others	-	-	
Total	20,642,029.65	32,355,137.07	/

Other notes, including major assumptions, estimates and explanations related to significant estimated liabilities:

N/A

51. Deferred income

Deferred income

 Applicable N/A

Unit: Yuan, Currency: RMB

Item	Opening balance	Increase	Decrease	Closing balance	Reasons for formation
Government grants	1,974,389.69	-	245,536.73	1,728,852.96	Government grants
Total	1,974,389.69	-	245,536.73	1,728,852.96	/

Other notes:

 Applicable N/A**52. Other non-current liabilities** Applicable N/A**53. Share capital** Applicable N/A

Unit: Yuan, Currency: RMB

	Opening	Increase/decrease (+,-)	Closing
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	balance	Issuance of new shares	Bonus shares	Shares converted from surplus reserves	Others	Subtotal	balance
Total number of shares	224,811,240.00	584,290.00		89,838,026.00	-800,466.00	89,621,850.00	314,433,090.00

Other notes:

1. On January 5, 2024, the Company released the *Announcement of Wuxi Autowell Technology Co., Ltd. on the Second Attribution Period of the First Reserved Grant of the 2021 Restricted Share Incentive Plan and the Attribution Results for the First Attribution Period of the 2022 Restricted Share Plan, and the Listing of Shares* (Announcement No. 2024-003). Upon the completion of attribution and share incentive registration, the total share capital of the Company was changed from 224,811,240 shares to 224,892,432 shares.

2. On March 15, 2024, the Company released the *Announcement of Wuxi Autowell Technology Co., Ltd. on Implementing Share Repurchase Cancellation and Share Changes* (Announcement No. 2024-024). Upon the completion of share repurchase cancellation, the total share capital of the Company was changed from 224,892,432 shares to 224,092,126 shares.

3. On April 3, 2024, the Company released the *Announcement of Wuxi Autowell Technology Co., Ltd. on the Results of Convertible Bond Conversion and Share Changes* (Announcement No. 2024-042). Upon the completion of convertible bond conversion, the total share capital of the Company increased from 224,092,126 shares to 224,092,158 shares.

4. On April 20, 2024, the Company released the *Announcement of Wuxi Autowell Technology Co., Ltd. on the Attribution Results for the Second Attribution Period of the First Grant of the 2022 Restricted Share Incentive Plan and the Listing of Shares* (Announcement No. 2024-046). Upon the completion of attribution, the total share capital of the Company increased from 224,092,158 shares to 224,595,064 shares.

5. On May 14, 2024, the Company released the *Announcement of Wuxi Autowell Technology Co., Ltd. on Implementing the 2023 Annual Equity Distribution* (Announcement No. 2024-054). The listing date for the newly unrestricted negotiable shares would be May 20, 2024. After the completion of equity distribution, the total share capital of the Company increased from 224,595,064 shares to 314,433,090 shares.

54. Other equity instruments**(1) Basic information about other outstanding financial instruments such as preferred shares and perpetual bonds at the end of the period**√ Applicable N/A

The Company has issued 11,400,000 pieces of convertible corporate bonds, each with a par value of RMB100. During the reporting period, a total of RMB24,000 bonds were converted. As of June 30, 2024, the balance of convertible corporate bonds reached RMB1,139,976,000. The changes in other equity instruments in the current period are detailed in Note VII, 46 Bonds Payable of the Consolidated Financial Statements.

(2) Changes in outstanding financial instruments such as preferred shares and perpetual bonds at the end of the period√ Applicable N/A

Unit: Yuan, Currency: RMB

Outstanding financial instrument	Opening balance		Increase in the current period		Decrease in the current period		Closing balance	
	Number	Carrying value	Number	Carrying value	Number	Carrying value	Number	Carrying value

nts							
Issuance of convertible bonds	11,400,000.00	155,724,995.61		240.00	3,856.97	11,399,760.00	155,721,138.64
Total	11,400,000.00	155,724,995.61	-	-	240.00	3,856.97	11,399,760.00

Changes in other equity instruments in the current period, the reasons for such changes, and the basis for relevant accounting treatments:

Applicable N/A

The convertible corporate bonds issued by the Company in August 2023, at the initial measurement, amounted to RMB949,707,330.36 after deducting the corresponding issuance costs from the fair value of the liability portion, which were included in the bonds payable; and the fair value of the corresponding equity portion, after deducting the corresponding issuance costs, reached RMB183,205,877.19. At the same time, a deferred income tax liability of RMB27,480,881.58 was recognized and included in other equity instruments of RMB155,724,995.61. The amortized cost of the adjusted liability portion for the period was RMB29,038,374.96, calculated based on the effective interest rate method. As of June 30, 2024, a total of 269 shares of bonds were converted, with the fair value of RMB24,000 at the time of conversion writing down the bonds payable, the interest adjustment of RMB4,006.16 writing down the bond interest payable, and the fair value of RMB3,856.97 of equity instruments writing down other equity instruments.

Other notes:

Applicable N/A

55. Capital reserve

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium (equity premium)	1,121,820,728.38	55,185,710.65	160,651,196.78	1,016,355,242.25
Other capital reserve	287,120,339.52	30,364,954.57	26,358,102.97	291,127,191.12
Total	1,408,941,067.90	85,550,665.22	187,009,299.75	1,307,482,433.37

Other notes, including changes in the current period and reasons for the changes:

Note 1: The reasons for the increase of RMB55,185,710.65 in capital premium (equity premium) in the period are as follows: (1) A subsidiary (Autowell Intelligent Equipment) received capital increase from non-controlling shareholders, resulting in an increase of RMB1,893,450.45 in capital reserve.

(2) A subsidiary (XuRi Technology) received capital increase from non-controlling shareholders, resulting in an increase of RMB793,000.00 in capital reserve.

(3) The second attribution for the first grant of share incentives in 2022 could meet the prescribed conditions for exercise, with RMB23,625,089.63 transferred from other capital reserve to equity premium.

(4) The second attribution for the first reserved grant of share incentives in 2021 and the first attribution for the reserved grant of share incentive in 2022 could meet the prescribed conditions for exercise, resulting in an increase of RMB3,977,937.40 in capital reserve due to the exercise of share incentives. The second attribution for the first grant of share incentives in 2022 could meet the prescribed conditions for exercise, resulting in an increase of RMB24,872,574.36 in capital reserve due to the exercise of share incentives.

(5) The conversion of convertible bonds to shares resulted in an increase of RMB23,658.81 in capital reserve.

Note 2: The reasons for the decrease of the capital reserve by RMB160,651,196.78 in the period are stated as follows:

(1) The conversion of capital reserve to share capital in the period resulted in a decrease of RMB89,838,026.00 in capital reserve.(2) The write-off of treasury shares by the Company in the period resulted in a decrease of RMB70,813,170.78 in capital reserve. Note 3: The reasons for the increase of capital reserve by RMB30,364,954.57 in the period are stated as follows: (1) The Company's restricted share incentive plan resulted in an increase of RMB30,342,541.47 in other capital reserve due to the inclusion of the corresponding service amount in profit or loss based on the fair value of equity instruments on the grant date.

(2) It is expected that the recognized share-based payment costs for the period would exceed the pre-tax deductible share-based payment costs pursuant to tax laws, and the deferred income tax assets recognized for the excess would be reversed, resulting in an increase of RMB22,413.10 in other capital reserves.

Note 4: The reduction of other capital reserve by RMB26,358,102.97 in the period was caused by the transfer from other capital reserves to share capital due to the restricted share incentives meeting the prescribed exercise conditions.

56. Treasury shares

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Share repurchase	143,163,605.08	3,021,431.70	71,613,636.78	74,571,400.00
Total	143,163,605.08	3,021,431.70	71,613,636.78	74,571,400.00

Other notes, including changes in the current period and reasons for the changes:

N/A

57. Other comprehensive income

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Opening balance	Amount incurred in the period						Closing balance
		Amount before income tax	Less: previously included in other comprehensive income, and carried over to profit or loss in the current period	Less: previously included in other comprehensive income, and transferred to retained earnings in the current period	Less: income tax expenses	Attributed to the parent company after tax	Attributed to non-controlling shareholders after tax	
I. Other comprehensive income that cannot be reclassified into profit or loss								
Of which: re-measuring the amount of changes in the defined benefit plan								
Other comprehensive income that cannot be carried over to profit or loss under the equity method								
Changes in fair value of								

investmentsot her equity instruments								
Changes in fair value of enterprise's credit risk								
II. Other comprehensive income that will be reclassified into profit or loss	401,818.53	-	-	-	-	-1,844,288.81	-	-1,442,470.28
Of which: other comprehensive income that can be carried over to profit or loss under the equity method								
Changes in fair value of other debt investments								
Amount of reclassified financial assets included in other comprehensive income								
Provision for credit impairment of other debt investments								
Hedging reserve for cash flows								
Exchange difference on translating foreign operations	401,818.53					-1,844,288.81		-1,442,470.28
Other comprehensive income in total	401,818.53	-	-	-	-	-1,844,288.81	-	-1,442,470.28

Other notes, including the adjustment of the effective portion of cash flow hedging gains and losses to the initially recognized amount of the hedged item:

The amount of other comprehensive income incurred in the period is the exchange rate difference resulting from the translation of original currency statements of overseas subsidiaries into RMB statements.

58. Special reserve

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Safe production expenses	8,543,300.96	6,440,251.47	2,125,111.07	12,858,441.36
Total	8,543,300.96	6,440,251.47	2,125,111.07	12,858,441.36

Other notes, including changes in the current period and reasons for the changes:

The increase in special reserves is due to the provision of safe production expenses during this period in accordance with the relevant provisions of *Administrative Measures for Withdrawal and Use of Enterprise Safe Production Expenses* (CZ [2022] No. 136) issued by the Ministry of Finance.

59. Surplus reserves√ Applicable N/A

Unit: Yuan, Currency: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserves	112,405,620.00	44,810,925.00		157,216,545.00
Discretionary surplus reserves				-
Reserve fund				-
Enterprise development fund				-
Others				-
Total	112,405,620.00	44,810,925.00	-	157,216,545.00

Notes to surplus reserves, including changes in the current period and reasons for the changes:

Statutory surplus reserves: the increase is due to the increase in additional reserve set aside by the Company.

