

Company code: 605066

Company abbreviation: Tianzheng Electric

Zhejiang Tianzheng Electric Co., Ltd. 2021 Annual Report

important hint

1. The Board of Directors, the Board of Supervisors and the directors, supervisors and senior management of the Company guarantee the authenticity, accuracy,

Completeness, no false records, misleading statements or major omissions, and bear individual and joint legal responsibilities.

2. All directors of the company attended the board meeting.

3. Zhongxinghua Certified Public Accountants (Special General Partnership) issued a standard unqualified audit report for the Company.

4. Gao Tianle, the person in charge of the company, Wang Yong, the person in charge of the accounting work, and Huang Yuan, the person in charge of the accounting organization (the person in charge of accounting), declare:

Guarantee the truthfulness, accuracy and completeness of the financial reports in the annual report.

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

As audited by Zhongxinghua Certified Public Accountants (Special General Partnership), the company's net profit attributable to shareholders of the listed company in 2021 was

108,941,777.10 yuan. As of December 31, 2021, the company's end-of-period distributable profit was 494,001,254.91 yuan. Taking into account the company's long-term development

strategy and short-term operating conditions, in order to better safeguard the long-term interests of shareholders, the company plans to not distribute cash dividends, send bonus shares,

or convert capital reserves to share capital in 2021, and the undistributed profits will be carried forward to the following. Year. This profit distribution plan still needs to be submitted to the

company's 2021 annual general meeting for deliberation.

VI. RISK STATEMENT OF FORWARD-LOOKING STATEMENTS

✓Applicable ✗Not applicable

The forward-looking descriptions such as future plans and development strategies involved in this report do not constitute the company's substantial commitment to investors. Please invest

Be aware of investment risks.

7. Whether there is any non-operating capital occupation by the controlling shareholder and its related parties

no

8. Whether there is any violation of the prescribed decision-making procedures to provide external guarantees

no

9. Whether more than half of the directors cannot guarantee the authenticity, accuracy and completeness of the annual report disclosed by the company

No

X. Significant risk warning

For details, please refer to "VI. Discussion and Analysis of the Company's Future Development" in "Section III Management Discussion and Analysis" of this report.

"(4) Possible risks".

Eleven, other

✓Applicable ✗Not applicable

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Reference file directory	1. The full text of the company's 2021 annual report with the signature of the company's legal representative. 2. Financial
	statements bearing the signatures and seals of the legal representative, the person in charge of accounting work, and the person in charge of
	the accounting organization. 3. The originals of all company documents and announcements publicly disclosed on the website designated by the China Securities Regulatory Commission during the reporting period.

Section 1 Interpretation

1. Interpretation

In this report, unless the context otherwise requires, the following terms have the following meanings:

Definition of common words		
Tianzheng Electric, Tianzheng, Ben company, company	Refers to Zhejiang Tianzheng Electric Co., Ltd.	
Tianzheng Group, the controlling shareholder	refers to Tianzheng Group Co., Ltd.	
Tianzheng Intelligent	refers to Zhejiang Tianzheng Intelligent Electric Appliance Co., Ltd.	
Tianyixing	refers to Shanghai Tianyixing Intelligent Electric Co., Ltd.	
Hongyun Intelligent	refers to Suzhou Hongyun Intelligent Technology Co., Ltd.	
Tianzheng Electromechanical	refers to Shanghai Tianzheng Electromechanical (Group) Co., Ltd.	
China Securities Regulatory Commission	refers to the China Securities Regulatory Commission	
Shanghai Stock Exchange, Stock Exchange	refers to the Shanghai Stock Exchange	
Low-voltage electrical appliances	refer to manually or automatically turning on and off circuits according to external signals and requirements to realize Electrical energy distribution, circuit connection, circuit switching, circuits to circuits or non-electrical objects Various electrical components and assemblies for protection, control and display.	
Power distribution appliances	Refers to mainly used in distribution circuits, except for terminal appliances and power appliances, used for network transmission and distribution The low-voltage side of electricity is used for making and breaking the current, and can be connected to the line or electrical equipment Cut off the circuit when short-circuit, overload, under-voltage and other faults occur, so as to protect the circuit and equipment protection circuits.	
Control appliances	Refers to mainly used in switchgear and control equipment for control, signal, interlock and other purposes Electrical appliances, which are often used in motors widely used in various industries to start, adjust Various controls such as speed, forward and reverse, braking, etc.	
Terminal appliances	Refers to installed at the end of the circuit, used to distribute, protect, Switching electrical appliances such as control, regulation and alarm.	
Power appliances	Refers to mainly used in power distribution circuits, responsible for converting and sensing the state of multiple currents. Switching between backup power or emergency power, in some cases where a continuous supply of power is required In the higher power-consuming units or devices, ensure that the power consumption of these power-consuming units or devices Stability or specificity.	
Instrument electrical	Refers to the instrumentation equipment used to detect, measure, observe and calculate various parameters of the circuit.	
distribution cabinet, distribution board	Refers to equipment that concentrates, switches, and distributes electrical energy, generally consisting of cabinets, switches (circuit breakers), Protection device, monitoring device, electric energy meter, and other secondary components. Installed in power stations, substations and power customers with large power consumption.	
Disk factory	Refers to the manufacturer of high and low voltage distribution cabinets (distribution panels)	
molded case circuit breaker	Refers to the installation of all components in a molded insulating housing, mainly for power line branches Low-voltage electrical appliances for distribution and protection of mains or electric motors.	
frame breaker	Refers to the installation of all components on an insulating base frame or a frame with insulating pads, mainly Low-voltage electrical appliances for distribution and protection of main lines of power lines.	
Miniature Circuit Breaker	Refers to the low voltage which is mainly used at the end of the line and has the functions of short-circuit transient and overload delay protection. electrical appliances.	
ERP	Refers to Enterprise Resource Planning, enterprise resource planning, is a manufacturing Resource planning management information software used, including production resource planning management, manufacturing management management, financial management, sales management, procurement management, quality management, business process management management, product data management, inventory management, distribution and transportation management, human resources management Management and periodic reporting system and other functional modules.	
EAP	Refers to Enterprise Application Platform, enterprise management software platform, is a A highly open, integrated several enterprise management software modules, EAP can choose Select the management modules that the enterprise needs to install and use, without installing unnecessary functions.	

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		can. Ordinary business personnel can develop enterprises on this platform after simple training. business application software.
Intelligent power distribution system	Refers to a set of secondary development according to the needs of users and following the standard specifications of the power distribution system	It has the characteristics of strong professionalism, high degree of automation, easy to use, high performance, high reliability, etc. The power management system suitable for low-voltage power distribution systems.

Section 2 Company Profile and Main Financial Indicators

1. Company Information

The Chinese name of the company	Zhejiang Tianzheng Electric Co., Ltd.
The Chinese abbreviation of the company	Tianzheng Electric
company The foreign name of the company	ZHEJIANG TENGGEN ELECTRICS CO.,LTD.
company The foreign abbreviation of the company	TENGGEN
company The legal representative of the company	Gao Tianle

2. Contact and contact information

	board secretary
Name	Zhou Guanghui
Contact Address	Sulu Industrial Zone, Liushi Town, Yueqing City, Zhejiang Province
Telephone Fax	0577-62782881
E-mail	0577-62762770
	zhengquan@tengen.com.cn

3. Introduction to the basic

situation The company's	Sulu Industrial Zone, Liushi Town, Yueqing City, Zhejiang Province
registered address The historical change of the	none
company's registered address The company's office	Sulu Industrial Zone, Liushi Town, Yueqing City, Zhejiang Province
address The zip code of the company's office address	325604
	www.tengen.com
	zhengquan@tengen.com.cn

4. Information disclosure and storage location

The name and website of the media where the company discloses the annual report	"Shanghai Securities News", "China Securities News", "Securities Times", "Securities Daily"
The website of the stock exchange where the company discloses its annual report	www.sse.com.cn
Company annual report preparation location	Sulu Industrial Zone, Liushi Town, Yueqing City, Zhejiang Province

V. Company stock profile

Company stock profile			
Stock Types Stocks Listed on the Stock Exchange	Stock Abbreviation Shanghai	Stock abbreviation before the stock code change	
A shares	Stock Exchange Tianzheng Electric	605066	not applicable

6. Other relevant information

Accountant hired by the company Law Firm (Domestic)	Name	Zhongxinghua Certified Public Accountants (Special General Partnership)
	Office Address	20th Floor, Lize SOHOB Building, No. 20 Lize Road, Fengtai District, Beijing
	Signature Accountant Name	Gao Minjian, Pang Yuwen
During the reporting period, Guarantee of continued supervisory responsibilities recommending agency	Name Office Address	Guotai Junan Securities Co., Ltd.
	Signature of Sponsor	No. 618, Shangcheng Road, China (Shanghai) Pilot Free Trade Zone
	Representative Name Hong Huazhong, Zhao Chongan	
	Period of continuous supervision	August 7, 2020 - December 31, 2022

7. Major accounting data and financial indicators in the past three years

(1) Major accounting data

Unit: Currency: RMB				
key accounting data	2021	2020	Compared with this issue year-on-year increase reduce(%)	2019
Operating income	2,921,911,560.93	2,473,233,541.84	18.14	2,200,775,191.79
attributable to listed company shares Dong's net profit is	108,941,777.10	246,828,267.77	-55.86	215,822,997.72
attributable to listed company shares East's deduction non-recurring net profit	73,367,819.06	224,188,361.28	-67.27	174,893,813.63
cash generated from business activities net cash flow	47,782,878.63	175,800,114.17	-72.82	283,595,893.16
	Late 2021	Late 2020	end-of-period ratio last year end increase or decrease (%)	Late 2019
Attributable to listed company shares Dong's Net Assets	1,722,988,919.66	1,734,347,142.56	-0.65	827,165,855.91
Total Assets	3,264,756,581.57	3,164,794,070.63	3.16	2,061,362,314.60

(2) Main financial indicators

Key Financial Indicators	2021	2020	This period is the same as last year Period increase or decrease (%)	2019
Basic earnings per share (RMB/share) Diluted	0.27	0.70	-61.43	0.65
earnings per share (RMB/share) Basic	0.27	0.70	-61.43	0.65
earnings per share after deducting non-recurring gains and losses Share income (yuan/share)	0.18	0.63	-71.43	0.53
Weighted average return on equity (%)	6.02	21.08	15.06 less A decrease	30.01
Weighted average after deducting non-recurring gains and losses Average return on equity (%)	4.05	19.15	of 15.10 percentage points percentage point	24.32

Explanation of the company's main accounting data and financial indicators for the first three years at the end of the reporting period

¥Applicable ¥Not applicable

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

(1) The net profit in the financial report disclosed in accordance with the International Accounting Standards and the Chinese Accounting Standards and attributable to shareholders of the listed company
difference in net worth of

☐Applicable ☐Not applicable

(2) The net profit in the financial report disclosed in accordance with both the foreign accounting standards and the Chinese accounting standards and the net profit attributable to the shareholders of the listed company
Differences in Net Assets

☐Applicable ☐Not applicable

(3) Explanation of the differences between domestic and foreign accounting standards:

☐Applicable ☐Not applicable

9. Main financial data by quarter in 2021

Unit: Currency: RMB

	the first season (January-March)	Q2 (April-June)	the third quarter (July-September)	fourth quarter (October-December)
Operating income	682,428,612.52	982,322,289.85	693,151,413.20	564,009,245.36
attributable to listed company shares Dong's net profit is	38,384,345.72	106,640,236.30	11,749,540.75	-47,832,345.67
attributable to listed company shares East's deduction non-recurring net profit after profit and loss	34,203,882.93	81,870,911.36	9,816,110.00	-52,523,085.23
cash generated from business activities Other explanations	-80,687,403.42	75,863,941.61	-1,603,800.74	54,210,141.18

on the net cash flow: the company made a single major asset provision for the accounts receivable of Evergrande in the fourth quarter.