60. Undistributed profit√ Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in last year
Undistributed profit at the end of last period before adjustment	1,896,492,333.37	921,352,498.22
Adjustment of total undistributed profit at the beginning of period (increase +/decrease -)		430,386.33
Undistributed profit at the beginning of period after adjustment	1,896,492,333.37	921,782,884.55
Add: net profit attributable to the owner of parent company	769,082,688.50	1,255,823,677.58
Less: statutory surplus reserves	44,810,925.00	35,170,615.00
Discretionary surplus reserves		
General risk reserve		
Ordinary share dividends payable	448,183,938.16	245,943,613.76
Ordinary share dividends converted to share capital		
Undistributed profit at the end of the period	2,172,580,158.71	1,896,492,333.37

Adjustment of undistributed profit at the beginning of period:

1. Due to the retrospective adjustments under the *Accounting Standards for Business Enterprises* and related new regulations, undistributed profit at the beginning of the period is affected by RMB0.
2. Due to the changes in accounting policies, undistributed profit at the beginning of the period is affected by RMB0.
3. Due to the correction of significant accounting errors, undistributed profit at the beginning of the period is affected by RMB0.
4. Due to the changed scope of consolidation caused by the same control, undistributed profit at the beginning of the period is affected by RMB0.
5. The overall impact of other adjustments on the undistributed profit at the beginning of the period is RMB0.

61. Operating income and operating cost**(1) Operating income and operating cost**√ Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Main business	4,411,838,105.04	2,922,360,744.33	2,517,107,488.04	1,594,808,333.75
Other business	5,860,012.22	1,668,080.00	378,881.82	205,474.11
Total	4,417,698,117.26	2,924,028,824.33	2,517,486,369.86	1,595,013,807.86

(2) Details of operating income and operating cost√ Applicable N/A

Unit: Yuan, Currency: RMB

Contract type	Total	
	Operating income	Operating cost
Product type		
Photovoltaic equipment	3,898,311,833.88	2,600,112,679.40
Lithium battery/energy storage equipment	131,450,792.92	86,653,453.25
Semiconductor	8,711,504.26	4,534,093.32
Renovation and services	373,363,973.98	231,060,518.36
Other business	5,860,012.22	1,668,080.00
By operating area		
Domestic	3,698,113,283.03	2,522,014,732.93
Overseas	719,584,834.23	402,014,091.40
By sales channels		
Distribution	275,205,534.60	152,408,034.26
Direct sales	4,142,492,582.66	2,771,620,790.07
Total	4,417,698,117.26	2,924,028,824.33

Others notes

 Applicable N/A**(3) Notes to the performance obligation** Applicable N/A**(4) Notes to the performance obligation of amortizing to the remainder** Applicable N/A**(5) Major contract changes or significant transaction price adjustments** Applicable N/A

Others notes:

N/A

62. Taxes and surcharges√ Applicable N/A

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	13,662,146.25	14,650,281.22
Educational surcharge	9,758,675.91	10,463,736.35
Resource tax	-	-
Property tax	3,531,033.92	2,179,317.50
Land use tax	536,718.78	76,024.47
Vehicle and vessel use tax	14,520.00	8,954.00
Stamp tax	2,874,964.30	2,836,230.16
Environment tax	283,456.02	822,396.31
Others	15,815.07	-
Total	30,677,330.25	31,036,940.01

Others notes:

N/A

63. Sales expenses

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Staff remuneration	26,997,087.31	17,515,182.25
Equity incentive expenses	2,375,367.22	2,452,351.74
Warranty costs	-	27,975,501.87
Business entertainment expenses	14,088,604.57	13,269,098.66
Transportation and travel expenses	4,615,612.06	5,279,016.06
Freight and insurance	2,422,561.23	1,136,605.69
Maintenance expenses for trial period	10,635,168.15	3,900,098.59
Exhibition expenses	5,695,581.86	2,930,131.73
Depreciation expenses	409,928.72	370,411.57
Others	11,281,392.32	9,624,461.08
Total	78,521,303.44	84,452,859.24

Others notes:

N/A

64. Overheads

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Staff remuneration	72,738,567.25	51,966,865.74
Service charges	17,818,243.35	11,264,107.23
Equity incentive expenses	7,897,190.12	9,947,272.20
Leasing expenses	3,510,145.32	42,337.14
Depreciation expenses	30,288,570.50	15,915,596.60
Business entertainment expenses	6,208,438.61	6,275,931.39
Transportation and travel expenses	4,383,471.23	3,530,571.09
Office expenses	1,552,151.72	1,921,085.88
Utilities	1,375,810.95	1,680,039.65

Training expenses	1,219,951.91	906,108.67
Postal and telecommunications expenses	555,170.33	501,821.43
Taxes	1,328,963.79	13,764.13
Others	8,837,525.34	5,523,042.22
Total	157,714,200.42	109,488,543.37

Others notes:

N/A

65. R&D expenses

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Staff remuneration	125,919,520.05	85,365,609.11
Material consumption costs	23,816,585.64	24,282,011.56
Equity incentive expenses	6,853,244.23	10,395,691.50
Technical service costs	3,960.40	209,551.82
Depreciation expenses	13,225,315.98	2,980,210.48
Transportation and travel expenses	4,932,379.63	4,727,512.12
Royalties and license fees	1,468,881.29	1,122,208.22
Others	1,894,358.53	919,422.48
Total	178,114,245.75	130,002,217.29

Others notes:

N/A

66. Financial expenses

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expenses	22,306,651.86	10,825,832.63
Of which: interest expenses on lease liabilities	1,704,023.13	2,305,215.43
Less: interest income	-6,806,134.18	-3,442,183.96
Exchange gains or losses	-4,457,157.60	-4,029,387.19
Others	1,320,103.11	1,905,914.63
Total	12,363,463.19	5,260,176.11

Others notes:

N/A

67. Other income

Applicable N/A

Unit: Yuan, Currency: RMB

By nature	Amount incurred in the current period	Amount incurred in the previous period
Government grants	5,485,478.51	6,049,172.81
VAT refunded upon being levied	57,538,979.77	66,238,942.20
Value-added tax incentives	34,768,324.83	-
Total	97,792,783.11	72,288,115.01

Others notes:

N/A

68. Investment income Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from long-term equity investment based on equity method	-4,273.97	-
Investment income generated from disposal of long-term equity investments	-	-
Investment income from trading financial assets during the holding period	-	-
Dividend income obtained from other equity instrument investments during the holding period	-	-
Interest income obtained from debt investments during the holding period	-	-
Interest income obtained from other debt investments during the holding period	-	-
Investment income obtained from disposal of trading financial assets	-	-
Investment income obtained from disposal of other equity instrument investments	-	-
Investment income obtained from disposal of debt investments	-	-
Investment income obtained from disposal of other debt investments	-	-
Debt restructuring income	1,134,950.39	-
Investment income from financial products	2,744,796.98	10,219,424.43
Investment income from other non-current financial assets during the holding period	729,283.23	42,000.00
Total	4,604,756.63	10,261,424.43

Others notes:

N/A

69. Net hedging gains Applicable N/A**70. Gains on fair value changes** Applicable N/A

Unit: Yuan, Currency: RMB

Sources of gains on fair value changes	Amount incurred in the current period	Amount incurred in the previous period
Trading financial assets	129,222.23	3,183,787.80
Of which: gains on fair value changes generated by derivative financial instruments		
Trading financial liabilities		
Investment properties measured at		

fair value		
Other non-current financial assets	-24,139,210.91	358,083.72
Total	-24,009,988.68	3,541,871.52

Others notes:

N/A

71. Income from disposal of assets

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Gains or losses on disposal of fixed assets	-	
Gains or losses on disposal of right-of-use assets	-154,897.44	
Total	-154,897.44	

Others notes:

Applicable N/A

72. Credit impairment losses

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Bad debt losses on notes receivable		
Bad debt losses on accounts receivable	-80,998,141.35	-18,739,586.91
Bad debt losses on other receivables	1,080,950.98	-425,753.27
Impairment losses on debt investments		
Impairment losses on other debt investments		
Bad debt losses on long-term receivables		
Impairment losses related to financial guarantees		
Total	-79,917,190.37	-19,165,340.18

Others notes:

N/A

73. Asset impairment losses

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Impairment losses of contract assets		
II. Inventory impairment losses and contract performance cost impairment losses	-86,934,706.66	-26,919,530.72
III. Impairment losses of long-term equity investments		

IV. Impairment losses of investment properties		
V. Impairment losses of fixed assets		
VI. Impairment losses of construction materials		
VII. Impairment losses of construction in progress		
VIII. Impairment losses of productive biological assets		
IX. Impairment losses of oil and gas assets		
X. Impairment losses of intangible assets		
XI. Impairment losses of goodwill		
XII. Others		
Total	-86,934,706.66	-26,919,530.72

Others notes:

N/A

74. Non-operating income

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in non-recurring gains or losses
Total gains on disposal of non-current assets			
Of which: gains on disposal of fixed assets			
Gains on disposal of intangible assets			
Gains on debt restructuring			
Gains on exchange of non-monetary assets			
Receipt of donations			
Government grants			
Compensation income	64,645.41	-	64,645.41
Others	731,144.74	795,498.02	731,144.74
Total	795,790.15	795,498.02	795,790.15

Others notes:

Applicable N/A

75. Non-operating expenses

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the	Amount incurred in the	Amount included in
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	current period	previous period	non-recurring profits or losses
Total losses on disposal of non-current assets	9,509.96	216,908.89	9,509.96
Of which: losses on disposal of fixed assets	9,509.96	-	9,509.96
Losses on disposal of intangible assets	-	-	-
Losses on debt restructuring	-	-	-
Losses on exchange of non-monetary assets	-	-	-
External donations	1,083,850.00	1,149,950.00	1,083,850.00
Penalty for late payment	93,946.33	6,475,845.16	93,946.33
Others	-	10,776.46	-
Total	1,187,306.29	7,853,480.51	1,187,306.29

Others notes:

N/A

76. Income tax expenses

(1) Table of income tax expenses

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Income tax expenses	177,762,357.48	100,385,955.17
Deferred income tax expenses	-34,083,050.76	-20,243,853.24
Total	143,679,306.72	80,142,101.93

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

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period
Total profit	947,267,990.33
Income tax expenses calculated at statutory/applicable tax rates	142,090,198.55
Impact of different tax rates on subsidiaries	-713,885.21
Impact of adjusting income tax for previous periods	-
Impact of non-taxable income	-
Impact of non-deductible costs, expenses, and losses	3,646,061.22
Impact of using deductible losses on deferred tax assets not recognized previously	-
Impact of deductible temporary differences or deductible losses on deferred tax assets unrecognized in the current period	26,172,168.55
Tax incentives for R&D expenses	-27,515,236.39

Income tax expenses	143,679,306.72
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Others notes:

Applicable N/A

77. Other comprehensive income

Applicable N/A

Please refer to “57. Other Comprehensive Income” in “VII. Notes to Consolidated Financial Statement” of this Chapter for details.

78. Items on cash flow statement

(1) Cash relating to operating activities

Other cash received relating to operating activities

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Current accounts and advances	10,142,553.18	7,808,157.10
Recovery of margin	53,447,469.53	40,362,285.39
Special subsidies and grants	6,007,079.50	5,697,262.71
Interest income	6,608,565.78	1,741,991.19
Non-operating income	791,203.34	406,341.14
Total	76,996,871.33	56,016,037.53

Notes to other cash received relating to operating activities:

N/A

Other cash paid relating to operating activities

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Current accounts and advances	75,313,062.77	53,680,965.66
Payment of margin	14,328,400.00	31,417,949.21
Sales expenses	43,477,860.91	35,920,501.14
Overheads	55,122,439.79	31,917,324.64
Non-operating expenses	1,090,000.00	7,462,483.63
Bank charges	1,248,656.36	1,210,331.98
Total	190,580,419.83	161,609,556.26

Notes to other cash paid relating to operating activities:

N/A

(2) Cash relating to investing activities

Significant cash received relating to investing activities Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Cash and cash equivalents of subsidiaries on purchase date	-	9,695,092.03
Total		9,695,092.03

Significant cash received relating to investing activities

N/A

Significant cash paid relating to investing activities

 Applicable N/A

Other cash received relating to investing activities

 Applicable N/A

Other cash paid relating to investing activities

 Applicable N/A**(3) Cash relating to financing activities**

Other cash received relating to financing activities

 Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Share incentive funds received	25,375,480.36	26,708,085.76
Total	25,375,480.36	26,708,085.76

Notes to other cash received relating to financing activities:

N/A

Other cash paid relating to financing activities

 Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Payment for share repurchase	3,021,431.70	149,845,276.54
Payment for lease liabilities	31,950,580.98	25,411,075.82
Total	34,972,012.68	175,256,352.36

Notes to other cash paid relating to financing activities:

N/A

Changes in various liabilities arising from financing activities

 Applicable N/A

Unit: Yuan, Currency: RMB

Item	Opening balance	Increase in the current period		Decrease		Closing balance
		Cash change	Non-cash change	Cash change	Non-cash change	
Short-term borrowings	519,737,547.82	156,500,000.00	503,291,703.32	75,700,000.00	312,432,993.75	791,396,257.39
Long-term borrowings and long-term borrowings due within one year	234,770,874.16	161,476,242.40	1,591,994.03	1,520,000.00	461,123.67	395,857,986.92
Bonds payable	969,066,247.00		29,042,381.12		24,000.00	998,084,628.12
Dividends payable	-		450,483,938.16	448,183,938.16		2,300,000.00
Other payables - obligation of restricted share repurchase	74,571,400.00					74,571,400.00

Lease liabilities and lease liabilities due within one year	105,703,180.20		24,795,648.81	31,950,580.98		98,548,248.03
Total	1,903,849,249.18	317,976,242.40	1,009,205,665.44	557,354,519.14	312,918,117.42	2,360,758,520.46

(4) Notes to cash flows presented on a net basis

Applicable N/A

(5) Significant activities and financial impacts that do not involve current cash inflows and outflows in the current period, but may affect the financial condition of the Company or potentially impact its future cash flows

Applicable N/A

79. Supplementary information for cash flow statement**(1) Supplementary information for cash flow statement**

Applicable N/A

Unit: Yuan, Currency: RMB

Supplement information	Amount incurred in the current period	Amount incurred in the previous period
1. Adjusting net profit to cash flows from operating activities:		
Net profit	803,588,683.61	515,038,281.62
Add: Provision for impairment of assets	86,934,706.66	26,919,530.72
Credit impairment losses	79,917,190.37	19,165,340.18
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	37,319,695.76	17,126,663.24
Amortization of right-of-use assets	27,244,773.22	21,428,971.05
Amortization of intangible assets	5,713,339.97	2,955,317.82
Amortization of long-term deferred expenses	16,807,742.15	6,299,173.90
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains indicated by "-")	154,897.44	-
Losses on scrapping of fixed assets (gains indicated by "-")	9,509.96	216,908.89
Losses on change in fair value (gains indicated by "-")	24,009,988.68	-3,541,871.52
Financial expenses (gains indicated by "-")	22,306,651.86	10,825,832.63
Investment losses (gains indicated by "-")	-4,604,756.63	-10,261,424.43
Decrease of deferred income tax assets (increase indicated by "-")	-28,459,606.68	-23,339,938.17
Increase of deferred income tax liabilities (decrease indicated by "-")	-5,645,857.18	7,028,125.38
Decrease of inventories (increase indicated by "-")	224,178,315.59	-2,117,925,179.73
Decrease of operating receivable	181,113,828.90	-504,254,413.69

items (increase indicated by “-”)		
Increase of operating payable items (decrease indicated by “-”)	-1,346,852,119.57	2,267,480,334.68
Others	-133,448,082.62	33,734,599.54
Net cash flows from operating activities	-9,711,098.51	268,896,252.11
2. Major investing and financing activities without involving cash receipt and payment		
Conversion of debts to capital		
Convertible corporate bonds due within one year		
Fixed assets leased under finance leasing		
3. Net increase/decrease in cash and cash equivalents:		
Closing balance of cash	1,681,555,725.45	560,232,888.64
Less: opening balance of cash	1,520,761,970.93	597,816,992.50
Add: closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	160,793,754.52	-37,584,103.86

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

□ Applicable √ N/A

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

□ Applicable √ N/A

(4) Composition of cash and cash equivalents

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
I. Cash	1,681,555,725.45	1,520,761,970.93
Of which: cash on hand	394,157.19	387,917.07
Bank deposits ready for payment	1,681,161,568.26	1,516,171,305.90
Other monetary funds ready for payment	-	4,202,747.96
Funds due from central bank available for payment		
Due from banks and other financial institutions		
Interbank borrowings		
II. Cash equivalents		
Of which: bond investments due within three months		
III. Cash and cash equivalents at the end of the period	1,681,555,725.45	1,520,761,970.93
Of which: cash and cash equivalents with restrictions for the parent	-	-

company or subsidiaries of the Group		
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(5) The situation where the scope of use is limited but still presented as cash and cash equivalents

Applicable N/A

(6) Monetary funds not classified as cash and cash equivalents

Applicable N/A

Others notes:

Applicable N/A

80. Notes to the statement of changes in owner's equity Provide the items of "others" adjusting the closing balance of the previous year and the adjusted amount:

Applicable N/A

81. Monetary items denominated in foreign currencies

(1) Monetary items denominated in foreign currencies

Applicable N/A

Unit: Yuan			
Item	Closing balance of foreign currencies	Exchange rate	Translated closing balance of RMB
Monetary funds	-	-	101,197,760.49
Of which: USD	12,488,775.17	7.1268	89,005,002.90
EUR	32,749.15	7.6617	250,914.16
HKD	-	0.9127	-
JPY	43,337,821.00	0.044738	1,938,847.44
SGD	39,950.00	5.279	210,896.05
MYR	6,487,070.37	1.5095	9,792,099.94
Accounts receivable	-	-	52,585,246.95
Of which: USD	7,378,521.49	7.1268	52,585,246.95
EUR	-	7.6617	-
HKD	-	0.9127	-
Other receivables	-	-	1,065,994.45
Of which: USD	-	7.1268	-
EUR	-	7.6617	-
HKD	-	0.9127	-
MYR	706,200.00	1.5095	1,065,994.45
Accounts payable	-	-	3,379,992.91
Of which: USD	310,939.90	7.1268	2,216,006.48
EUR	-	7.6617	-
HKD	-	0.9127	-
JPY	19,440,000.00	0.044738	869,706.72
MYR	194,954.42	1.5095	294,279.71
Notes payable	-	-	230,617.17
Of which: USD	-	7.1268	-
EUR	30,100.00	7.6617	230,617.17
HKD	-	0.9127	-
Long-term borrowings	-	-	-
Of which: USD	-	7.1268	-
EUR	-	7.6617	-
HKD	-	0.9127	-

Others notes:

N/A

(2) Notes to overseas operating entities, including disclosure of principal operating location, functional currency, and selection basis for important overseas operating entities. In case of any change in functional currency, the reasons should also be disclosed

Applicable N/A

82. Lease

(1) As a lessee

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expenses on lease liabilities	1,704,023.13	4,579,834.34
Short-term lease expenses with simplified treatment included in relevant asset costs or current profits and losses	805,669.72	7,656,749.05
Income from subleasing right-of-use assets	-	40,856.87
Total cash outflows relating to lease	39,682,798.88	39,517,553.82

Variable lease payments not included in the measurement of lease liabilities

Applicable N/A

Lease expenses for short-term leases or low-value assets with simplified treatment