Explanation of the difference between quarterly data and disclosed periodic report data

☐Applicable ☐Not applicable

X. Non-recurring profit and loss items and amounts

☐Applicable ☐Not applicable

Unit: Currency: RMB

Non-recurring profit and loss items	2021 Amount	Notes (if applicable use)	2020 Amount	2019 Amount
Unauthorized approval of gains and losses on	-971,888.00		-948,558.19	-2,654,265.40
disposal of non-current assets, or without formal approval documents, or occasional tax rebates and government subsidies that	1,778,829.41		2,302,008.75	3,161,373.19
are included in the current profit and loss, but are not related to the The normal operation of the company is closely related to the In line with national policies and regulations, in accordance with certain standards Government subsidies for fixed or quantitative continuous enjoyment Except for assistance	36,576,181.77		31,150,023.55	36,524,796.52
Non-financial enterprises included in current profit and loss The fund occupation fee charged by	3,137,146.72		1,392,880.66	11,442,130.78
the enterprise acquires subsidiaries, associates and joint ventures. The investment cost of operating a business is less than that of obtaining investment When the capital is invested, it shall enjoy the identifiability of the investee				

Income from fair value of net assets Non-				
monetary asset exchange gains and losses				
Gains and losses from entrusting others to invest or manage assets Various asset impairment provisions				
accrued due to force majeure factors, such as natural disasters, debt restructuring gains and losses Expenses,				
integration expenses and other transactions where the				
transaction price is obviously unfair The profit and loss of the part exceeding the fair value The net profit and				
loss of the current period from the beginning of the period to the merger date of the subsidiary arising from				
the business combination under the same control Except for the effective hedging business related to the normal operation of the company, the fair value changes				
arising from the holding of held-for-trading financial assets, derivative financial assets, held-for-trading				
financial liabilities, and derivative financial liabilities, and the disposal of held-for-trading financial assets, Assets, held-for-trading financial liabilities, derivative financial liabilities and investment income obtained from other debt investments are individually tested for impairment, and the profit and loss obtained by reversing the provision for impairment of contract assets from external entrusted loans are subsequently measured using the fair value model. Profits and losses arising				-1,208,320.00
from changes in the fair value of investment real estate are subject to a one-time adjustment to current profits				
and losses in accordance with the requirements of tax,				
accounting and other laws and regulations Impact on current profits and losses Custody fee income obtained from entrusted operations Other non-operating income				
and Expenses of other profit and loss items that meet the definition of non-recurring profit and loss less: income tax impact amount of minority shareholders'				
equity impact amount (tax				
	1,568,796.83		-7,287,207.04	974,093.69
	6,515,108.69		3,969,241.24	7,310,624.69
back)				
total	35,573,958.04		22,639,906.49	40,929,184.09

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

XI. Items measured by fair value ̳Applicable ̳Not applicable

Unit: Yuan Currency: Impact of RMB on the

project name	Opening Balance	Ending balance	Current period changes	current profit amount -983,108.21 -983,108.21
Receivables financing 324,714,776.99 325,935,376.38 324,714,776.99 325,935,376.38			1,220,599.39	
total			1,220,599.39	

XII. Other ̳Applicable

̳Not applicable

Section 3 Management Discussion and Analysis

1. Discussion and analysis of operating conditions

In 2021, under the enormous pressure of the normalization of domestic epidemic prevention and control and the economic downturn, the company's management and all employees will forge ahead, improve organizational capabilities, and coordinate the promotion of business development. In the fields of new energy, communication, electric power, high-end equipment manufacturing and other fields, we will increase market development efforts, and provide intelligent electrical products and intelligent power distribution system solutions for major customers in many industries. The distribution business continues to promote the "100 cities, 1000 counties and 10000 stores" action, vigorously develops new first-tier dealers in blank and disadvantaged markets, and the company's sales team assists dealers to vigorously develop second-tier outlets and small and medium-sized enterprise customers to achieve a more comprehensive regional cover. During the reporting period, the company realized an operating income of RMB 2,921,911,600, a year-on-year increase of 18.14%. However, in 2021, it will also bear the severe test of the sharp rise in commodity raw material prices. At the same time, due to the impact of real estate regulation, there will be greater risks to the accounts receivable of related companies of Evergrande Group, coupled with investment in market development and new product research and development. Significant increase in sales revenue, the company's profits fell sharply. During the reporting period, the company realized a net profit attributable to shareholders of the listed company of RMB 108.9418 million, a year-on-year decrease of 55.86%.

The net profit attributable to shareholders of the listed company in 2021 will decrease by RMB 137.8865 million compared with 2020. The main reasons are: 1. The prices of the main raw materials of the company's products such as copper, silver and plastic particles have risen sharply since 2020, and the manufacturing cost of products has increased 2. Based on the long-term development needs in the future, the company continues to increase product research and development and market investment in key target industries such as new energy, new infrastructure, power, and construction, and the R&D personnel The increase in sales staff from major customers in the industry led to a large increase in research and development expenses and sales expenses; 3. The company made a large single-item impairment provision for Evergrande's receivables.

Although the company's operating performance in the second half of 2021 was unsatisfactory due to the overall demand in the industry, the company insisted on promoting the development of major customers in the industry and the construction of distribution channels in accordance with the established strategy. Some breakthroughs have been made in the development of major customers in rail transit and other industries and the filling of blank areas in distribution. At the same time, the company's capabilities in organizational capacity building, technology and product research and development, manufacturing and supply chain capabilities, and informatization construction have also been steadily improved, laying a solid foundation for the company's continued performance in the future. details as follows:

(1) Market expansion

In the development of major customers in the industry, the company mainly provides intelligent electrical products and intelligent power distribution system solutions for industries such as new energy, communications, electric power, industrial and civil construction, and high-end equipment manufacturing. In the new energy industry, the company was successfully shortlisted in China Huaneng Group's 2021 new energy box-type transformer framework agreement to purchase medium and low voltage frame circuit breakers; in China Datang Group Co., Ltd.'s 2021-2022 framework procurement project, the company was successfully shortlisted. In Goldwind Technology, the brand was shortlisted. In addition, the company cooperated with Trina Solar,

The cooperative relationship between Sunshine New Energy, Jolywood, Jinko, JA Solar, Skyworth, Linyang and Qingtian has been fully launched, aiming at the sales of photovoltaic industry.

Sales revenue grew rapidly. In the communication industry, the company signed a joint innovation framework agreement with China Telecom, focusing on the optimization of communication power products; the company is in the bidding project matching of China Mobile's core computer room and data center core power distribution products (low-voltage complete sets, UPS input and output cabinets). The successful brand is shortlisted and its products are widely used in China Mobile's provincial companies such as Beijing, Jiangsu, Guangdong, Sichuan, Hubei, Guangxi, Liaoning, etc. It has also become one of the few brands in the same industry in China that can obtain industrial applications in China Mobile. one. In the rail transit industry, the company signed a 5-year strategic cooperation agreement with China Railway Engineering during the reporting period; railway groups in Hohhot Railway Bureau Group, Nanchang Railway Bureau Group, Guangmeishan Railway Group, Zhengzhou Railway Bureau Group and other regional railway groups, China Railway Design Consulting Group and other well-known corporate brands in the rail transit industry were shortlisted and successfully used in multiple projects. In the electric power industry, during the reporting period, the company continued to win the tenders of electric power companies in Henan, Mengdong, Hubei, Gansu and other provinces and participated in the formulation of 3 industry standards, enhancing the company's brand awareness among provincial electric power companies and electric power research institutes. In the construction industry, the company operates in China Railway 16th Bureau, China Railway Construction Engineering, China Railway,

China Construction Eighth Bureau, China Construction Fourth Bureau, China Construction First Bureau and other central enterprise general contractors have achieved breakthroughs in cooperation. In the industrial control industry, the company has successfully been shortlisted for major customers in such industries as Xingxing Charge, Guangri Elevator, Nanfang Zhongjin, Ingersoll Rand, Han's Laser, Weiming Environmental Protection, Damuren Machinery, etc. and other industry-specific product development.

In terms of distribution business expansion, the company continued to promote the "100 cities, 1000 counties and 10,000 stores" campaign, and vigorously developed new products in blank and disadvantaged markets.

At the same time, the company's sales team assists dealers to vigorously develop secondary outlets and small and medium-sized enterprise customers to achieve a more comprehensive area coverage. During the reporting period, 111 first-tier dealers were newly developed through distribution channels, and more than 1,700 second-tier outlets were added.

(2) Technology and product development

During the reporting period, the company continued to increase investment in technology and product research and development, and the research and development expenses in 2021 increased by nearly 40% year-on-year.

During the reporting period, the company applied for 226 patents, including 54 invention patents and 169 newly authorized patents. As of December 31, 2021, the company has 733 patents, of which 82 are invention patents. During the reporting period, the company presided over and participated in the revision of 22 national, industry and group standards. In 2021, the R&D system will focus on researching and conquering the key to low-voltage electrical appliances in emerging fields such as new energy, new infrastructure, and the Internet of Things.

Technology, platform technology and industry common technology. At the same time, technology development and product development are separated, and the comprehensive competitiveness of products is comprehensively improved through the division of labor between intelligent research institutes, R&D centers and product lines. The 168 series of products of Xiangyun 3.0 family have been renewed and upgraded, and are fully listed; intelligent products such as TGM1NE electronic plastic case, TGM3R, TGM3RC fusion plastic case and fusion recloser are mass-produced and launched.

The successful development of TGM3Rse measurement-type molded case circuit breaker facilitates the intelligent transformation of the power grid; DC1500V DC molded case circuit breaker, AC800V,

The development of 1140V molded case circuit breaker, TGM2ALC photovoltaic charge control recloser and other products provides electrical system solutions for the new energy industry,

Facilitate the digital transformation of electrical appliances in a low-carbon environment.

During the reporting period, the company successfully passed the re-evaluation of the "National Enterprise Technology Center"; Tianzheng's "Low-voltage Intelligent Equipment New Technology Enterprise Research Institute" was recognized by the Zhejiang Provincial Department of Science and Technology as a provincial-level key enterprise research institute in Zhejiang Province; High voltage DC "Research on the Mechanism of MCCB Arc Coordinated Regulation", which was included in the "China Postdoctoral Science Fund Project Plan" in 2021; Zhejiang Province Key

The R&D project "Technology Research and Industrialization of Low-Voltage Intelligent Power Distribution Digital System" successfully passed the acceptance of Zhejiang Provincial Department of Science and Technology;

TGM3RC residual current protection circuit breaker with automatic reclosing function, TeB7E series intelligent miniature circuit breaker and other 12 projects passed Zhejiang Province Grade industrial new product identification, product performance indicators have reached the domestic leading or international advanced level. (3) Manufacturing

The company continues to increase investment in the automation and informatization of main product production lines; the second phase project of the intelligent park in Yueqing Economic Development Zone

The main project was successfully completed and entered the stage of improving the internal structure and promoting the layout planning, laying a good foundation for the improvement of production capacity;

The pre-acceptance of the energy factory project has been completed; the equipment of the automated logistics center has entered the installation stage, and the level of agile manufacturing and intelligence will be further improved in the future.

(4) Informatization construction

During the reporting period, the main achievements of the company's informatization construction are as follows: 1. Focusing on serving customers, enabling business development, based on CRM sales cloud With the deepening application of the DMC channel cloud system, the marketing system process is optimized and the quality of data collection is controlled, which improves the marketing collaboration ability and customer service satisfaction; 2. Vigorously improves the data utilization ability, and implements master data governance through the construction of the marketing battle center. , build a data warehouse, establish a theme analysis model, build an accounts receivable management and control platform, and improve the digital decision-making and risk management and control capabilities of enterprises; 3. Accelerate the construction of digital factories, and realize the realization of human resources through the implementation of the MOM manufacturing operation system of terminal smart factories. The comprehensive collection and integrated application of data such as machine material method environmental measurement, integrated PLM, ERP, APS, WMS and other systems, imported CAE, CAM and other applications, and established a smart factory application demonstration. During the reporting period, the intelligent manufacturing scene of "Intelligent Production Scheduling in Workshop" was successfully selected as the "National Excellent Scene of Intelligent Manufacturing" by the Ministry of Industry and Information Technology.

2. Industry situation of the company during the reporting period

According to the "Guidelines for Industry Classification of Listed Companies" issued by the China Securities Regulatory Commission, the industry of the company is "electrical machinery and equipment manufacturing (C38)". The company is mainly engaged in the production of low-voltage electrical appliances such as distribution electrical appliances, control electrical appliances, terminal electrical appliances, power electrical appliances, and instrument electrical appliances. product development, production and sales. Low-voltage electrical appliances are the basic products of national economic development, and the low-voltage electrical appliance industry is developing steadily.

Affected by the real estate policy regulation in 2021, the demand for low-voltage electrical products in the construction industry has decreased, and new technologies such as photovoltaic and wind power have The rapid development of the energy industry has brought effective market demand, and the overall market size of the low-voltage electrical appliance industry has maintained steady growth. In 2021, the price of copper, the main raw material, will rise rapidly, resulting in a significant decline in the profitability of low-voltage electrical products. The growth of leading companies exceeded the industry average, and the industry concentration was further strengthened.

In recent years, the state has successively issued a number of policies to encourage the development and innovation of the low-voltage electrical appliance industry. enterprise Opinions" and other industrial policies have provided policy support for the development of the low-voltage electrical industry.





3. Businesses engaged in by the company during the reporting period


The company is one of the leading enterprises in the domestic low-voltage electrical industry, mainly engaged in the research and development, production and sales of low-voltage electrical products such as distribution electrical appliances, control electrical appliances, terminal electrical appliances, power electrical appliances, instrument electrical appliances, etc. At the same time, the company also provides intelligent low-voltage electrical appliances for various industries. electrical appliances Products and comprehensive solutions for intelligent power distribution systems. At present, Tianzheng Electric's main products include: "Tianzheng Electric" brand Te series high-end products, "Tianzheng Electric" brand TG boutique series, "Xiangyun" general product series and "Tiane Tianzhi" intelligent power distribution system solutions. With competitive products and solutions, stable product quality, fast product delivery and after-sales service, the company has established a good reputation among large industry customers including State Grid, telecom operators, new energy investors, and top 100 real estate companies. reputation and brand image.

The main representative products of the company are introduced as follows:

Category	Main corresponding products	Product icon	Performance and use
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Power	Molded case circuit breaker		<p>With overload, short-circuit and under-voltage protection devices, it can protect lines and power equipment from over-current or under-voltage damage. It is especially suitable for low-voltage power distribution system, power control of mechanical equipment and terminal control and protection.</p> <p>The company's intelligent molded case circuit breakers have standard data bus protocol communication, which is convenient to realize systematic networking, and has the functions of "telemetry, remote adjustment, remote control, and remote signaling".</p>
	Universal circuit breaker		<p>It is used to distribute electric energy and protect lines and power equipment from overload, undervoltage, short circuit, single-phase grounding and other faults.</p> <p>The company's intelligent universal circuit breaker has the function of USB communication, and through the protocol function conversion of the USB interface, a safe, non-contact wireless Bluetooth connection can be realized. check.</p>
Control appliances	contactor		<p>It is used for making and breaking circuits at a long distance, frequently starting and controlling AC motors, and can form an electromagnetic starter with thermal relays to protect circuits that may be overloaded or out of phase.</p>

	Miniature Circuit Breaker		<p>Used for AC 50/60Hz, rated voltage up to 400V, rated current 1~125A, used for overload and short-circuit protection of lighting, distribution lines and equipment in office buildings, residences and similar buildings, and can also be used as line not</p> <p>It is used for frequent on-off operation and conversion, and is mainly used in various places such as industrial, commercial, high-rise and residential buildings.</p>
Terminal appliances	Small earth leakage circuit breaker		<p>It is used in circuits with AC 50/60Hz, rated voltage to 400V, and rated current of 1~125A.</p> <p>When personal electric shock or grid leakage current exceeds the specified value, the leakage circuit breaker can quickly cut off the power supply to protect the safety of people and electrical equipment, and has overload and short circuit protection functions, and can also be turned on and off the electrical device infrequently under normal conditions. and lighting lines.</p> <p>It is suitable for applications in residential, charging piles, and smart home applications.</p>
Power appliances	Small three boxes set <small>Note</small>		<p>The small three-box complete set of equipment supplies all low-voltage electrical components as a set, the rated insulation voltage is 660V AC, the rated voltage of the main circuit is 380V, and the working voltage of the auxiliary circuit is 220V/380V, and the protection level reaches IP30 and IP54.</p>
	Transformer		<p>Transformer is divided into current transformer and voltage transformer. Its function is to convert high voltage or high current into standard low voltage or standard small current in proportion, so as to realize the standardization and miniaturization of measuring instruments, protection equipment and automatic control equipment.</p>

	Electricity meter Instrumentation appliances		Meters for energy metering. The product has the functions of forward, reverse and combined active energy metering, and the combined active energy can be configured on demand according to the forward and reverse active energy. It supports four rates of sharp, peak, flat and valley; built-in two sets of time zone tables and two sets of daily timetables, which can be programmed and configured on demand, and can set the switching time of two sets of time zone tables and the switching time of two sets of daily timetables. achieve mutual switching.
other	Inverter		The inverter is a power control device that uses frequency conversion technology and microelectronics technology to control the AC motor by changing the frequency of the motor's working power supply.
	high voltage circuit breaker		The high-voltage circuit breaker can not only cut off or close the no-load current and load current in the high-voltage circuit, but also cut off the overload current and short-circuit current through the action of the relay protection device when the system fails. sufficient breaking capacity. Widely used in high voltage distribution lines

Note: The main products of the small three-box complete set include low-voltage distribution cabinets, distribution boxes, lighting boxes, etc.

The company's Tianzheng Tianzhi "TenEdge" intelligent power distribution system is as follows:



The company's Tianzheng Tianzhi "TenEdge" intelligent power distribution system is based on the Internet of Things architecture, relying on built-in sensors such as intelligent circuit breakers, modules, etc., can collect various power parameters, and transmit data to local software through wired and wireless networks for display and control. Big data is stored in the cloud, providing specialized application services such as energy consumption analysis, safe electricity consumption, and fault warning.

The intelligent power distribution system can build a digital energy solution, make the operation of the power distribution system more secure and reliable, and reduce the failure rate; Efficient and convenient, improve management efficiency; green energy saving, continuous improvement of energy consumption.

In terms of research and development, the company separates technology development and product development, establishes research institutes and research and development centers, and sets up various product lines to be responsible for product competitiveness. The company has established a preliminary IPD process system, which effectively improves the response to customer needs and ensures the success rate of new product development.

The company's research institute is mainly responsible for technology development, the main task is to turn immature and unsolved technologies into mature technologies, and at the same time The industry's cutting-edge technologies are pre-researched; the R&D center is mainly responsible for product development. The main task is to respond to customer needs accurately and quickly based on market insights, and try to use mature technologies to complete the R&D and listing of new products to quickly seize the market and reduce investment risks. The product line is mainly responsible for product management and overall responsibility for product competitiveness. The main task is to gain insight into the market and customer needs, make plans for the company's overall product roadmap, propose specific new product development plans, and organize and promote the IPD process to achieve Product lifecycle management.

In terms of marketing, the company adopts the marketing strategy of "dual brand" + "dual-track system". In terms of brand, the company has "Tianzheng" and There are two major brands of "Tian e", of which "Tian e" brand focuses on the high-end market of new energy, data center, high-end construction and other sub-sectors with "high performance and high quality", and aims to replace imported brands. The "Tianzheng" brand focuses on the general-purpose market with high cost performance. The company has established multi-industry sales channels and eight major sales areas, and adopts the "distribution + direct sales" model to achieve regional and industry coverage for end users. In terms of direct sales, the company has established sales channels for industries such as electric power, new energy, communications, rail transit, OEM (equipment support), construction, and workshops, and has set up professional sales teams and technical support teams. The "iron triangle" model of "Solution Manager" has achieved coverage of large and medium-sized enterprises in key industries. In terms of distribution, the company mainly achieves nationwide regional coverage through more than 400 major dealers and marketing outlets in various counties and towns, mainly for small and medium-sized enterprises in various industries.

In terms of production and delivery, the company mainly adopts a combination of inventory-oriented production and order-oriented production. The dynamic and information-based production system completes rapid product manufacturing, and ensures the stability of product quality through a perfect quality management system

and consistency, while ensuring fast delivery to end-users through two major logistics centers in Wenzhou and Jiaxing, as well as 11 sub-logistics nationwide.

IV. Analysis of core competitiveness during the reporting period

√Applicable √Not applicable As one of the leading enterprises in

the domestic low-voltage electrical appliance industry, the company is

It has strong advantages in informationization and human resource management.

(1) Advantages in technology and product development

The company has strong research and development strength, and has always regarded the improvement of technology research and development capabilities as the core element to enhance the company's competitiveness. In recent years, the company has continued to increase investment in research and development, especially in cutting-edge technology and basic research. Institute and intellectual property department, as the main body of Tianzheng innovation research and intellectual property protection, in order to build a future-oriented digital technology innovation New capabilities, in 2021, it has conquered the "high-voltage AC and DC disconnection technology, intelligent sensing technology, remote wireless OTA program upgrade, multi-standard communication function compatibility, big data modeling" applied to products in the fields of new energy, new infrastructure, and power Internet of Things. and key technologies such as AI algorithms. In 2021, 226 patents were filed in that year, which is close to the sum of the three years from 2016 to 2018.

The company has "Nationally Recognized Enterprise Technology Center" and "Post-doctoral Scientific Research Station", and projects have been selected in China for the past two consecutive years The postdoctoral science fund project plan, the company has won the "Second Prize of National Science and Technology Progress", and the provincial enterprise research institute will be recognized as a provincial key enterprise research institute in Zhejiang Province in 2021. The company has led or participated in the formulation of a number of national or industry standards in the electric power, communications and other industries. As of December 31, 2021, the company has 733 patents, of which 82 are invention patents, and the past 3 years of invention patents The number of applications reached 116, and the pace of independent innovation continued to be accelerated.

In terms of R&D innovation and management, the company has established certain system, product platform construction, project management, and innovation methodology.

It has become the cornerstone for the further development of future R&D.

(2) The advantages of diversification of marketing channels

The company ranks in the forefront of the domestic industry in the construction of traditional mechanical and electrical market distribution channels. At present, the company operates in most prefecture-level The city has first-level dealers and second-level outlets all over the country in counties and towns. The strong distribution network ensures the company's regional coverage to a large number of small and medium customers. At the same time, the company has set up professional industry direct sales teams for industries with large market capacity and strong growth potential, such as electricity, communications, new energy, and construction, and mainly attack leading enterprises in various industries. Distributors copy the company's experience in developing large-scale end users, and complete the development of small and medium-sized enterprises in the industry in their authorized areas, forming a model of "the company takes the lead and the distributors quickly copy", which can complete the industry coverage more quickly. In the power industry, the company has won bids in the State Grid and dozens of provincial power companies across the country. In the communications industry, the company has been listed as a brand name in China Mobile, China Telecom, China Tower and other large telecom operators for several consecutive years, and has steadily cooperated with well-known telecom equipment manufacturers such as ZTE, Vertiv and Delta. For the core power distribution project of China Mobile Provincial Company, the Company achieved brand finalists in 7 provinces and won the bid in 6 provinces. In the new energy industry, the company is in the National Energy Group, Large-scale photovoltaic power generation investors such as State Power Investment Group, Huaneng Group, and Datang Group were shortlisted and won the bid for the main power distribution business of 8 venues of the Winter Olympics. In the field of distributed photovoltaics, the company has closely cooperated with well-known enterprises such as Trina Solar and Sunshine New Energy, and the sales scale has grown rapidly. In the construction industry, the company has been shortlisted in more than 30 top 100 real estate companies, including leading real estate developers such as Country Garden, Sunac, Poly, Gemdale, and Xuhui.

(3) Manufacturing advantages brought by industrialization, automation and lean

The company has implemented lean production since 2008, and is one of the earliest companies in the industry to implement lean production reform. The company has set up a full-time deputy general manager of industrialization and an industrialization department, which is responsible for promoting the automation, lean and informatization transformation of the whole company.

The ability to measure automated production lines and various types of fixtures. After more than ten years of exploration and accumulation, a set of "automation,

Tianzheng's lean production standard with "informatization and lean" as the core, lean production has strong competitiveness in the industry.

The company continues to promote lean and automation improvement to enhance the company's manufacturing level. In recent years, product development management has been accelerated, Supply chain management, manufacturing execution system, customer relationship management and other information system upgrades, the upgrade and improvement of the above information systems, and the company The lean and automation foundation laid by the company for many years will help the company to improve the overall production level.

(4) Informatization advantages

The company has always attached great importance to the investment in informatization. As early as 2006, the ERP system was built, which realized the cooperation with dealers, customers and suppliers. Information exchange among suppliers. After years of continuous informatization construction, the company has built ERP, PLM, SRM, CRM, IT applications including MES/MOM, APS, BI, etc., have built an information decision-making system covering the entire business process, and are committed to promoting comprehensive Digital enterprise upgrade.

(5) Management advantages

The company has established a high-quality professional manager team, forming a management advantage with Tianzheng characteristics. In terms of management team, The company's main management positions are held by professional managers with higher education and rich experience in operation and management. College recruiting college students After several years of experience, it has also become the main source of the company's business backbone and middle management positions. At the same time, a number of well-known companies Professional managers also improve the diversity of company management methods.

In terms of human resource management, the company formulates human resource strategies based on the company's strategy, and analyzes the company's human resource needs. Seek the status quo, and clarify the type of talents and development methods required by the company. In recent years, through leadership improvement plans, talent echelon construction, etc. way to support the selection and training of the company's talents, establish an internal competition mechanism through the current leader's last assistance and elimination mechanism, At the same time, according to the company's strategy, the talent allocation and reserve of key positions are carried out to maximize the potential of talents and promote the corporate strategy. implementation. Strategic human resource management helps enterprises to establish a long-term strategy that suits the company's characteristics according to changes in the market environment and the company's own needs. Long-distance supply and demand plan, improve employee ability and stimulate employees' subjective initiative, and continuously improve the company's per capita efficiency, thereby improving the organization Competitiveness.