Applicable N/A

Sale-leaseback transactions and judgment criteria

Applicable N/A

Total cash outflows relating to lease with total amount of RMB39,682,798.88

(2) As a lessor

Operating lease as a lessor

Applicable N/A

Financing lease as a lessor

Applicable N/A

Adjustment statement for undiscounted lease receipts and net lease investments

Applicable N/A

Undiscounted lease receipts for the next five years

Applicable N/A

(3) Profit or loss of financing lease sales recognized as a manufacturer or distributor

Applicable N/A

Others notes

N/A

83. Data resource

Applicable N/A

84. Others

Applicable N/A

VIII. R&D expenses

(1) Listed by type of cost

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Current amount incurred	Amount incurred in the previous period
Staff remuneration	125,919,520.05	85,365,609.11
Material consumption costs	23,816,585.64	24,282,011.56
Equity incentive expenses	6,853,244.23	10,395,691.50
Technical service costs	3,960.40	209,551.82
Depreciation expenses	13,225,315.98	2,980,210.48
Transportation and travel expenses	4,932,379.63	4,727,512.12
Royalties and license fees	1,468,881.29	1,122,208.22
Others	1,894,358.53	919,422.48
Total	178,114,245.75	130,002,217.29
Of which: expensed research & development expenses	178,114,245.75	130,002,217.29
Capitalized research & development expenses		

Other notes:

N/A

(2) R&D project development expenses that meet the requirements for capitalization

□ Applicable √ N/A

Important capitalized research & development projects

□ Applicable √ N/A

Provision for impairment of development expenses

□ Applicable √ N/A

Others

N/A

(3) Important outsourced research items

□ Applicable √ N/A

IX. Change in the scope of consolidation**1. Merger of enterprises not under common control**

□ Applicable √ N/A

2. Merger of enterprises under common control

□ Applicable √ N/A

3. Reverse purchase

□ Applicable √ N/A

4. Disposal of subsidiaries

Is there any transaction or event involving the loss of control of a subsidiary in this period

Applicable N/A

Other notes:

Applicable N/A

Whether there is a case where investments in subsidiaries are disposed of in stages through multiple transactions and control is lost in the current period

Applicable N/A

Other notes:

Applicable N/A

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

Notes to the changes in the scope of consolidation due to other reasons (such as the establishment of new subsidiaries, liquidation of subsidiaries, etc.) and their relevant information:

Applicable N/A

6. Others

Applicable N/A

X. Equity in other entities**1. Equity in subsidiaries****(1) Composition of enterprise groups**

√ Applicable □ N/A

Unit: million Yuan, Currency: RMB

Subsidiary name	Main business location	Registered capital	Registered address	Business nature	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Intelligent Equipment	Wuxi City	36.42	Wuxi City	Research & development, manufacturing, sales, and technical services of lithium battery equipment	82.37		Acquisition
Optical Applications	Wuxi City	13.00	Wuxi City	Technical development and services	76.92		Establishment through investment
Supply Chain Management	Wuxi City	10.00	Wuxi City	Supply chain management services	100.00		Establishment through investment
Songci Electromechanical	Wuxi City	20.86	Wuxi City	Research and experiment development	40.6258		Acquisition
XuRi Technology	Wuxi City	30.00	Wuxi City	Technology promotion and application service industry	72.00		Establishment through investment
Coshin Technology	Wuxi City	20.00	Wuxi City	Research and experiment development	71.50		Establishment through investment
Leddo Technology	Wuxi City	25.28	Wuxi City	Research and experiment development	70.55		Acquisition
Zhiyuan Equipment	Wuxi City	20.00	Wuxi City	Electrical machinery and equipment manufacturing	70.00		Establishment through

				industry			gh investment
Qinhuangdao Zhiyuan	Qinhuangdao City	20.00	Qinhuangdao City	Electrical machinery and equipment manufacturing industry		70.00	Establishment through investment
Jiexin Technology	Wuxi City	25.00	Wuxi City	Technology promotion and application service industry	62.00		Establishment through investment
Wuxi Polar	Wuxi City	50.00	Wuxi City	Manufacturing of photovoltaic equipment and components	61.00	20.00	Establishment through investment
Polar New Energy	Bengbu City	154.43	Bengbu City	Lithium ion battery manufacturing	100.00		Purchase
Wuhu Polar Photovoltaic Power Generation Co., Ltd.	Wuhu City	10.00	Wuhu City	Solar photovoltaic power generation and power sales		100.00	Purchase
Beijing Linkong Polar Energy Management Co., Ltd.	Beijing City	20.00	Beijing City	Solar photovoltaic power generation and power sales		100.00	Purchase
Polar New Energy (Foshan) Co., Ltd.	Foshan City	10.00	Foshan City	Research & development, manufacturing, and system integration of distributed power supply equipment		100.00	Purchase
Zhengzhou Polar New Energy Co., Ltd.	Zhengzhou City	5.00	Zhengzhou City	Engineering and technical research and experiment development		100.00	Purchase
Anhui Hengzhi Copper-Indium-Gallium-Selenium Technology Co., Ltd	Bengbu City	40.00	Bengbu City	Solar photovoltaic power generation and power sales		42.50	Purchase
AUTOWELL Japan	Japan	14.66	Japan	Research &	100.00		Establishment

				development and sales of photovoltaic, semiconductor equipment and supporting materials			ishment through investment
Autowell (Singapore)	Singapore	109.50	Singapore	Trade, management, and services of automated equipment and related items	100.00		Establishment through investment
AUTOWELL (Malaysia)	Malaysia	0.0030	Malaysia	Research & development, production, and sales of automated equipment and related hardware and software		85.00	Establishment through investment

Notes to the difference between the shareholding ratio and voting rights ratio in subsidiaries:

N/A

The basis for holding half or less of the voting rights but still controlling the invested entity, and for holding more than half of the voting rights but not controlling the investee:

The number of directors dispatched exceeds 50% of the total number of directors.

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

N/A

The basis for determining whether a company is an agent or a principal:

N/A

Other notes:

AUTOWELL Japan Co., Ltd. Registered capital: JPY300 million;

Autowell (Singapore) PTE. LTD. Registered capital: USD15 million;

AUTOWELL (MALAYSIA) SDN.BHD. Registered capital: MYR2,000. On July 24, 2024, the registered capital of AUTOWELL (Malaysia) was changed to MYR7,626,294.

(2) Important non-wholly-owned subsidiaries

√ Applicable □ N/A

Unit: million Yuan, Currency: RMB

Subsidiary name	Shareholding ratio non-controlling shareholder (%)	Gains and losses attributable to non-controlling shareholders in the current period	Dividends declared for distribution to non-controlling shareholders in the current period	Closing balance of non-controlling shareholders' equity
Intelligent Equipment	17.6265%	-1.87	-	-19.96
Optical Applications	23.0769%	-4.72	-	-10.94
Songci	59.3742%	60.21	-	117.68

Electromechanical				
XuRi Technology	28.0000%	-12.28	-	-28.16
Coshin Technology Semiconductor	28.5000%	-2.70	-	-1.22
Leddo Technology	29.4500%	-1.32	-	12.23
Wuxi Zhiyuan	30.0000%	-0.73	-	3.27
Jiexin Technology	38.0000%	-4.52	-	13.90
Wuxi Polar	81.0000%	-0.25	-	1.25

Notes to the difference between the shareholding ratio of non-controlling shareholders in a subsidiary and the voting rights ratio:

Applicable N/A

Other notes:

Applicable N/A

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

Applicable N/A

Unit: million Yuan, Currency: RMB

Subsidiary name	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Intelligent Equipment	663.12	40.69	703.81	806.20	10.66	816.85	666.47	50.50	716.97	812.66	16.34	829.00
Optical Applications	76.12	3.40	79.53	124.69	-	124.69	83.09	3.39	86.48	111.63	-	111.63
Songci Electromechanical	2,894.99	32.73	2,927.73	2,706.30	17.34	2,723.65	2,460.98	21.45	2,482.43	2,375.50	8.39	2,383.89
XuRi Technology	2,019.46	45.74	2,065.20	2,154.10	5.65	2,159.75	1,891.06	39.64	1,930.69	1,978.40	6.07	1,984.47
Coshin Technology	139.98	11.46	151.44	150.81	-	150.81	126.23	7.06	133.28	124.21	0.00	124.21
Leddo Technology	39.26	5.70	44.97	7.52	-	7.52	40.43	4.37	44.80	2.86	0.01	2.87
Wuxi Zhiyuan	95.35	14.00	109.35	94.53	1.59	96.12	30.24	10.47	40.71	22.90	2.15	25.05
Jiexin Technology	8.52	28.44	36.96	0.39	-	0.39	24.77	23.90	48.67	0.20	-	0.20
Wuxi Polar	62.33	0.24	62.58	38.06	-	38.06						

Subsidiary name	Amount incurred in the current period				Amount incurred in the previous period			
	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
Intelligent	143.80	-10.60	-10.60	-6.86	184.74	2.37	2.37	3.17

equipment								
Optical Applications	1.05	-20.44	-20.44	-20.07	0.22	-8.80	-8.80	25.65
Songci Electromechanical	607.56	101.41	101.41	-22.05	156.89	-3.42	-3.42	57.30
XuRi Technology	334.72	-43.85	-43.85	-119.06	105.41	-14.97	-14.97	-39.16
Coshin Technology	11.18	-9.46	-9.46	-16.90	8.13	-3.21	-3.21	-29.04
Leddo Technology	0.99	-4.48	-4.48	-9.08	0.00	-0.37	-0.37	-11.14
Wuxi Zhiyuan	3.73	-2.44	-2.44	3.12	-	-0.80	-0.80	0.15
Jiexin Technology	-	-11.90	-11.90	-12.52	-	-	-	-
Wuxi Polar	-	-1.31	-1.31	-1.01	-	-	-	-

Other notes:

N/A

(4) Major restrictions on the use of enterprise group assets and the liquidation of enterprise group liabilities:

Applicable N/A

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

Applicable N/A

Other notes:

Applicable N/A

2. Transactions in which the owner's equity share of a subsidiary changes and they are still controlling the subsidiary

Applicable N/A

3. Equity in joint ventures or associates

Applicable N/A

4. Important joint operation

Applicable N/A

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

Notes to structured entities not included in the scope of consolidated financial statements:

Applicable N/A

6. Others

Applicable N/A

XI. Government grants

1. Government grants recognized as accounts receivable at the end of the report period

Applicable N/A

Reason for not receiving the expected amount of government grants at the expected time

Applicable N/A

2. Debt projects involving government grants

Applicable N/A

3. Government grants included in current gains and losses

Applicable N/A

Unit: Yuan, Currency: RMB

Type	Amount incurred in the current period	Amount incurred in the previous period
Related to assets	245,536.73	246,731.02
Related to income	97,547,246.38	72,041,383.99
Total	97,792,783.11	72,288,115.01

Other notes:

N/A

XII. Risks related to financial instruments**1. Risk of financial instruments**

√ Applicable □ N/A

The Company is exposed to various financial risks in the operation, including credit risk, market risk, and liquidity risk. The board of directors of the Company is fully committed to identifying risk management objectives and policies, and bears ultimate responsibility for risk management objectives and policies. The internal auditors of the Company also audit risk management policies and procedures, and report relevant findings to the audit committee.