V. Main operating conditions during the reporting period

During the reporting period, the company realized operating income of 2,921,911,600 yuan, an increase of 18.14% over the same period of the previous year;

The net profit of the shareholders of the listed company was 108.9418 million yuan, a decrease of 55.86% over the same period of the previous year;

The net profit was RMB 73.3678 million, down 67.27% from the same period of the previous year.

(1) Analysis of main business

1. Analysis of changes in related items in the income statement and cash flow statement

Unit: Currency: RMB

subject	yyyy	Proportion of changes in the same period last year (%)
2,921,911,560.93	2,473,233,541.84	18.14
1,788,235,529.19	1,788,235,529.19	24.71
14,305,166.38	-3,734,934.77	42.09
activities -58,037,296.84	570,462,004.73	16.67 /
		39.89
		-72.82
		57.08
		-110.17

Explanation of the reasons for the change in operating income: The main reason for the year-on-year increase in operating income is that the company strengthens market development, and

The revenue of target industries such as construction has grown rapidly, and the revenue in the distribution market has increased steadily.

Reasons for changes in operating costs: The year-on-year increase in operating costs was mainly due to the increase in revenue and the increase in the cost of raw materials.

Explanation for the change in selling expenses: The increase in selling expenses year-on-year was mainly due to the company's increase in manpower for market development and the

This is due to market investment in key industries such as construction, power and construction.

Reasons for changes in administrative expenses: The year-on-year increase in administrative expenses was mainly due to the company's increased investment in manpower and product testing.

Reasons for changes in financial expenses: The year-on-year financial increase was mainly due to the increase in interest on fixed deposits of raised funds.

Reasons for changes in research and development expenses: The year-on-year increase in research and development expenses was mainly due to the company's increased investment in research and development personnel and projects.

Reason for change in net cash flow from operating activities: The year-on-year decrease in net cash flow from operating activities was mainly due to the decrease in net profit

and the increase in cash paid for other operating activities.

Reason for change in net cash flow from investing activities: The increase in net cash flow from investing activities year-on-year was mainly due to the receipt of raised funds

Due to interest on fixed deposit.

Reason for change in net cash flow from financing activities: The year-on-year decrease in net cash flow from financing activities was mainly due to the public offering in the previous period

due to stock trading.

A detailed description of the major changes in the company's business type, profit composition or profit source during the current period

Applicable Not applicable

2. Income and cost analysis

Applicable Not applicable

During the reporting period, the company's main business income increased by 18.13% year-on-year, and the company's main business cost increased by 24.69% year-on-year.

The gross profit margin of the business decreased by 4.02 percentage points year-on-year.

(1). Main business by industry, product, region and sales model

Unit: Currency: RMB

Main business by industry						
Operating income by industry	Operating cost	gross profit margin (%)	Operating income year-on-year increase reduce(%)	Operating cost year-on-year increase reduce(%)	gross margin ratio increase or decrease in the previous year (%)	
Low-voltage electrical appliances 2,911,776,642.17	2,223,849,134.91	23.63	18.13	24.69	Decrease 4.02 percentage points	
Main business by product						
Operating income by product	Operating cost	gross profit margin (%)	Operating income year-on-year increase reduce(%)	Operating cost year-on-year increase reduce(%)	gross margin ratio increase or decrease in the previous year (%)	
Distribution electrical appliances 1,319,876,281.65	981,206,124.52	25.66	23.57	29.56	Decrease 3.44 percentage points	
Terminal electrical appliances 755,217,902.96	593,483,372.29	21.42	12.51	22.32	Decrease 6.29 percentage points	
Control appliances 337,480,342.90	278,853,198.83	17.37	12.57	18.06	Decrease 3.85 percentage points	
Power Appliances 258,842,484.51	208,455,346.36	19.47	21.49	31.81	Decrease 6.30 percentage points	
Instrumentation 75,713,539.98	50,340,277.51	33.51	3.37	8.23	decrease 2.99 percentage points	

other	164,646,090.17	111,510,815.40	32.27	18.05	11.38	increase 4.05 percentage points
Main business by region						
Operating Income by Region		Operating cost	gross profit margin (%)	Operating income year-on-year increase reduce(%)	Operating cost year-on-year increase reduce(%)	gross margin ratio increase or decrease in the previous year (%)
East China	1,379,433,151.60	1,085,975,113.01	21.27	22.34	31.17	Decrease 5.30 percentage points
South China	504,580,629.12	377,285,268.30	25.23	10.15	13.03	Decrease 1.90 percentage points
North China	259,824,396.31	193,184,827.51	25.65	19.19	24.61	Decrease 3.23 percentage points
Central China	258,175,864.05	197,429,806.02	23.53	25.73	31.25	Decrease 3.21 percentage points
southwest	200,587,118.90	140,452,664.90	29.98	-0.97	2.47	Decrease 2.35 percentage points
northeast	183,828,245.95	136,619,296.48	25.68	15.02	21.57	Decrease 4.00 percentage points
northwest	124,278,967.99	92,184,800.78	25.82	32.74	37.90	Decrease 2.78 percentage points
overseas	1,068,268.25	717,357.91	32.85	/	/	/
business by sales model						
Sales model	operating income	Operating cost	gross profit margin (%)	Operating income year-on-year increase reduce(%)	Operating cost year-on-year increase reduce(%)	gross margin ratio increase or decrease in the previous year (%)
Distribution	2,258,518,052.42	1,726,531,172.34	23.55	18.78	25.23	Decrease 3.94 percentage points
direct sales	653,258,589.75	497,317,962.57	23.87	15.95	22.88	Decrease 4.29 percentage points

Description of main business by industry, product, region and sales model

none

(2). Analysis table of production and sales

√Applicable √Not applicable

Main Product	Unit Production Sales	Volume Inventory			production volume ratio increase or decrease in the previous year (%)	sales volume ratio increase or decrease in the previous year (%)	inventory ratio increase or decrease in the previous year (%)
10,000 power distribution appliances	1,839.99	1,826.58	10,000 terminal	391.81	1.77	9.62	88.74
appliances 6,810.41	6,875.15	10,000 control appliances	2,075.90	897.01	2.26	9.44	-8.35
2,145.66	10,000 power appliances	398.64	404.24	10,000 instruments	294.33	4.14	10.10
and meters				47.05	-3.36	4.72	12.44
		172.41	180.44	52.37	-12.34	-1.51	-55.33
		68.28	313.20	65.02	-24.50	8.50	-25.98

none

(3). Performance of major purchase contracts and major sales contracts

√Applicable √Not applicable

(4). Cost analysis table

unit: yuan

By industry							
branch	cost composition	Current Amount	This period accounts for total cost Proportion (%)	Amount in the same period of last year	Same as last year period accounts for the total cost ratio example(%)	Current Amount Same as last year period change ratio example(%)	Condition illustrate
low pressure electrical appliances	Raw materials	2,025,509,688.97	91.08	1,607,737,331.56	90.15	25.99	
	Labor			116,830,190.54			
	Expenses	75,602,272.37	5.52	58,896,195.48	6.55	5.06	
			3.40		3.30	28.37	
division of production	cost composition	Current Amount	This period accounts for total cost Proportion (%)	Amount in the same period of last year	Same as last year period accounts for the total cost ratio example(%)	Current Amount Same as last year period change ratio example(%)	Condition illustrate
power distribution electrical appliances		¥910,995,419.24	92.84	703,290,304.76	92.87	29.53	
		¥25,957,351.80	4.51	35,737,894.99	4.72	23.83	
		¥25,096,515.81	2.65	18,282,126.03	2.41	41.98	
terminal electrical appliances		¥9,877,354.20	86.27	417,760,206.05	86.10	22.56	
		¥8,618,237.59	9.50	50,226,233.01	10.35	12.28	
		¥102,151,326.25	4.23	17,211,071.51	3.55	45.82	
control electrical appliances			91.72	217,902,804.35	92.26	17.37	
			4.74	10,645,226.86	4.51	24.28	
			3.54	7,640,418.08	3.23	29.28	
power supply electrical appliances			87.37	136,751,602.18	86.47	33.17	
			8.50	15,780,326.46	9.98	12.35	
			4.13	5,610,443.29	3.55	53.61	
instrument meter			84.73	40,580,642.20	87.25	5.11	
			9.14	4,244,005.56	9.12	8.38	
			6.13	1,686,514.11	3.63	83.06	
other			91.61	91,451,772.02	91.35	11.70	
			0.09	196,503.66	0.20	-46.74	
			8.30	8,465,622.46	8.46	9.32	

none

(5). Changes in the scope of consolidation due to changes in the equity of major subsidiaries during the reporting period

Applicable Not applicable

In August 2021, the company established a holding subsidiary, Shanghai Tianyixing Intelligent Electric Co., Ltd., with the company holding 94% of the shares.

(6) Significant changes or adjustments to the company's business, products or services during the reporting period

Applicable Not applicable

(7). Major sales customers and major suppliers

A. The company's main sales customers The

sales of the top five customers are 529.6896 million yuan, accounting for 18.19% of the total annual sales; among which the sales of the top five customers are related to related parties

The sales amounted to RMB 51.9568 million, accounting for 1.78% of the total annual sales.

During the reporting period, the proportion of sales to a single customer exceeded 50% of the total, there were new customers among the top 5 customers, or there was a heavy dependence on less number of customers

ŸApplicable ŸNot applicable

B. The company's main suppliers

The purchase amount of the top five suppliers is 329.8715 million yuan, accounting for 16.39% of the total annual purchase;

The purchase amount of the joint party is 00,000 yuan, accounting for 0% of the total annual purchase amount.

During the reporting period, the proportion of purchases from a single supplier exceeded 50% of the total, and there were new suppliers in the top 5 suppliers or serious dependence.

Relying on a few suppliers

ŸApplicable ŸNot applicable

other instructions

none

3. Fees

ŸApplicable ŸNot applicable

For details, please refer to the expenses described in "V. (I), 1. Analysis of changes in relevant items in the income statement and cash flow statement" in this section.

4. R&D investment

(1). R&D investment table

ŸApplicable ŸNot applicable

unit: yuan

Expenditure R&D investment in	131,793,157.71
the current period	0
	131,793,157.71
	4.51
	0

(2). R&D personnel situation table

ŸApplicable ŸNot applicable

The number of R&D personnel in the company	463
The ratio of the number of R&D personnel to the total number of employees in the company (%)	12
Educational structure of R&D personnel	
Educational Structure	Educational structure number of people
Category Doctoral,	0
Master's, Undergraduate,	9
College, High School	234
and below	149
	71
Age structure of R&D staff	
Age structure category	age structure
Under 30 years old (excluding 30 years old)	151
30-40 years old (including 30 years old, excluding 40 years old)	240
40-50 years old (including 40 years old, excluding 50 years old)	61
50-60 years old (including 50 years old, not Including 60 years	11
old) 60 years old and above	0

(3). Situation description

ÿApplicable ÿNot applicable

(4) Reasons for major changes in the composition of R&D personnel and their impact on the future development of the company

ÿApplicable ÿNot applicable

5. Cash flow

ÿApplicable ÿNot applicable

For details, please refer to the cash flow situation described in "V. (I), 1. Analysis of changes in relevant items in the income statement and cash flow statement" in this section.

(2) Explanation on major changes in profit caused by non-main business

ÿApplicable ÿNot applicable

(3) Analysis of assets and liabilities

ÿApplicable ÿNot applicable

1. Assets and Liabilities

unit: yuan

Project name	Closing amount of the current period	end of the current period total capital percentage of production (%)	End of last period	last period last count Total assets proportion (%)	this issue final amount than the previous period end-of-period change dynamic ratio (%)	Fact Sheet
Monetary funds	816,814,810.48	25.02	1,060,284,566.99	33.50	-22.96	Mainly used for recruiting due to funds
Notes receivable	83,261,254.73	2.55	88,700,864.73	2.80	-6.13	
receivable	810,300,661.16	24.82	774,488,234.68	24.47	4.62	
financing	325,935,376.38	9.98	324,714,776.99	10.26	0.38	
stock	355,550,869.24	10.89	306,697,349.77	9.69	15.93	Mainly for the promotion of Payment timeliness is appropriately increased Added finished goods inventory and raw materials
other flows Asset	107,382,425.02	3.29	64,814,829.82	2.05	65.68	Mainly for VAT Increase in deduction
long-term equity	46,940,554.37	1.44			100.00	Mainly invest in Hongyun due to intelligence
Investment in fixed assets	359,441,951.77	11.01	325,306,034.96	10.28	10.49	
Construction in progress	111,063,056.92	3.40	22,877,604.22	0.72	385.47	Mainly fundraising projects construction investment
Short-term borrowings	90,103,583.34	2.76	40,051,160.70	1.27	124.97	Mainly to increase the bank working capital loan
Notes payable	72,648,219.09	2.23	12,131,938.43	0.38	498.82	Mainly increase bills Pay for materials
Accounts payable	1,067,969,989.03	32.71	1,059,927,293.83	33.49	0.76	
to employees	72,599,411.18	2.22		2.45	-6.46	

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Salary						
Other payable	60,619,175.74	1.86	20,216,343.05	0.64	199.85	Mainly equity incentives, Increase in equipment purchases and accrued service fee increase add
other flows	126,335,313.98	3.87	171,689,259.58	5.42	-26.42	Mainly unpaid sales Due to the decrease in sales rebates

description of liabilities

none

2. Overseas assets ÿApplicable

ÿNot applicable

3. Restrictions on major assets by the end of the reporting period

ÿApplicable ÿNot applicable

For details, please refer to "Section X, VII, 81. Assets with restricted ownership or use rights" of this report.

4. Other instructions

ÿApplicable ÿNot applicable

(IV) Analysis of industry operating information

ÿApplicable ÿNot applicable

(5) Analysis of capital status

Overall analysis of external equity

investment ÿApplicable ÿNot applicable

Company	Type of company	business nature	Investment cost shareholding ratio (%)
NameSuzhou Hongyun Intelligent Branch Technology Co., Ltd.	associate	manufacturing	47.6471 million yuan 15.00

1. Significant equity investment

ÿApplicable ÿNot applicable

On August 26, 2021, the Eleventh Meeting of the Eighth Session of the Board of Directors of the Company reviewed and approved the "Regulations on Joint External Investment with Related Parties"

Proposal for the Establishment of Holding Subsidiaries and Related Party Transactions. The company used its own funds to jointly fund the establishment of Shanghai Tianwei with Zhao Tianwei and Yi Zhengchao

Yixing Intelligent Electric Co., Ltd. has a registered capital of 50 million yuan, of which the company contributed 47 million yuan, accounting for 94%; Zhao Tianwei contributed

1.5 million yuan, accounting for 3%; Yizhengchao contributed 1.5 million yuan, accounting for 3%.

On September 3, 2021, the twelfth meeting of the eighth board of directors of the company reviewed and approved the "Regulations on Suzhou Hongyun Intelligent Technology Co., Ltd.

The Company's Proposal for Capital Increase". The company increased the capital of Hongyun Intelligent with a total subscription price of RMB 47.6471 million, of which RMB 8.8235 million

RMB 38,823,600 is included in the registered capital of Hongyun Intelligent, and the remaining RMB 38,823,600 is included in the capital reserve of Hongyun Intelligent. After the capital increase is completed, Hongyun Intelligent's

The registered capital will be increased from RMB 50 million to RMB 58.8235 million, and the company will hold 15% of the equity of Hongyun Intelligent.

2. Significant non-equity investment

ÿApplicable ÿNot applicable

3. Financial assets measured at fair value ¥Applicable

¥Not applicable For details, please refer to "Section X,

XI. Disclosure of Fair Value" in this report.

4. The specific progress of major asset restructuring and integration during the reporting

period ¥Applicable ¥Not applicable

(VI) Significant assets and equity sale

¥Applicable ¥Not applicable

(VII) Analysis of major controlling and shareholding

companies ¥Applicable ¥Not applicable

Unit: 10,000 Yuan Currency: RMB

Company Name	Type of company	Shareholding ratio (%)	Main business	Registered capital	Total assets at the end of the period	Net assets at the end of the period	Operating income for the current period	Net profit for the period
Zhejiang Tianzheng Intelligent Electric Co., Ltd. Shanghai	Wholly-owned subsidiary	100	Production of low-voltage electrical appliances	18,000 40,804.27	21,154.23 46,303.93			29.63
Tianyixing Intelligent Electric Co., Ltd. Suzhou Hongyun	Holding subsidiary	94.00	Production of low-voltage electrical appliances	5,000	5,001.28 4,999.19		0.93	-0.81
Intelligent Technology Co., Ltd.	Associates	15.00	Smart Home Design and Sales	5,882.35 10,282.44	2,802.37		938.26 -471.03	

Note: The operating income and net profit of Suzhou Hongyun Intelligent Technology Co., Ltd. are the data from October to December 2021.

(VIII) Situation of structured entities controlled by the

company ¥Applicable ¥Not applicable

VI. The company's discussion and analysis on the company's future

development (1) Industry pattern and trends ¥Applicable ¥Not applicable

With the changes in the political and economic situation at home and abroad and the development of the industry, we believe that in the next 5-10 years, China's low-voltage electrical appliances

The industry will show the following trends:

1. The fundamentals of China's long-term economic growth have not changed, and will maintain a certain growth rate in the future. The steady growth of electricity demand will remain unchanged. The national power generation and electricity consumption will remain at a relatively high level, and the demand for low-voltage electrical products will also remain high. It will be stable at around 120 billion to 130 billion yuan, of which power distribution and terminal products account for two-thirds of the product market, and power and construction are the two largest industry markets, accounting for more than 60% of the entire industry market. For the overseas low-voltage electrical appliance market of more than 300 billion yuan, domestic enterprises will also be able to occupy a seat place.

2. China has put forward the "3060" dual-carbon goal in the new development cycle to vigorously promote the development of the new energy industry. A series of policies have promoted the vigorous development of upstream and downstream enterprises in industries including photovoltaics, wind power, energy storage, and new energy vehicles. Domestic low-voltage electrical appliance manufacturers

Begin to gradually become a mainstream supplier. New infrastructure industries such as rail transit, 5G, charging piles, and data centers will also bring market opportunities of about 10 billion yuan per year to the low-voltage electrical appliance industry.

3. The development of emerging industries has brought actual demand for high-voltage, zero-flashover, high-reliability, intelligent, and digital low-voltage electrical products. The technical field has expanded from electronics, arcing, machinery, etc. to communication, IT and cloud computing technology, products The form has also evolved from hardware products to hardware, software, services and other products.

4. In order to better meet the differentiated needs of customers in different industries and improve customer experience, low-voltage electrical appliance manufacturers and partners accelerate channel We will further improve the service quality of the whole product life cycle including pre-sale, in-sale and after-sale services, enrich service items, and expand basic maintenance, spare parts and other services to predictive operation and maintenance, digital transformation and other services.

5. Affected by technological innovation and product upgrading, as well as the impact of changes in raw material prices, it has certain strength and regulations. The leading low-voltage electrical appliance companies in the mold show a competitive advantage, and their market share continues to increase, and the industry concentration will continue to increase in the future.

(II) Company development strategy

•Applicable •Not applicable

The company is committed to becoming the world's leading provider of intelligent low-voltage electrical solutions, accelerating the transition from sales-oriented to product market Field-type business transformation.

1. In terms of research and development, the company will accelerate the improvement of its own research and development strength, and continue to increase investment in various basic technology research and research and development capabilities; strive to reach the domestic leading position in arc extinguishing technology and operating mechanism technology to meet industry product development needs; focus on Build a technology platform, improve the comprehensive strength of solid-state technology, signal processing technology and embedded technology, and have strong competitiveness in the industry. At the same time, guided by the construction of the IPD system, we will continue to promote the R&D system and capacity building, accelerate the introduction and cultivation of talents, and build a first-class R&D center with industry influence.

2. In terms of market development, the company will continue to strengthen the marketing strategy of dual brands and dual systems.

(1) Based on the dual-brand marketing strategy and driven by intelligence/industrialization, the "Tian e" brand will focus on new energy, new infrastructure, high-end construction and other tracks, benchmarking against international first-class brands, and gradually expand in the domestic mid-to-high-end market To achieve the goal of localization substitution. On the other hand, it will continue to enhance the popularity and influence of the "Tianzheng" brand in the general product market.

(2) Based on the dual-track marketing strategy, on the one hand, the company will continue to deepen the traditional distribution channels, continue to improve the distribution of dealer networks, enhance the capabilities of partners, and improve the level of sales management, so as to drive the rapid growth of the distribution channel business; In the power industry, gradually expand the business scope, enhance the industry influence, and drive the company's business to grow together. Targeted industry products and solutions, and close cooperation with partners, relying on the "iron triangle" joint research, establish organizational customer relationships with long-term value customers, and form strong customer stickiness.

3. In terms of human resources management, the company will continue to establish an efficient talent reserve, selection, evaluation and incentive mechanism to meet the requirements of rapid growth in the quantity and quality of talents; cultivate a corporate culture atmosphere that continues to grow and become bigger and stronger, and fully implement the Implement the evaluation mechanism of high-performance target traction and acquisition and sharing system.

4. Continue to increase investment in the supply chain system, build an efficient, transparent and convenient production organization capability, build a zero-defect quality culture and management system, build a supply chain cost control system with core competitiveness, build a transparent and efficient supply chain, build lead the industry

The "four modernizations" park has become the industry's leading intelligent manufacturing base for low-voltage electrical appliances.

(3) Business plan •Applicable

•Not applicable

1. R&D and technology

In 2022, the company will focus on emerging fields such as new energy, new infrastructure and smart grid construction, relying on national enterprise technology centers, Zhejiang

Jiangxi Provincial Key Enterprise Research Institute, post-doctoral research station and other scientific research platforms, further strengthen the research of basic technology and experimental technology, and solve cutting-edge technology, core technology and common technical problems in the industry.

Frontier technologies: Focus on in-depth research on user-side intelligent perception of power distribution systems, multi-field coupled high-voltage AC-DC breaking, DC arc detection, power Internet of Things, solid-state and hybrid circuit breakers and other related technologies.

Product development: focus on promoting Tianzheng Cloud, general gateway, smart 1U circuit breaker, AC/DC AFDD arc fault protector,

Research and development of intelligent products such as intelligent fusion circuit breakers and reactive power compensation for power management; complete the development of new energy products such as DC1500V molded case circuit breakers, photovoltaic isolation transfer switches, high-voltage AC and DC circuit breakers, and photovoltaic intelligent cost-controlled reclosing; Improve smart micro-breaks, digital display meters, smart capacitors, surge backup protectors, electromagnetic leakage and other series of products to provide industry customers with systematic, reliable and professional solutions.

In terms of test technology: cooperate with Xi'an Jiaotong University, Xidian Group, Hebei University of Technology, and Shanghai Electrical Apparatus Research Institute to promote the construction of R&D test bases and product testing technology capabilities, empower product development work, improve R&D efficiency and R&D quality, and quickly Improve product market competitiveness.

2. In terms of marketing in 2022, the

company will continue to develop long-term valued customers in new energy, power, communications and other industries and continue to deepen cooperation.

As the top priority of marketing work, focus on investing resources.

In the field of new energy, the company will strive to expand cooperation with well-known distributed photovoltaic companies such as Trina Solar, Sunshine New Energy, Skyworth Photovoltaic, Jolywood Minsheng, and Linyang New Energy, and continue to achieve rapid growth in the field of distributed photovoltaic support. In the field of electric power, efforts will be made to promote joint innovation in products, and continue to increase the winning bids of State Grid, China Southern Power Grid and its affiliated provincial power companies. In the field of communications, the company will continue to participate in the formulation of a number of industry standards, maintain long-term and stable cooperative relations with China Unicom, China Mobile and China Telecom, and provide a series of cost-effective high-quality products for the data center industry, and precise one-stop data center solutions. In the construction channel, we will continue to strengthen the shortlisting and strategic cooperation of high-quality housing companies with good financial conditions and large-scale construction general contractors, so as to enhance the company's influence in the construction industry. In the low-voltage complete set industry, our products are widely used in power panel factory, general panel factory, KA panel factory and other fields, and will establish more in-depth cooperative relations with TBEA, Xidian Group, Sanbian Technology and other partners. In the field of industrial OEM, establish target industries in line with the direction of Tianzheng's main channel, and focus on leading customers in industries such as pump matching, elevator equipment, charging equipment, textile machinery, lifting equipment, and HVAC equipment. In the rail transit industry, it has been shortlisted in an all-round way and has expanded its market share through the transformation of the intelligent power distribution system. On the Tiane brand, we will make every effort to develop new energy solutions and intelligent system solutions, and strive to speed up the substitution of imported brands in sub-sectors such as new energy, data centers, and high-end buildings.