The overall objective of the Company's risk management is to develop risk management policies that minimize risks without excessively affecting its competitiveness and adaptability.

(i) Credit risk

Credit risk refers to the risk that one party of a financial instrument fails to fulfill its obligations, resulting in financial losses for the other party. The Company mainly faces customer credit risk caused by credit sales. Before signing a new contract, it will assess the credit risk of new customers, including external credit ratings and, in some cases, bank credit certificates (when this information is available).

(ii) Liquidity risk

Liquidity risk refers to the risk of a shortage of funds when an enterprise fulfills its obligation to settle by delivering cash or other financial assets. The Company is committed to ensuring sufficient cash to repay maturing debts. Liquidity risk is centrally controlled by the finance department of the Company. The finance department ensures that the Company has sufficient funds to repay its debts under all reasonable predictions by monitoring cash balances, readily convertible securities, and rolling forecasts of cash flows for the next 12 months.

As of June 30, 2024, various financial liabilities of the Company are presented as follows based on undiscounted contract cash flows and maturity dates:

Unit: Yuan, Currency: RMB

Item	Closing balance				
	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Accounts payable	3,235,214,998.79	-	-	-	3,235,214,998.79
Other payables	91,318,741.59	-	-	-	91,318,741.59
Non-current liabilities due within one year	133,506,681.24	-	-	-	133,506,681.24
Lease liabilities	-	47,625,117.14	14,346,909.39	-	61,972,026.53
Total	3,460,040,421.62	47,625,117.14	14,346,909.39	-	3,522,012,448.15

Item	Year-end balance of the previous year				
	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Accounts payable	3,243,847,123.75	-	-	-	3,243,847,123.75
Other payables	116,701,241.64	-	-	-	116,701,241.64

Non-current liabilities due within one year	147,298,187.75	-	-	-	147,298,187.75
Lease liabilities	-	63,411,824.65	10,144,243.16	-	73,556,067.81
Total	3,507,846,553.14	63,411,824.65	10,144,243.16	-	3,581,402,620.95

(iii) Market risk

The market risk of financial instruments refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market prices, including exchange rate risk, interest rate risk, and other price risks.

1. Interest rate risk

Interest rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market interest rates. The interest rate risk facing the Company mainly comes from short-term bank loans. The Company is committed to identifying the relative proportion of fixed rate and floating rate contracts based on the market environment then. Although this policy cannot completely steer the Company away from the risk of interest rates payment exceeding current market rates, nor can it completely eliminate the cash flow risk associated with fluctuations in interest payment, the management believes that this policy achieves a reasonable balance between these risks.

2. Exchange rate risk

Exchange rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in foreign exchange rates. Our Company strives to match foreign currency income with foreign currency expenses as much as possible to reduce exchange rate risk. In addition, the Company may also sign forward foreign exchange contracts or currency swap contracts to avoid exchange rate risks. During the reporting period, the Company did not sign any forward foreign exchange contracts or currency swap contracts.

The exchange rate risk facing the Company mainly comes from financial assets and liabilities denominated in US dollars. The amount of foreign currency financial assets and liabilities converted into RMB is listed as follows:

Item	Closing balance			Year-end balance of the previous year		
	USD	Other foreign currencies	Total	USD	Other foreign currencies	Total
Monetary funds	89,005,002.90	12,192,757.59	101,197,760.49	301,124,050.73	2,380,322.76	303,504,373.49
Accounts receivable	52,585,246.95	-	52,585,246.95	111,668,163.25	-	111,668,163.25
Other rece	-	1,065,994.45	1,065,994.45	14,165.40	2,901.56	17,066.96

iv a bl es						
ac c o u nt s p a y a bl e	2,216,006.48	1,163,986.43	3,379,992.91	6,055,885.21	3,096,216.45	9,152,101.66
T o t al	139,374,243.37	12,094,765.61	151,469,008.98	406,750,494.17	-712,992.13	406,037,502.04

3. Other price risks

Other price risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to market price changes other than exchange rate risk and interest rate risk.

2. Hedging

(1) The Company conducts hedging business for risk management

Applicable N/A

Other notes

Applicable N/A

(2) The Company conducts eligible hedging business and applies hedging accounting

Applicable N/A

Other notes

Applicable N/A

(3) The Company carries out hedging business for risk management and expects to achieve risk management goals but does not apply hedge accounting

Applicable N/A

Other notes

Applicable N/A

3. Financial asset transfer

(1) Classification of Transfer Methods

Applicable N/A

(2) Financial assets that have been derecognized due to transfer

Applicable N/A

(3) Transfer of financial assets continuously involved

Applicable N/A

Other notes

Applicable N/A

XIII. Disclosure of fair value

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

√ Applicable □ N/A

Unit: million Yuan, Currency: RMB

Item	Fair value at the end of the period			
	First-level fair value measurement	Second-level fair value measurement	Third-level fair value measurement	Total
I. Continuous fair value measurement				
(i) Trading financial assets	0.00	220.06	0.00	220.06
1. Financial assets measured at fair value with changes included in current profits and losses	0.00	220.06	0.00	220.06
(1) Debt instrument investment	0.00	0.00	0.00	0.00
(2) Equity instrument investment	0.00	0.00	0.00	0.00
(3) Derivative financial assets	0.00	0.00	0.00	0.00
(4) Others	0.00	220.06	0.00	220.06
2. Designated as financial liabilities measured at fair value with changes recognized in current profits and losses	0.00	0.00	0.00	0.00
(1) Debt instrument investment	0.00	0.00	0.00	0.00
(2) Equity instrument investment	0.00	0.00	0.00	0.00
(ii) Accounts receivable financing	0.00	0.00	593.76	593.76
(iii) Other non-current financial assets	28.54	0.00	132.59	161.13
1. Designated as financial liabilities measured at fair value with changes recognized in current profits and losses	28.54	0.00	132.59	161.13
(1) Debt instrument investment	0.00	0.00	20.97	20.97
(2) Equity instrument investment	28.54	0.00	111.62	140.16
(iv) Other debt investments	0.00	0.00	0.00	0.00
(v) Other equity instrument investments	0.00	0.00	0.00	0.00
(vi) Investment properties	0.00	0.00	0.00	0.00
1. Land use rights for rental purposes	0.00	0.00	0.00	0.00
2. Rented buildings	0.00	0.00	0.00	0.00
3. Land use rights held and prepared for transfer after appreciation	0.00	0.00	0.00	0.00
(vii) Biological assets	0.00	0.00	0.00	0.00
1. Consumable biological assets	0.00	0.00	0.00	0.00
2. Productive biological assets	0.00	0.00	0.00	0.00
Total assets continuously measured at fair value	28.54	220.06	726.35	974.95
(viii) Trading financial liabilities	0.00	0.00	0.00	0.00
1. Financial liabilities measured at fair value with changes included in current profits and	0.00	0.00	0.00	0.00

losses				
Of which: Issued trading bonds	0.00	0.00	0.00	0.00
Derivative financial liabilities	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
2. Designated as financial liabilities measured at fair value with changes recognized in current profits and losses	0.00	0.00	0.00	0.00
Total liabilities continuously measured at fair value	0.00	0.00	0.00	0.00
II. Non-continuous fair value measurement	0.00	0.00	0.00	0.00
(i) Holding assets for sale	0.00	0.00	0.00	0.00
Total amount of assets not continuously measured at fair value	0.00	0.00	0.00	0.00
Total liabilities not continuously measured at fair value	0.00	0.00	0.00	0.00

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

√ Applicable □ N/A

The Company's other non-current financial assets are listed company stocks, and their fair value is the closing price on the stock exchange.

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

√ Applicable □ N/A

Unit: million Yuan, Currency: RMB

Item	Closing fair value	Valuation techniques	Important parameters	
			Qualitative information	Quantitative information
Financial products	220.06	Discounted cash flow method	Contract or comparable expected rate of return	Interest rate

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

√ Applicable □ N/A

Unit: million Yuan, Currency: RMB

Item	Closing fair value	Valuation techniques	Unobservable input value
Accounts receivable financing	593.76	Carrying value	N/A
Equity of Wuxi Songyu Technology Co., Ltd.	101.60	Recent Financing Price Method	Recent financing prices
Equity of Xiamen Fuhai New Materials Phase III Venture Capital Partnership	20.97	Net asset value	N/A

Enterprise (Limited Partnership)			
Equity of Wuxi Greenstone Automation Equipment Co., Ltd.	10.02	Carrying value	N/A

5. Adjustment information between opening and closing carrying values, and sensitivity analysis of unobservable parameters in continuous third-level fair value measurement items

Applicable N/A

6. In the case of conversion between different levels during the current period, the reasons for the conversion and the policy for determining the transition time point for continuous fair value measurement items

Applicable N/A

7. Valuation technology changes that occurred in the current period and the reasons for the changes

Applicable N/A

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

Applicable N/A

9. Others

Applicable N/A

XIV. Related parties and transactions

1. The information on the parent company of the Company

Applicable N/A

2. The information on the subsidiaries of the Company

See the notes for details about the subsidiaries

Applicable N/A

See "Note 10: Equity in Other Entities" for the details about the subsidiaries.