In the distribution channel, we will integrate and optimize the existing dealer structure, focus on supporting the potential dealers, through the "hundred cities, thousands of counties and ten thousand stores"

The strategy continues to deploy in blank areas and weak cities, establish a sound evaluation system and dealer empowerment mechanism, and promote the rapid development of dealers and platform providers.

The company will continue to build a sales team with strong business capabilities, a reliable and innovative mid- and back-office support team, and an excellent management team at all levels. While formulating and implementing marketing strategies, we focus on the overall organizational capacity building and capacity enhancement of the company, so as to better Serve customers and lay a good foundation.

3. In terms of production and

manufacturing, the company will continue to build low-cost manufacturing capabilities as the main work goal of future production and supply chain systems.

On the premise of increasing the production volume, the three aspects of R&D, procurement and manufacturing will jointly promote the continuous reduction of product costs.

The company will continue to optimize production capacity planning and layout. The second-phase plant of 50,000 square meters in Yueqing Economic Development Zone has been newly built and put into use. can be greatly improved; through the optimized layout of the production workshop, the investment of new automated production lines and equipment, and the digitization of production lines and The automation upgrade will significantly improve the overall production efficiency.

The company will promote the overall efficiency improvement of throughput capacity and logistics upgrade. Accelerate the construction and put into use of the automated logistics center. 50,000 cubic meters of intelligent three-dimensional warehouse and 15,000-space box-type multi-pass warehouse, and automatic sorting and transmission line to implement system integration, application of WMS and WCS precise control, AGV through JIT on-time distribution, to achieve storage, storage, picking, verification and distribution of intelligent logistics Tie.

4. In terms of information construction, the company will continue to promote digital transformation and upgrading, improve production efficiency by optimizing business processes, and continue to deepen the development of digital and intelligent manufacturing. Innovative applications significantly improve the response speed to customer needs. In terms of optimizing business processes, according to the development trend of the industry, build an integrated development platform for mechatronics and software to achieve modular, parameterized and software-based collaborative design; optimize and reorganize with IPD and LTC processes as the main line, pull business breakpoints, and solve Pain points, realize end-to-end business integration, and improve the transformation of manufacturing technology and manufacturing mode. In terms of digital and intelligent applications, actively apply new-generation technologies such as 5G technology, industrial Internet, big data, artificial intelligence and system integration, and explore in-depth applications in R&D design, manufacturing, warehousing and logistics, and sales services; build enterprise digital brains, build a digital-driven management and control system, improve the digital management, intelligent production and intelligent operation of enterprises; build a customer service platform, a supply chain collaboration platform, and promote industrial chain collaboration and manufacturing service model innovation.

(IV) Possible risks yApplicable yNot

applicable 1. Market competition risk

At present, the domestic low-voltage electrical appliance market is in a state of full competition, forming a competitive pattern in which strong multinational companies coexist with local advantageous enterprises, and is gradually moving towards industry integration. Multinational companies have mastered the relatively advanced technologies in the low-voltage electrical appliance industry, while local advantageous enterprises have improved their market competitiveness through continuous technological and management innovation, and the industry competition has become more intense.

The company has been operating in the low-voltage electrical industry for more than 20 years, with rich industry experience and a complete range of products. At the same time, the company continuously The R&D investment, refined management, lean production and high-quality service have formed a good brand image and strong competitiveness in the domestic low-voltage electrical appliance market. However, compared with the leading companies in the same industry, the company's product differentiation is not obvious enough. If the company cannot continuously and effectively improve the differentiation level of products and services in the future, it will adversely affect the company's operating results.

2. Risks of price fluctuations of main raw materials The raw materials

required for the production and operation of the company are mainly metal parts, plastic parts, electronic components, etc. As the cost of raw materials accounts for the product The total cost has a large proportion, and the fluctuation of raw material prices has a great impact on the gross profit margin of the main business. If the price of raw materials rises, the company's production costs will increase accordingly, which may affect the company's gross profit and gross profit margin; if the price of raw materials falls, it may also lead to a loss in the price of raw material inventories, which will adversely affect the company's performance.

3. The risk of rising labor costs The company's main

production base is located in Zhejiang in the Yangtze River Delta region. The labor cost is relatively high, and with the rapid development of China's economy And the rising cost of living, labor costs in the region are showing a rising trend. If the company's labor costs continue to rise in the future, and the company's investment in industrialization and lean production fails to effectively improve labor efficiency, it will have a certain adverse impact on the company's performance.

(V) Other

yApplicable yNot Applicable

7. Explanation of the situation and reasons for the company's failure to disclose in accordance with the standards due to inapplicability of the standards or special reasons such as state secrets and business

secrets yApplicable yNot applicable

Section 4 Corporate Governance

I. Explanation on corporate governance yApplicable yNot

applicable

During the reporting period, the company strictly followed the requirements of the Company Law, the Securities Law, the Corporate Governance Guidelines for Listed Companies, and the Shanghai Stock Exchange Listing Rules to continuously improve the company's corporate governance structure and standardize its operations. The company has gradually formed a governance mechanism with clear powers and responsibilities among the power organs, decision-making organs, supervisory organs and management layers, each performing its own duties and responsibilities, coordinating operation, and effectively checking and balancing.

1. Shareholders and General Meeting of Shareholders

The company regulates the convening, convening and deliberation procedures of the general meeting of shareholders in accordance with the "Articles of Association" and "Rules of Procedure for the General Meeting of Shareholders";

It can ensure that all shareholders, especially small and medium shareholders, enjoy equal status and can fully exercise their rights.

2. The company and the controlling shareholder

The controlling shareholder of the company has a standard behavior, and can exercise the rights of the investor according to the law, and does not directly or indirectly interfere with the company beyond the general meeting of shareholders.

The decision-making and operation of the company and the behavior of seeking additional benefits; the controlling shareholders strictly follow the conditions and procedures stipulated by laws, regulations and the company's articles of association for the nomination of candidates for directors and supervisors of the company. The company strictly implements the long-term mechanism to prevent the non-operating capital occupation of the controlling shareholder and its affiliated enterprises, and eliminates the non-operating capital occupation of the controlling shareholder and its affiliated enterprises.

3. Directors and the board of directors

The number and composition of the board of directors of the company meet the requirements of laws and regulations; all directors of the company can attend the board of directors and shareholders' meetings with a serious and responsible attitude, and perform their rights, obligations and responsibilities as directors. Independent directors actively participate in the nomination of directors and senior executives, related transactions, use of raised funds, equity incentive plans and other matters in accordance with laws, regulations and the company's articles of association to express independent opinions to safeguard the overall interests of the company and the legitimate rights and interests of small and medium shareholders not damaged. The four special committees of the Audit Committee, the Strategy Committee, the Remuneration and Appraisal Committee, and the Nomination Committee under the company's board of directors are in compliance with the requirements of the work regulations.

Work often.

4. Supervisors and the Supervisory

Committee The number and composition of the Supervisory Committee of the company meet the requirements of laws and regulations; the Supervisory Committee can earnestly perform its duties, and in the spirit of being responsible to all shareholders, the legality and compliance of the company's financial affairs and the performance of duties by the company's directors and senior management personnel Monitor and express opinions.

5. Performance evaluation and incentive and restraint mechanism The

employment and dismissal of the company's senior management personnel conforms to the provisions of laws, regulations and the company's articles of association; the company has established the company's senior management personnel

A performance evaluation and incentive and restraint mechanism linked to operational responsibilities, operational risks and operational performance, and annual salary assessments for senior executives based on annual performance.

6. Independence of the company

The company is completely separated from the controlling shareholder in terms of personnel, assets, finance, organization and business.

The operation and management organization of the Ministry of Finance can operate independently, and there is no subordinate relationship with the internal organization of the controlling shareholder.

7. About stakeholders

The company fully respects and safeguards the legitimate rights and interests of banks and other creditors, employees, customers, suppliers and other stakeholders, strengthens communication and exchanges with all parties, and promotes the sustainable, stable and healthy development of the company. The company pays attention to environmental protection, public welfare and other issues, and attaches great importance to the company's social responsibility.

8. Information disclosure and transparency of the

company The company fulfills its information disclosure obligations in strict accordance with the relevant laws and regulations, strictly implements the company's "Information Disclosure Management System", "Investor Relations Management System" and other regulations, and discloses truthfully, accurately, completely and in a timely manner information and ensure that all shares East has equal access to information.

Whether there is any major difference between corporate governance and laws, administrative regulations and CSRC regulations on listed company governance; if there is a major difference, the reasons should be explained
☐Applicable ☒Not applicable

2. The specific measures taken by the controlling shareholder and actual controller of the company to ensure the independence of the company's assets, personnel, finance, organization, business, etc., as well as the solutions, work progress and follow-up work plans that affect the company's independence
☐Applicable ☒No Be applicable

The situation of the controlling shareholder, actual controller and other units under their control engaged in the same or similar business as the company, as well as the impact on the company of horizontal competition or major changes in horizontal competition, the resolution measures taken, the progress of the resolution and the follow-up resolution plan
☐Applicable ☒Not applicable

3. Brief introduction to the general meeting of shareholders

The query index of the designated website where the resolutions of the meeting date are published	Disclosure date of publication of	meeting outcome		
2021 First Extraordinary General Meeting of Shareholders	January 15, 2021	For details, please refer to the announcement of the resolutions of the first extraordinary general meeting of shareholders in 2021 disclosed on the website of the Shanghai Stock Exchange on resolution 16 January 2021	Resolutions of the First Extraordinary General Meeting of Shareholders in 2021 Resolutions of the Annual	
2020 Annual General Meeting of Shareholders	May 13, 2021	January 16, 2021. For details, please refer to the 2020 Annual Shareholders disclosed on the website of the Shanghai Stock Exchange on May 14, 2021. General Assembly Resolution Announcement	May 14, 2021	General Meeting of Shareholders in 2020

Preference shareholders with restored voting rights request to convene an extraordinary general meeting
☐Applicable ☒Not applicable

Description of the general meeting of shareholders
☐Applicable ☒Not applicable

IV. Information on Directors, Supervisors and Senior Management

(1) Changes in shareholding and remuneration of current and outgoing directors, supervisors and senior management personnel during the reporting period

√Applicable √Not applicable

Unit: share											
Name and Position (Note)	sex do not	year age	term start date Expect	term end date Expect	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Shares during the year Increase or decrease the amount of change	Reason for increase or decrease	During the reporting period from acquired by the company Total remuneration before tax Amount (ten thousand yuan)	Are you in Company close joint party get paid	
Chairman Gao Tianle, General Manager	Male 59	2020-06-29	2023-06-28	66,730,620	66,730,620	Director	Zhou Guanghui, Secretary of the Board	0 not applicable	146.367 no		
	Male 44	2020-06-29	2023-06-28	950,000		880,000		70,000 Granted restricted stock	114.767 No		
Book											
Director Wang Yong, Deputy General Manager, financial manager	Male 51	2020-06-29	2023-06-28			936,540 1,086,540		150,000 Restricted shares granted	148.367 No		
Huang Yuechi Director Ge	Male 61	2020-06-29	2023-06-28	3,229,380	3,229,380	Male 38	2021-05-13 2023-06-28	190,000	0 not applicable - yes		
Shiwei Director Deputy					110,000			80,000 Granted restricted stock	111.417 No		
General Manager			2020-06-29								
Zhu Xingbing Director and Deputy General Manager (outgoing)	Male 51	2020-06-29	2021-03-01	1,408,000	1,089,000			-319,000 Underweight	16.528 No		
Director Huang Hongbin	Male 51	2020-06-29	2023-06-28	Zheng Jingjing Independent Director	Female	550,000 0	550,000 0	0 not applicable - no			
46 2020-06-29 2023-06-28	Li Changbao Independent Director	Male 50	2020-06-29	2023-06-28				0 not applicable	11.429 no		
Hujun Supervisory Committee Chairman	Male 49	2020-06-29	2023-06-28	Chen Xuping Supervisor (outgoing)	Female	0	0	0 not applicable	11.429 no		
Female 39	2020-06-29	2021-05-13	Zhao Yimin 2020-06-29 2023-06-28	Representative of Shareholders	Female 35	0	0	0 not applicable	11.429 no		
Manager Male 47	2020-06-29	2023-06-28	Zhao Tianwei Deputy General Manager	Male 51	2020 -06-29	0	0	0 not applicable - yes			
2023-06-28	Li Shanshan Deputy General Manager	Female 41	2021-04-22	2023-06-28	Total / / /	0	0	0 not applicable	13.367 no		
						127,600	127,600	0 Not applicable	71.193 No		
						0	0	0 Not applicable	8.234 No		
						506,000	566,000	60,000 Granted restricted shares	112.237 No		
						805,200 0	885,200 0	80,000 Granted restricted stock	89.857 No		
								0 not applicable	184.367 no		
	/			/	75,283,340	75,404,340	121,000	/	1,050.99	/	