3. Information on joint ventures and associates of the Company

See the notes about important joint ventures or associates of the Company

Applicable N/A

The information on other joint ventures or associates that have had related party transactions with the Company in the current period, or have formed balances from related party transactions with the Company in the previous period, is as follows

Applicable N/A

4. Information on other related parties

Applicable N/A

Other related party names	Relations between other related parties and the Company
Liu Jian	The spouse of the actual controller Ge Zhiyong
Ge Zhibin	Brother of actual controller Ge Zhiyong
Liu Ying	The spouse of the actual controller Li Wen
Feng Ye	The spouse of Ge Zhibin (the elder brother of the actual controller Ge Zhiyong)
Liu Zhuangzhi	The younger brother of Liu Jian (the spouse of the actual controller Ge Zhiyong)

Li Xiao	The brother of the actual controller Li Wen
Anhui Woshine Safety Equipment Co., Ltd	Enterprises controlled or significantly influenced by directors, supervisors, and senior management of the Company
Wuxi Woshine Safety Equipment Co., Ltd	A company where a director serves as the general manager
Wuxi Songyu Technology Co., Ltd	The Company holds more than 5% of its equity
Wuxi WIT Data Technology Co., Ltd	The actual controller Ge Zhiyong holds 46.087% of its equity, and Li Wen 21.7391%

Other notes

N/A

5. Related party transactions

(1) Related transactions involving the purchase and sale of goods, provision and receipt of services

Table on procurement of goods/acceptance of labor services

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Related parties	Content on related party transaction	Current amount incurred	Approved transaction limit (if applicable)	Whether the transaction limit has been exceeded (if applicable)	Amount incurred in the previous period
Anhui Woshine Safety Equipment Co., Ltd.	Procurement of raw materials	461,999.57			995,845.92
Anhui Woshine Safety Equipment Co., Ltd.	Purchase of fixed assets	8,849.56			22,123.89
Anhui Woshine Safety Equipment Co., Ltd.	Acceptance of labor services				8,849.56
Wuxi Woshine Safety Equipment Co., Ltd.	Purchase of labor protection equipment	259,524.37			269,596.47
Wuxi WIT Data Technology Co., Ltd.	Purchase of raw materials	707,964.60			-

Table on sales of goods/provision of services

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Related parties	Content on related party transaction	Amount incurred in the current	Amount incurred in the previous period
Wuxi WIT Data Technology Co., Ltd	Electricity bill settlement	23,118.10	21,671.29

Notes to related transactions for purchase of goods on credit, and provision and acceptance of labor services

□ Applicable √ N/A

(2) Related entrusted management/contracting and entrusted management/outsourcing

Table on the entrusted management/contracting by the Company:

Applicable N/A

Notes to related trusteeship/contracting

Applicable N/A

Table on the Company's entrusted management/contracting

Applicable N/A

Notes to association management/outsourcing

Applicable N/A

(3) Related lease

The Company serves as the lessor:

Applicable N/A

Unit: Yuan, Currency: RMB

Leaseholder	Types of leased assets	Lease income recognized in the current period	Lease income recognized in the previous period
Wuxi WIT Data Technology Co., Ltd.	Lease of houses	134,174.33	134,174.33

The Company serves as the lessee:

Applicable N/A

Notes to related lease

Applicable N/A

(4) Related guarantee

The Company serves as the guarantor

 Applicable N/A

Our Company serves as the secured party

 Applicable N/A

Notes to related guarantee

 Applicable N/A**(5) Related party fund lending** Applicable N/A**(6) Related party asset transfer and debt restructuring** Applicable N/A**(7) Compensation for key management personnel** Applicable N/A

Unit: million Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Compensation for key management personnel	4.49	4.20

(8) Other related transactions Applicable N/A**6. Accounts receivable, accounts payable, related parties and other unsettled items****(1) Accounts receivable** Applicable N/A

Unit: Yuan, Currency: RMB

Item	Related parties	Closing balance		Opening balance	
		Carrying amount	Provision for bad debts	Carrying amount	Allowance for bad debts
Contract liabilities					
	Wuxi WIT Data Technology Co., Ltd.	5,904.01			
Other receivables					
	Wuxi Songyu Technology Co., Ltd.			4,866.90	243.35

(2) Items payable Applicable N/A

Unit: Yuan, Currency: RMB

Item	Related parties	Closing balance	Opening balance
Accounts payable			
	Wuxi Woshine Safety Equipment Co., Ltd	287,334.12	80,640.00
	Anhui Woshine Safety	648,606.19	964,957.75

	Equipment Co., Ltd		
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(3) Other items

Applicable N/A

7. Related party commitment

Applicable N/A

8. Others

Applicable N/A

XV. Share-based payment**1. Various equity instruments**

Applicable N/A

Quantity unit: Stock amount, Unit: Yuan, Currency: RMB

Grant object type	Grant in the current period		Exercise in the current period		Unlocking in the current period		Invalidity in the current period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Core employees	-	-	584,298	29,434,609.53	-	-	47,267	2,382,642.92
Total	-	-	584,298	29,434,609.53	-	-	47,267	2,382,642.92

Stock options or other equity instruments issued at the end of the period

Applicable N/A

Grant object type	Stock options issued at the end of the period		Other equity instruments issued at the end of the period	
	Range of exercise Prices	Remaining term of the contract	Range of exercise prices	Remaining term of the contract
Core employees			RMB33.26/share	26 months
Core employees			RMB34.62/share	30 months
Core employees			RMB47.84/share	38 months

Other notes

On May 11, 2024, the Company disclosed the *Announcement on Adjusting the 2023 Profit Distribution and Capital Reserve-to-Share Capital Conversion Plan*, which distributed a cash dividend of RMB1.99552 (including tax) per share and converted 0.4 shares of capital reserve to all shareholders

per share. The exercise price of the restricted stock incentive plan for 2021 was adjusted to RMB33.26, and that of the plan for 2022 to RMB34.62.

2. Share-based payment settled in equity

Applicable N/A

Unit: Yuan, Currency: RMB

Method for determining the fair value of equity instruments on the grant date	Restricted stocks are measured at their fair value on the grant date using the Black Scholes Options Model (B-S Model)
Important parameters for fair value of equity instruments on the grant date	N/A
Basis for determining the number of feasible equity instruments	Estimation is made based on the performance evaluation criteria of each attribution period and the evaluation results of incentive objects
Reasons for significant differences between this estimate and the previous estimate	N/A
Accumulated amount of share-based payment settled in equity included in capital reserves	155,932,139.67

Other notes

N/A

3. Share-based payments settled in cash

Applicable N/A

4. Share-based payment expenses in the current period

Applicable N/A Unit: Yuan, Currency: RMB

Grant object type	Share-based payment fees settled in equity	Share-based payment fees settled in cash
Core personnel	27,609,528.13	-
Total	27,609,528.13	-

Other notes

N/A

5. Modification and termination of share-based payment

Applicable N/A

6. Other

Applicable N/A

XVI. Commitment and contingent events

1. Important commitments

Applicable N/A

2. Contingent events

(1) Important contingent events on the balance sheet date

Applicable N/A

(2) It is required to give explanations if there are no material contingent events that need to be disclosed for the Company:

Applicable N/A

3. Others

Applicable N/A

XVII. Subsequent events of the balance sheet**1. Important non-adjustment events**

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Content	The influence number on financial conditions and operating results	Reasons for inability to estimate the influence number
Issuance of stocks and bonds	Restricted stock repurchase and write-off	N/A	N/A
Important outbound investments			
Important debt restructuring			
Natural disaster			
Important changes in foreign exchange rates			

1. On June 24, 2024, the Company held the 54th meeting of the third board of directors and the 48th meeting of the third board of supervisors, and approved the *Proposal on Repurchasing and Canceling Some Restricted Stocks in the 2023 Restricted Stock Incentive Plan*. There are a total of 34,388 shares to be cancelled, and the Company's total share capital will be reduced from 314,433,090 shares to 314,398,702 shares after write-off.

2. The Company held the 54th meeting of the third board of directors and the 48th meeting of the third board of supervisors on June 24, 2024, and approved the “*Proposal on the Acquisition and Merger of Holding Subsidiaries*”. It is proposed to arrange for the holding subsidiary, Coshin Technology, to acquire and merge Optical Applications. As of the disclosure date of this report, the deadline for notifying creditors to declare their creditors' rights has expired, and tax and business affairs are currently being handled as planned.