Name	Main work experience Gao
Tianle started to work in 1982. He used to be a teacher of Yueqing Baixiang Middle School, a teacher of Yueqing Liushi Middle School, the managing director of Hong Kong Honghui International Trading Company, the chairman and general manager of Wenzhou Great Wall Electric Industrial Company, and Zhejiang Great Wall Electric Industrial Company. Chairman and general manager of the company, chairman of Zhejiang Tianzheng Group, member of the 9th, 10th and 11th National Committee of the Chinese People's Political Consultative Conference, and member of the 8th and 9th Central Standing Committee of the Democratic National Construction Association. He has won honorary titles such as "National Outstanding Entrepreneur", "China's Top Ten Private Entrepreneurs", "Top Ten Chinese Economic Talents", "The Sixth Zhejiang Province Outstanding Entrepreneurs" and "The First Zhejiang Charity Award". He is currently the chairman of Tianzheng Group, the chairman of Tianzheng Electromechanical, the chairman and general manager of the company. Zhou Guanghui started to work in 1999. He used to be the manager of the investment department of Tianzheng Group Shanghai	
Investment Co., Ltd., the secretary of the company's board of directors, the strategic director, the deputy general manager of marketing, and the general manager of Nanjing Tianzheng Rongguangda Electronics (Group) Co., Ltd. He is currently a supervisor of Tianzheng Intelligent, a director of Hongyun Intelligent, a director and secretary of the Board of the Company. He started to work in 1993 and served as the Deputy General Manager of Finance, Deputy General Manager of Marketing and Executive Deputy General Manager of Nanjing Real Estate. He is currently the director, deputy general manager and chief	
Wang	financial officer of the company.
Yong and Ge Shiwei started to work in 2007 and served as R&D engineer, deputy chief engineer of power distribution and deputy director of R&D of the company. He is currently the director and deputy general manager of the company. Huang Yuechi started to work in	
1983 and served as a director of the company. He is currently a director and assistant to the general manager of Tianzheng Group, an executive director of Tianzheng Intelligent, and a director of the company. Huang Hongbin began to work in 1994 and served as the	
manager of the audit headquarters of Shanghai Wanguo Securities Co., Ltd., the deputy director of the market supervision department of Shanghai Stock Exchange, the deputy director of the company management department, the deputy director of the issuance and listing department, and the managing director of Jinpu Industrial Investment Fund Management Co., Ltd. The general manager of Jingtong Zhihui Asset Management Co., Ltd., the general manager of Jinyuan International Co., Ltd., and the director of the company. He is currently the founding partner of Shanghai Feijun Investment Management Center (Limited Partnership), and an independent director of Trina Solar Co., Ltd. and Tuojing Technology Co., Ltd. He has resigned as a director of the company and the audit committee of the board of directors on January 13, 2022, and he will no longer hold any positions in the company after his resignation.	
Zhu Xingbing started to work in 1993 and served as manager of quality department of Tianzheng Group, deputy general manager of Huatong Electromechanical Group Co., Ltd., director and deputy general manager of the company. Resigned on March 1, 2021	
	After resigning from the position of director and deputy general manager of the company, he himself no longer holds any position in the company.
Zheng Jingjing began to work in 1999, and served as a partner of Ernst & Young Hua Ming Certified Public Accountants (special general partnership), the financial director of Shanghai Yuhong Classic Equity Fund Management Co., Ltd. He is the executive director and general manager of Hanjiide Investment Consulting (Beijing) Co., Ltd. He is currently the executive director of Shanghai Yuhang Real Estate Co., Ltd., the executive director and general manager of Ouzhixing (Suzhou) Medical Devices Co., Ltd., and the representative of the executive affairs partner of Shanghai Yuhong Classic Equity Investment Fund Partnership (Limited Partnership). Independent director of the company. Li Changbao started to work in 1994 and served as a lawyer of Shanghai Patent and Trademark Office Co., Ltd., manager of the dispute resolution department of Roth (Shanghai) Consulting Co., Ltd., senior consultant of Shanghai Thompson Market Research Co., Ltd., and chief lawyer of Shanghai Tang Weilian Law Firm. He is currently the deputy director of Shanghai Zhige Law Firm, an independent director of Shanghai Fujie Environmental Protection Technology Co., Ltd., and an independent director of the	
company. He started to work in 1994 and served as the department manager of Xiamen Tianjian Accounting Firm, the associate professor of the Department of Business Management of Xiamen University, the Xiamen National Accounting Institute, and the deputy manager of the technical support department of Huicai Yongxin Consulting (Xiamen) Co., Ltd. He is currently an associate professor of the Accounting Department of Beijing Institute of Petrochemical Technology, an independent director of Jiangxi Xinhua New Material Technology Co., Ltd., Aipu Vehicle Co., Ltd., Rongda Hezhong (Xiamen) Technology Group Co., Ltd., and an independent director of the company. He started to work in 1997 and served as the internal audit manager and deputy general manager of the financial center of Tianzheng Group. He is currently the general manager of the financial center of Tianzheng Group, a director of Nanjing	
Wang Hua	Tianzheng Knight Electromechanical Group Co., Ltd., and the chairman of the supervisory committee of the company. Started to work in 2005, and served as the company's administrative director, deputy director of the President's Office, deputy recruitment manager, senior recruitment manager, securities affairs representative, deputy director of the human resources department, supervisor, human resources manager of Tianzheng Group Shanghai Investment Co., Ltd., Shanghai Gallery Executive Director of Xiang Decoration Design Engineering Co., Ltd. Resigned from the position of Supervisor of the Company on May 13, 2021, and currently serves as the Supervisor of the Company.
Hu Jun	
Du Nan	

	Director of Human Resources Department of the
Chen Xin	company. Started working in April 2019. He is currently the assistant to the chairman and supervisor of the company.
and Zhao Yindan started to work	in 2009. He used to be the general manager of Huayi Wind Energy Co., Ltd., and the assistant to the general manager of Zhejiang Zhaiyi Shopping Co., Ltd. The current senior commissioner and employee of the company's administrative office on behalf of the supervisor.
Fang Chufu started to work in	1996 and served as the director of the production planning department of Delixi Group Co., Ltd., the manager of the manufacturing department and assistant to the general manager of Zhejiang Delixi Electric Co., Ltd., and the production director of the production department of Delixi Electric Co., Ltd. He is currently the Deputy General Manager of the Company. Zhao Tianwei began to work in 1992 and served as an office clerk and deputy manager of the business department of Heilongjiang Commercial and Industrial Enterprise Group;
	Manager, Deputy General Manager and General Manager of Frequency Conversion Division, Director of Distribution Department and General Manager of Northeast Region, Director of Industry and New Energy Department. He is currently the Deputy General Manager of the Company.
Li Shanshan started to work in	2006 and served as the sales supervisor, sales manager, marketing manager, senior business manager and sales director of Emerson Process Control Co., Ltd. The current vice president of the company reason.

Description of other situations

ýApplicable ýNot applicable

(2) Positions of current and outgoing directors, supervisors and senior management during the reporting period

1. Positions in shareholder units

√Applicable √Not applicable

Name of employee	Name of shareholder	Serve as a shareholder The	Term Start Date	Term End Date
Gao Tianle	Tianzheng Group	position of Chairman	July 1997	—
Huang Yue	Tianzheng Group	Director, Assistant to General Manager	September 2010	—
Chi Hujun	Tianzheng Group	General Manager of Financial Center	December 2014	—
works in the shareholder unit	None			
Description of the situation				

2. Employment in other units

√Applicable √Not applicable

incumbent Name and job title	Other unit name	Served in other units	term start date Expect	term end date Expect
Gao Tianle, Chairman of Shanghai Tianzheng Electromechanical (Group) Co., Ltd.	Gao Tianle, Director of Hangzhou Honglonglong Network Technology Co., Ltd.	Gao Tianle, Director of Beijing Qitian Dasheng Network Technology Co., Ltd.	1999-09	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2015-06	2022-02
Gao Tianle, Director of Beijing Qitian Dasheng Network Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2016-08	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2015-10	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2013-09	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2021-10	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2013-11	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2015-11	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2015-03	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2017-02	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2017-06	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2015-04	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2020-10	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2020-12	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2021-01	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2019-05	2021-11
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2016-09	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2016-01	2022-01
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2018-10	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2014-05	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2016-11	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2020-11	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2021-04	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2021-07	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2019-05	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2011-04	—
Gao Tianle, Director of Suzhou Hongyun Intelligent Technology Co., Ltd.	Zhou Guanghui, Executive Director of the Company, Director of Kessel Medical Technology (Suzhou) Co., Ltd.	Hua Shenghui, Supervisor of Kessel Medical Technology (Suzhou) Co., Ltd.	2018-04	—
unit	none			
Job situation				
instruction of				

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(3) Remuneration of Directors, Supervisors and Senior Management

☐Applicable ☐Not applicable

Directors, Supervisors, Senior Management Remuneration Decision Process	Issued by the company to independent directors and directors, supervisors and senior managers serving in the company allowance or remuneration. The standards and procedures for granting allowances to independent directors shall be approved by the general meeting of shareholders. The remuneration of employees in the company shall be determined in accordance with the relevant regulations of the company's remuneration management system. Certainly.
Directors, Supervisors, Senior Management Remuneration basis	The Remuneration and Appraisal Committee is based on job responsibilities, work performance, corporate economic benefits and the The salary level of related positions in other companies in the industry, combined with the company's salary distribution system and The economic responsibility system assessment method, and the company's salary plan is proposed.
Directors, Supervisors and Senior Management Actual payment of remuneration	During the reporting period, the remunerations paid by the company to directors, supervisors and senior management were in line with fair The salary and performance appraisal regulations of the company shall be paid in accordance with the regulations.
At the end of the reporting period, all directors, supervisors and what senior managers actually get Total remuneration	10,509,856.16 yuan.

(IV) Changes in directors, supervisors and senior management of the company

☐Applicable ☐Not applicable

Name	Positions held Director,	Changes	Reason for change
Zhu Xingbing	Deputy General Manager Director	outgoing	resignation for personal reasons
Ge Shiwei	Supervisor Supervisor Deputy	election	By-election directors
Du Nan	General Manager	outgoing	Job adjustment
Chen Xin Li		election	By-election of supervisors
Shanshan			new

(5) Explanation on punishments by securities regulatory authorities in the past three years

☐Applicable ☐Not applicable

(6) Others

☐Applicable ☐Not applicable

V. Information about the Board of Directors held during the reporting period

The eighth	Date	meeting outcome
session of the board of directors sixth meeting	January 18, 2021	1. Considered and approved the "Regulations on Adjusting the Company's 2020 Restricted Stock Incentive Plan" 2. Deliberation Passed the "Proposal on Granting Restricted Stocks to Incentive Objects for the First Time".
Eighth Board of Directors seventh meeting	February 26, 2021	1. Reviewed and approved the "Regarding the Company's Report to China Construction Bank Corporation Zhejiang Proposal of Liushi Sub-branch to Apply for Comprehensive Credit Line".
Eighth Board of Directors eighth meeting	April 22, 2021	1. The "Proposal on the Company's 2020 Annual Report and Summary" was reviewed and approved; 2. Reviewed and approved the "Review on the Work Report of the Company's Board of Directors in 2020" 3. Reviewed and approved the "General Manager Work Report of the Company in 2020" 4. Reviewed and approved the "Resolution on the Company's 2020 Financial Resolutions"; 5. Considered and approved the "Proposal on the Company's 2020 Annual Profits" 6. Deliberation and approval of the "Proposal on the Company's 2020 7. Reviewed and approved the "Proposal on the Company's Work Report"; Proposal of the Audit Committee's 2020 Performance Report; 8. Deliberation Passed the "Proposal on the Company's 2020 Internal Control Evaluation Report"; 9. Reviewed and approved the Proposal on Nominating Candidates for Non-Independent Directors; 10.