2. Profit distribution

Applicable N/A

Unit: Yuan, Currency: RMB

Profit or dividends to be distributed	270,412,525.34
Profits or dividends declared for distribution after review and approval	270,412,525.34

3. Sales returns

Applicable N/A

4. Notes to other subsequent events of the balance sheet

Applicable N/A

XVIII. Other important events**Correction of accounting errors in the previous period****(1) Retrospective restatement method**

Applicable N/A

(2) Prospective application

Applicable N/A

2. Important debt restructuring

Applicable N/A

3. Asset replacement

(1) Non-monetary asset exchange

Applicable N/A

(2) Other asset replacement

Applicable N/A

4. Pension plan

Applicable N/A

5. Termination of operations

Applicable N/A

6. Information on reportable segment

(1) Basis for determining reportable segments and accounting policies

Applicable N/A

(2) Financial information of reportable segments

Applicable N/A

(3) If the Company has no any reportable segments or cannot disclose the total assets and liabilities of each reportable segment, the reasons should be explained

Applicable N/A

(4) Other notes

Applicable N/A

7. Other important transactions and events that have an impact on investors' decision-making

Applicable N/A

8. Others

Applicable N/A

XIX. Notes to major items in the financial statements of the parent company

1. Accounts receivable

(1) Disclosure by aging

Applicable N/A

Unit: Yuan, Currency: RMB

Aging	Closing balance	Opening balance
Within 1 year		
Of which: sub-items within 1 year		
	1,583,839,093.97	1,154,106,167.00
Subtotal of receivables within 1 year	1,583,839,093.97	1,154,106,167.00
1 to 2 years	131,675,420.46	147,817,265.53
2 to 3 years	73,671,989.75	17,728,108.25
Over 3 years	26,665,351.44	19,410,249.61
Subtotal		
Less: Provision for bad debts	220,208,212.99	154,354,437.25
Total	1,595,643,642.63	1,184,707,353.14

(2) Disclosure by bad debt provision method

Applicable N/A

Unit: Yuan, Currency: RMB

Type	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts		Carrying value	Carrying amount		Provision for bad debts		Carrying value
	Amount	Ratio (%)	Amount	Provision ratio (%)		Amount	Ratio (%)	Amount	Provision ratio (%)	
Provision for bad debts based on individual items	105,195,293.06	5.79	105,195,293.06	100.00	-	71,583,866.54	5.35	71,583,866.54	100.00	-
Of which:										
Provision for bad debts based on individual items	105,195,293.06	5.79	105,195,293.06	100.00	-	71,583,866.54	5.35	71,583,866.54	100.00	-
Provision for bad debts based on the combination of items	1,710,656,562.56	94.21	115,012,919.93	6.72	1,595,643,642.63	1,267,477,923.85	94.65	82,770,570.71	6.53	1,184,707,353.14
Of which:										
Provision for bad debts based on the combination of credit risk characteristics	1,710,656,562.56	94.21	115,012,919.93	6.72	1,595,643,642.63	1,267,477,923.85	94.65	82,770,570.71	6.53	1,184,707,353.14
Total	1,815,851,855.62	/	220,208,212.99	/	1,595,643,642.63	1,339,061,790.39	/	154,354,437.25	/	1,184,707,353.14

Provision for bad debts based on individual items:

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Name	Closing balance			
	Carrying amount	Provision for bad debts	Provision ratio (%)	Provision reasons
Customer 1	761,966.00	761,966.00	100.00	On the verge of bankruptcy
Customer 2	405,369.80	405,369.80	100.00	Bankruptcy
Customer 3	762,559.59	762,559.59	100.00	Difficulty in

				payment collection
Customer 4	135,750.00	135,750.00	100.00	Difficulty in payment collection
Customer 5	200,000.00	200,000.00	100.00	Under prosecution
Customer 6	790,959.00	790,959.00	100.00	Under prosecution
Customer 7	3,113,451.05	3,113,451.05	100.00	Bankruptcy
Customer 8	6,009,191.50	6,009,191.50	100.00	Bankruptcy
Customer 9	816,760.00	816,760.00	100.00	Bankruptcy
Customer 10	1,979,760.13	1,979,760.13	100.00	Under prosecution
Customer 11	17,987,500.00	17,987,500.00	100.00	Bankruptcy
Customer 12	1,572,512.86	1,572,512.86	100.00	Under prosecution
Customer 13	737.82	737.82	100.00	Difficulty in payment collection
Customer 14	1,111,894.00	1,111,894.00	100.00	Difficulty in payment collection
Customer 15	602,000.00	602,000.00	100.00	Difficulty in payment collection
Customer 16	2,273,337.06	2,273,337.06	100.00	Bankruptcy
Customer 17	1,592,000.00	1,592,000.00	100.00	Difficulty in payment collection
Customer 18	1,112,000.00	1,112,000.00	100.00	Bankruptcy
Customer 19	2,514,000.00	2,514,000.00	100.00	Under prosecution
Customer 20	670,828.99	670,828.99	100.00	Under prosecution
Customer 21	15,119,600.27	15,119,600.27	100.00	Difficulty in payment collection
Customer 22	5,022,400.00	5,022,400.00	100.00	Under prosecution
Customer 23	9,590,631.73	9,590,631.73	100.00	Bankruptcy
Customer 24	15,500.00	15,500.00	100.00	Difficulty in payment collection
Customer 25	1,018,267.50	1,018,267.50	100.00	Difficulty in payment collection
Customer 26	1,827,230.76	1,827,230.76	100.00	Under prosecution
Customer 27	640,000.00	640,000.00	100.00	Under prosecution
Customer 28	150,000.00	150,000.00	100.00	Under prosecution
Customer 29	17,385.00	17,385.00	100.00	Difficulty in payment collection
Customer 30	771,000.00	771,000.00	100.00	Bankruptcy
Customer 31	6,524,000.00	6,524,000.00	100.00	Difficulty in payment collection
Customer 32	1,640,000.00	1,640,000.00	100.00	Difficulty in payment collection
Customer 33	3,000,000.00	3,000,000.00	100.00	Under prosecution
Customer 34	7,518,700.00	7,518,700.00	100.00	Difficulty in payment collection
Customer 35	888,000.00	888,000.00	100.00	Difficulty in payment collection
Customer 36	7,040,000.00	7,040,000.00	100.00	Difficulty in payment collection
Total	105,195,293.06	105,195,293.06	100.00	/

Notes to provision for bad debts based on individual items:

Applicable N/A

Provision for bad debts based on the combination of items:

Applicable N/A

Combination provision item: Provision for bad debts based on the combination of credit risk characteristics

Unit: Yuan, Currency: RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debts	Provision ratio (%)
Within 1 year	1,504,413,913.41	74,995,700.53	5
1 to 2 years	95,873,347.19	14,121,115.83	15
2 to 3 years	30,254,298.15	15,127,149.07	50.00
Over 3 years	10,768,954.50	10,768,954.50	100.00
Total	1,641,310,513.25	115,012,919.93	

Notes to provision for bad debts based on the combination of items:

Applicable N/A

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

Applicable N/A

Basis for classification at different phases and provision ratio for bad debts

N/A

Notes to significant changes in the carrying amount of accounts receivable with changes in loss provisions in the current period:

Applicable N/A

(3) Provision for bad debts

Applicable N/A

Unit: Yuan, Currency: RMB

Type	Opening balance	Amount of change for the period				Closing balance
		Provision	Amount recovered or reversed	Amount charged off or written off	Other changes	
Provision for bad debts based on individual items	71,583,866.54	45,797,123.63	12,131,697.11	54,000.00		105,195,293.06
Provision for bad debts based on the combination of items	82,770,570.71	60,057,820.16	27,815,470.94			115,012,919.93
Total	154,354,437.25	105,854,943.79	39,947,168.05	54,000.00	-	220,208,212.99

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

Applicable N/A

Other notes

N/A

(4) Other receivables actually written off in the current period

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Amount written off
Accounts receivable actually written off	54,000.00

Of which, significant accounts receivable written off

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Entity name	Nature of accounts receivable	Amount written off	Write-off reasons	Write-off procedures performed	Whether the payment is generated from related party transactions
Jiangsu Jingke Tiansheng Energy Co., Ltd.	Payment for goods	54,000	Reduction	Approved by the Management	No
Total	/	54,000.00	/	/	/

Notes to the write-off of accounts receivable:

□ Applicable √ N/A

(5) Top five accounts receivable and contract assets by closing balance of debtor

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Entity name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Ratio of the total closing balance of accounts receivable and contract assets (%)	Closing balance of provision for bad debts
Customer 1	194,273,554.14	-	194,273,554.14	10.71	9,713,677.71
Customer 2	155,683,720.41	-	155,683,720.41	8.57	10,944,561.66
Customer 3	139,522,380.12	-	139,522,380.12	7.68	8,607,253.15
Customer 4	126,616,177.64	-	126,616,177.64	6.97	8,643,291.87
Customer 5	86,019,003.43	-	86,019,003.43	4.74	4,618,990.00
Total	702,114,835.75	-	702,114,835.74	38.67	42,527,774.39

Other notes

N/A

Other notes:

□ Applicable √ N/A

2. Other receivables

Item List

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		

Other receivables	1,503,138,972.94	1,169,349,500.49
Total	1,503,138,972.94	1,169,349,500.49

Other notes:

Applicable N/A

Interest receivable

(1) Classification of interest receivable

Applicable N/A

(2) Significant overdue interest

Applicable N/A

(3) Disclosure by bad debt provision method

Applicable N/A

Provision for bad debts based on individual items:

Applicable N/A

Notes to provision for bad debts based on individual items:

Applicable N/A

Provision for bad debts based on the combination of items:

Applicable N/A

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

Applicable N/A

(4) Provision for bad debts

Applicable N/A

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

Applicable N/A

Other notes:

N/A

(5) Interest receivable actually written off in the current period

Applicable N/A

Of which, significant interest receivable written off

Applicable N/A

Notes to the write-off of interest receivable:

Applicable N/A

Other notes:

Applicable N/A

Dividends receivable

(1) Dividends receivable

Applicable N/A

(2) Significant dividends receivable with an aging of over 1 year

Applicable N/A

(3) Disclosure by bad debt provision method

Applicable N/A

Provision for bad debts based on individual items:

Applicable N/A

Notes to provision for bad debts based on individual items:

Applicable N/A

Provision for bad debts based on the combination of items:

Applicable N/A

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

Applicable N/A

(4) Provision for bad debts

Applicable N/A

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

Applicable N/A

Other notes:

N/A

(5) Dividends receivable actually written off in the current period

Applicable N/A

Of which, significant write-offs of dividends receivable therein

Applicable N/A

Notes to the write-off of dividends receivable:

Applicable N/A

Other notes:

Applicable N/A

Other receivables**(1) Disclosure by aging**

Applicable N/A

Unit: Yuan, Currency: RMB

Aging	Closing balance	Opening balance
Within 1 year		
Of which: sub-items within 1 year		
Within 1 year	1,494,882,110.82	773,267,647.38
Subtotal of receivables within 1 year	1,494,882,110.82	773,267,647.38
1 to 2 years	8,162,542.66	397,451,395.16
2 to 3 years	3,780,000.00	3,377,876.58
Over 3 years	747,408.00	747,408.00
Subtotal	1,507,572,061.48	1,174,844,327.12

Less: Provision for bad debts	4,433,088.54	5,494,826.63
Total	1,503,138,972.94	1,169,349,500.49

(2) Classified by the nature of receivables

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Nature of payment	Closing balance	Opening balance
Provision for bad debts based on individual items	299,200.00	299,200.00
Provision for bad debts based on the combination of credit risk characteristics	1,507,272,861.48	1,174,545,127.12
Total	1,507,572,061.48	1,174,844,327.12

(3) Provision for bad debts

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Provision for bad debts	Phase 1	Phase 2	Phase 3	Total
	Expected credit loss for the next 12 months	Expected credit loss over the entire lifetime (without credit impairment)	Expected credit loss over the entire lifetime (with credit impairment)	
Balance as at January 1, 2024	5,195,626.63		299,200.00	5,494,826.63
Balance as at January 1, 2024, in the current period				-
-- Carry over to Phase 3				-
-- Carry over to Phase 3				-
-- Carry over to Phase 2				-
-- Carry over to Phase 1				-
Provision in the current period	834,098.05			834,098.05
Reversal in the current period	1,895,836.14			1,895,836.14
Charge-off in the current period				-
Write-off				-
Other changes				-
Balance as at June 30, 2024	4,133,888.54		299,200.00	4,433,088.54

Basis for classification at different phases and provision ratio for bad debts

N/A

Notes to significant changes in the carrying amount of other receivables with changes in loss provisions in the current period:

□ Applicable √ N/A

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

Applicable N/A

(4) Provision for bad debts

Applicable N/A

Unit: Yuan, Currency: RMB

Type	Opening balance	Amount of change for the period				Closing balance
		Provision	Amount recovered or reversed	Amount charged off or written off	Other changes	
Provision for bad debts based on individual items	299,200.00					299,200.00
Provision for bad debts based on the combination of items	5,195,626.63	834,098.05	1,895,836.14			4,133,888.54
Total	5,494,826.63	834,098.05	1,895,836.14	-	-	4,433,088.54

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

Applicable N/A

Other notes

N/A

(5) Other receivables actually written off in the current period

Applicable N/A

Of which, significant receivables written off:

Applicable N/A

Notes to the write-off of other receivables:

Applicable N/A

(6) Top five other receivables by closing balance of debtor

Applicable N/A

Unit: Yuan, Currency: RMB

Entity name	Closing balance	Ratio in total closing balance of other receivables (%)	Nature of Payment	Aging	Closing balance of provision for bad debts
Wuxi Autowell XuRi Technology Co., Ltd.	472,235,000.57	31.41	Internal transactions	Within 1 year	
Wuxi Songci Electromechanical Co., Ltd.	370,555,419.73	24.65	Internal transactions	Within 1 year	
Wuxi Autowell Intelligent	333,198,656.61	22.17	Internal transactions	Within 1 year	

Equipment Co., Ltd.					
Wuxi Autowell Coshin Semiconductor Technology Co., Ltd.	117,685,351.83	7.83	Internal transactions	Within 1 year	
Wuxi Autowell Optical Application Co., Ltd.	107,722,841.10	7.17	Internal transactions	Within 1 year	
Total	1,401,397,269.84	93.23	/	/	-

(7) Presented as other receivables due to centralized fund management

Applicable N/A

Other notes:

Applicable N/A

3. Long term equity investment

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment	Carrying value	Carrying amount	Provision for impairment	Carrying value
Investment in subsidiaries	590,082,131.95	-	590,082,131.95	523,401,796.42	-	523,401,796.42
Investment in joint ventures and associates			-	-	-	-
Total	590,082,131.95	-	590,082,131.95	523,401,796.42	-	523,401,796.42

(1) Investment in subsidiaries

Applicable N/A

Unit: million Yuan, Currency: RMB

The invested entity	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Provision for impairment in the current period	Closing balance of impairment provision
Intelligent Equipment	36.42	4.10	0.00	40.52	0.00	0.00
Optical Applications	10.61	0.42	0.00	11.03	0.00	0.00
Supply Chain Management	11.26	0.16	0.00	11.42	0.00	0.00
Songci Electromechanical	50.66	2.07	0.00	52.73	0.00	0.00
XuRi Technology	29.03	1.59	0.00	30.63	0.00	0.00
Coshin Semiconductor	19.20	0.84	0.00	20.04	0.00	0.00
Leddo Technology	50.00	0.00	0.00	50.00	0.00	0.00
Zhiyuan Equipment	14.00	0.00	0.00	14.00	0.00	0.00
Jiexin Technology	44.56	0.00	0.00	44.56	0.00	0.00

Polar New Energy	243.00	27.00	0.00	270.00	0.00	0.00
Wuxi Polar	0.00	18.33	0.00	18.33	0.00	0.00
AUTOWELL Japan	14.66	0.00	0.00	14.66	0.00	0.00
Autowell (Singapore)	0.00	12.17	0.00	12.17	0.00	0.00
Total	523.40	66.68	0.00	590.08	0.00	0.00

(2) Investment in joint ventures and associates

Applicable N/A

(3) Impairment testing of long-term equity investments

Applicable N/A

Other notes:

Applicable N/A

4. Operating income and operating cost**(1) Operating income and operating cost**

Applicable N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Main business	3,303,172,850.50	2,111,925,203.31	2,048,527,945.02	1,242,289,824.67
Other businesses	24,941,193.38	24,257,469.41	12,200,965.38	12,096,197.75
Total	3,328,114,043.88	2,136,182,672.72	2,060,728,910.40	1,254,386,022.42

(2) Information on decomposition of operating income and operating costs

Applicable N/A

Unit: Yuan, Currency: RMB

Contract type	Total	
	Operating income	Operating cost
Product type		
Photovoltaic equipment	3,300,181,700.05	2,110,395,238.69
Others	27,932,343.83	25,787,434.03
Total	3,328,114,043.88	2,136,182,672.72

Other notes

Applicable N/A

(3) Notes to performance obligation

Applicable N/A

(4) Notes to the performance obligation of amortizing to the remainder

Applicable N/A

(5) Major contract changes or significant transaction price adjustments

Applicable N/A

Other notes:

N/A

5. Investment income

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from long-term equity investment based on equity method		-
Investment income generated from disposal of long-term equity investments		-2,999,999.00
Investment income of trading financial assets during the holding period		-
Dividend income obtained from other equity instrument investments during the holding period		-
Interest income obtained from debt investments during the holding period		-
Interest income obtained from other debt investments during the holding period		-
Investment income obtained from disposal of trading financial assets		-
Investment income obtained from disposal of other equity instrument investments		-
Investment income obtained from disposal of debt investments		-
Investment income obtained from disposal of other debt investments		-
Debt restructuring income	1,134,950.39	-
Investment income from financial products	2,421,303.32	9,473,475.86
Investment income of other non-current financial assets during the holding period	729,283.23	42,000.00
Total	4,285,536.94	6,515,476.86

Other notes:

N/A

6. Others

□ Applicable √ N/A

XX. Supplementary Information**1. Statement of non-recurring gains and losses in the current period**

√ Applicable □ N/A

Unit: Yuan, Currency: RMB

Item	Amount	Note
Gains and losses from the disposal of non-current assets, including the write-off portion of impairment provisions already made for assets	-164,407.40	
Government grants included in the gains and losses in the current period, except those closely related to the Company's normal business	5,397,451.34	

operations, in compliance with national policies and regulations, enjoyed according to established standards, and having a sustained impact on the Company's gains and losses		
Gains and losses from changes in fair value of financial assets and liabilities by non-financial enterprises' holding financial assets and liabilities as well as gains and losses from their disposing of the assets and liabilities	-20,540,182.44	
Funds occupancy fees charged to non-financial enterprises included in the gains and losses in the current period		
Gains and losses from entrusting others to invest in or manage assets		
Gains and losses obtained from external entrusted loans		
Losses of various assets due to force majeure factors, such as natural disasters		
Reversal of impairment provision for accounts receivable separately tested for impairment	12,627,272.33	
The gains generated from the fair value of the identifiable net assets of the investee the enterprise should enjoy when the investment cost of its acquiring subsidiaries, associates, and joint venture is less than the investment obtained		
Net gains and losses of subsidiaries in the current period arising from mergers of enterprises under common control from the beginning of the period to the merger date		
Gains and losses from non-monetary asset exchange		
Gains and losses from debt restructuring	1,134,950.39	
One-time costs incurred by enterprises due to the discontinuation of relevant business activities, such as expenses on employee resettlement, etc.		
The one-time impact of adjustments to tax, accounting, and other laws and regulations on the gains and losses in the current period		
One-time confirmation of share-based payment expenses due to write-off or modification of equity incentive plans		
For cash settled share based payments, gains or losses arising from changes in fair value of staff remuneration payable after the exercise date		
Gains and losses arising from changes in fair value of investment properties measured subsequently via the fair value model		
Gains generated from transactions with significantly unfair transaction prices		
Gains and losses arising from contingent items unrelated to the normal operation of the Company's business		
Custody fee income obtained from entrusted operation		
Other non-operating income and expenses except those mentioned above	-382,006.17	

Other gains and losses items that meet the definition of non-recurring gains and losses		
Less: Amount under the impact of income tax	-263,166.53	
Amount under the impact of non-controlling shareholders' equity (after tax)	1,714,842.25	
Total	-3,378,597.67	

In the case where the Company classifies items not listed in the “*Explanatory Announcement No. 1 on Information Disclosure of Publicly Issued Securities Companies—Non-recurring Gains and Losses*” as items of non-recurring gains and losses with significant amounts, and defines items of non-recurring gains and losses listed in the Explanatory Announcement as recurring items of gains and losses, the relevant reasons should be explained.

Applicable N/A

Other notes

Applicable N/A

2. Return on equity and earnings per share

Applicable N/A

Profit during the reporting period	Weighted average return on equity (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	19.23%	2.45	2.35
Net profit attributable to common shareholders of the Company after deducting non-recurring gains and losses	19.32%	2.46	2.36

3. Differences in accounting data under the accounting standards at home and abroad

Applicable N/A

4. Others

Applicable N/A

Chairman: Ge Zhiyong

Date of submission approved by the Board of Directors: August 22, 2024

Revision information

Applicable N/A