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		Reviewed and approved the "Proposal on Renewing the Appointment of Accounting Firms"; 11. Reviewed Passed the "Special Report on the Deposit and Use of Raised Funds in 2020"
		12. Reviewed and approved the "Regarding Changes to Registered Capital and Amendments «Company Chapter"
		13. Considered and approved the "Proposal on Changes in Accounting Policies";
		14. Deliberated and approved the "Proposal on the Estimates of Routine Related Party Transactions in 2021"
		15. Reviewed and approved the "Proposal on the Appointment of Deputy General Managers of the Company";
		16. Considered and approved the "Resolution on the Full Text of the Company's 2021 First Quarterly Report"
		17. Reviewed and approved the "Regarding the Convening of the Company's 2020 Annual General Meeting of Shareholders" Conference Proposal."
Eighth Board of Directors ninth meeting	June 15, 2021	1. Considered and approved the "Regarding the Use of Partially Idle Raised Funds for Temporary Supplementary Flow" Funding Proposal.
Eighth Board of Directors tenth meeting	July 23, 2021	1. The "2021 Semi-annual Report and Summary" was reviewed and approved; 2. It was reviewed and approved According to the "Restrictions on Repurchase and Cancellation that have been granted but have not been lifted 3. Review and approve the "Registered Capital Change and Amendment" "Proposal on the "Articles of Association"; 4. Considered and approved the "2021 Semi-annual Raising Special Report on Fund Deposit and Actual Use.
Eighth Board of Directors eleventh meeting	August 26, 2021	1. Considered and approved the "Regulations on Jointly Investing with Related Parties to Establish a Holding Subsidiary" Proposal for the Company and Related Party Transactions.
Eighth Board of Directors twelfth meeting	September 3, 2021	1. Considered and approved the "Regulations on the increase of Suzhou Hongyun Intelligent Technology Co., Ltd. Funding Proposal.
Eighth Board of Directors Thirteenth meeting	September 30, 2021	1. Considered and approved the "Regarding the Use of Part of Idle Raised Funds for Cash Management" 's proposal".
Eighth Board of Directors fourteenth meeting	October 28, 2021	1. The "2021 Third Quarterly Report" was reviewed and approved.

VI. Directors' performance of duties

(1) Directors' participation in the board of directors and shareholders' general meetings

director Name	whether independent director	Participation in the Board of Directors						participating shareholders General Assembly
		This year should plus board frequency	personally Attend frequency	to communicate way parameter add times	entrust Attend frequency	absent frequency	whether two consecutive did not participate in person plus meeting	shareholders present times of the assembly number
Gao Tianle No Zhou		9	9	2	0	0 no	0 no	2
Guanghui No Wang		9	9	2	0	0 no	0 no	2
Yong No Huang		9	9	2	0	0 no	0 no	2
Yuechi No Zhu		9	9	9	0	0 no	0 no	2
Xingbing No Ge		2	2	2	0	0 no	0 no	1
Shiwei No Huang		7	7	7	0			0
Hongbin No Zheng		9	9	9	0			2
Jingjing Yes Li		9	9	9	0			2
Changbao Yes Wang		9	9	9	0			2
Hua Yes 9 9 Explanation for not attending the board meeting in				9	0			2

person for two consecutive times

ÿApplicable ÿNot applicable

The number of board meetings held during the year	9
Including: the number of on-site meetings The number of	0
meetings held by means of communication The number of	2
meetings held on-site combined with the means of communication	7

(2) Situations where directors raise objections to relevant matters of the

company ☐Applicable ☐Not applicable

(3) Others

☐Applicable ☐Not applicable

7. Special Committees under the Board of Directors

☐Applicable ☐Not applicable

(1) Membership of special committees under the board of

directors	Special committee categories	Audit Committee	member name
Zheng Jingjing, Wang Hua, Huang Hongbin	Director	Chairman Li Changbao, Wang Hua,	
Gao Tianle	Remuneration and Appraisal Committee	Chairman Li Changbao, Gao Tianle,	
Wang Yong, Zheng Jingjing			

(2). During the reporting period, the Audit Committee held 4 meetings

Date	Content of meeting	Important comments and suggestions	Other performance of duties
2021-04-22	To consider the "2020 Duty Performance Report of the Audit Committee of the Board of Directors", "2020 Annual Report", "2021 First Quarterly Report", "2020 Internal Control Evaluation Report", "Proposal on Changes in Accounting Policies" ", "Suggestions on Renewing the Appointment of Accounting Firms in 2021"	The Audit Committee of the Board of Directors believes that the company's financial reports for 2020 and the first quarter of 2021 are prepared in accordance with the "Accounting Standards for Business Enterprises", which objectively and fairly reflect the company's financial status and operating results as of December 31, 2020 and March 31, 2021. and cash flow. The 2020 internal control evaluation report conforms to the actual situation of the company's internal control construction. This accounting policy change is to implement the relevant new regulations of the Ministry of Finance. The changes and corresponding adjustments made are reasonable and necessary, and will not harm the interests of the company and all shareholders. The audit members of Zhongxinghua Certified Public Accountants (special general partnership) have the necessary professional knowledge and relevant qualifications to undertake the audit business, and are competent for the audit work, while maintaining due attention and professional prudence. During the 2020 annual audit process, we provided the company with better audit services. It is recommended to re-appoint him as the company's 2021 annual financial report and internal control auditor for a term of one year. The company's	
2021-07-23	Review of the 2021 Semi-Annual Report	2021 semi-annual report is prepared in accordance with the "Accounting Standards for Business Enterprises", which objectively and fairly reflects the company's financial status, operating results and cash flow as of June 30, 2021. The company and its affiliates jointly invested and established a holding subsidiary to focus on developing the	
2021-08-26	Deliberation of the "Proposal on the Joint Foreign Investment and Establishment of Holding Subsidiaries and Related Party Transactions with Related Parties"	company's high-end brand "Tian e Electric" new energy and intelligent power distribution business, which is in line with the company's strategic development direction, and is conducive to enhancing the company's comprehensive competitiveness and promoting the company's further development. And there is no damage to the rights and interests of the company and minority shareholders. The company's 2021 third quarter report is	
2021-10-28	Review of the 2021 Third Quarterly Report	prepared in accordance with the "Accounting Standards for Business Enterprises", which objectively and fairly reflects the company's financial position, operating results and cash flow as of September 30, 2021.	

(3). The Nomination Committee held **one** meeting during the reporting period

Date	Content of meeting	Important comments and suggestions	Other performance of duties
2021-04-22	To consider the "Proposal on Nominating Candidates for Non-Independent Directors" and "Proposal on Appointing Deputy General Managers of the Company"	The Nomination Committee reviewed the educational background, work experience, qualifications, professional experience and professional ethics of the candidates for directors and executives respectively, and considered that they met the requirements for directors and executives. Nominee's comments.	

(4) During the reporting period, the Remuneration and Appraisal Committee held **one** meeting

Date	Content of meeting	Important comments and suggestions	Other performance of duties
2021-04-22	Reviewed the "2020 Annual Salary of Senior Management and 2021 Annual Salary Plan"	According to the completion of the 2020 annual operating performance assessment indicators, the results of the 2020 senior management salary distribution are agreed, and the 2021 senior management salary plan has been formulated.	

(5). During the reporting period, the Strategy Committee held **3** meetings

Date	Content of meeting	Important comments and suggestions	Other performance of duties
2021-04-22	Deliberation of the "2020 Performance Report of the Strategy Committee of the Board of Directors"	The Strategy Committee works in strict accordance with laws, regulations and relevant rules and regulations, and is diligent and responsible. The	
2021-08-26	Deliberation of the "Proposal on Jointly Investing and Establishing Holding Subsidiaries and Related Party Transactions with Related Parties"	company and its affiliates jointly invested and established a holding subsidiary to focus on the development of the company's high-end brand "Tian e Electric" new energy and intelligent power distribution business, which is in line with the company's strategic development direction and is conducive to enhancing the company's comprehensive competitiveness and promoting the company's	
2021-09-03	Deliberation of the "Proposal on the Capital Increase of Suzhou Hongyun Intelligent Technology Co., Ltd."	further development. Hongyun Intelligent specializes in the research and development, design and sales of smart homes. There is a good synergy between the real estate developer's smart home centralized procurement business and the company's direct sales business to major customers in the construction industry. In addition, Hongyun Intelligent's overall solutions for smart home and building intelligence and its core technologies in the field of intelligence can complement the company's intelligent low-voltage electrical products. form synergy. The above foreign investment matters are in line with the company's development strategy and actual business needs.	

(6) Specific circumstances of the objection matters

☐Applicable
 ☒Not applicable

VIII. Explanation on the risk found by the Supervisory Committee ☒Applicable

☒Not applicable The Supervisory Committee has no objection to the supervision matters during the reporting period.

IX. Employees of the parent company and major subsidiaries at the end of the

reporting period (I) Employees

Number of on-the-job employees of the	3,286
parent company Number of on-the-job employees	568
of major subsidiaries Total number of on-the-job	3854
employees	162
number of workers	
Professional composition	
Professional Composition	Professional composition
Category Production	2,207
Personnel Sales Personnel	793
Technical Personnel	463
Financial Personnel	70
Administrative Personnel	321
total	3,854
education level	
Educational level category	Quantity (person)
Master,	
undergraduate,	663
college, high	673
school and below total	2,494
	3,854

(2) Remuneration policy

Applicable Not applicable

In order to protect the legitimate rights and interests of both parties in the labor relationship, the company fully mobilizes the enthusiasm and creativity of employees, and strengthens the internal Management, promote the development of the company in all aspects, and constantly improve the company's compensation policy. The company's remuneration policy adheres to the priority of efficiency, taking into account fairness, According to the principle of easy post and easy salary, according to different positions, employee remuneration consists of basic salary, senior salary, allowance, subsidy and performance reward, etc. constitute. The salary level of employees is linked to the local economic and social development, the company's economic benefits and individual performance assessment to ensure work efficiency efficiency and efficiency to achieve the company's overall goals. During the reporting period, the salary and welfare level of the Company's employees remained stable.

(3) Training plan

Applicable Not applicable

With the purpose of attracting talents, cultivating talents, improving employee performance and organizational performance, it targets employees of different positions and ranks. make full use of the company's internal and external resources, and carry out all-round job responsibilities, job skills, and job culture training within the company

In order to continuously improve the professional ability and comprehensive quality of employees, and continuously improve the employee's engagement and competence.

(4) Outsourcing of labor services

Applicable Not applicable

Total labor hours for labor outsourcing	923,695.60 hours
Total remuneration paid for labor outsourcing	29,033,624.00 yuan

X. Profit distribution or capital reserve conversion plan

(1) Formulation, implementation or adjustment of cash dividend

policy ☐ Applicable ☐ Not applicable to ensure the continuity

and stability of cash dividends, and fully protect the legitimate rights and interests of shareholders, especially small and medium investors.

The company earnestly implements the cash dividend policy stipulated in the Articles of Association, and establishes a stable and scientific dividend return mechanism for investors.

During the reporting period, the company implemented the 2020 profit distribution plan. Based on the total share capital of 404,115,500 shares, it distributed a cash dividend of 3 yuan (tax included) for every 10 shares to all shareholders, and distributed a total of 121,234,650 yuan in dividends, accounting for 121,234,650 yuan attributable to the listed company for the year. share 49.12% of Dong's net profit. This allocation plan has been implemented on June 1, 2021.

As audited by Zhongxinghua Certified Public Accountants (Special General Partnership), the company's net profit attributable to shareholders of the listed company in 2021 was 108,941,777.10 yuan. As of December 31, 2021, the company's distributable profit at the end of the period was 494,001,254.91 yuan. Taking into account the company's long-term development strategy and short-term operating conditions, in order to better safeguard the long-term interests of shareholders, the company proposes that in 2021, the company will not distribute cash dividends, send bonus shares, or convert capital reserves into share capital, and undistributed profits will be carried forward to the following. Year. This profit distribution plan still needs to be submitted to the company's 2021 annual general meeting for consideration.

(II) Special explanation of cash dividend

policy Whether the minority shareholders

have the opportunity to fully express their opinions and demands, and	<input type="checkbox"/> Yes <input type="checkbox"/> No
whether their legitimate rights and interests have been fully protected	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Yes <input type="checkbox"/> No

(3) In the reporting period, if the parent company is profitable and the profit available to shareholders for distribution by the parent company is positive, but no cash profit distribution plan has been proposed, the company shall

When detailed disclosure of the reasons and the use and use plan of undistributed

profits Applicable ☐ Not applicable

XI. Situation and impact of the company's equity incentive plan, employee stock ownership plan or other employee

incentive measures Annual Restricted Stock Incentive Plan (Draft)

	For the query
	index, please refer to the announcements such as "Zhejiang Tianzheng Electric Co., Ltd. 2020 Restricted Stock Incentive Plan (Draft)" and its summary disclosed by the company in the statutory media on December 26, 2020. For details, please refer to the "2020 Restricted Stock Incentive Plan of Zhejiang
Company 2020 Restricted Stock Incentive Plan	Tianzheng Electric Co., Ltd." and "Announcement on Resolutions of the First Extraordinary General Meeting of Shareholders in 2021" disclosed by the company in the statutory media on January 16, 2021 (Announcement No.: 2021-002) and other announcements. For details, please refer to the Announcement on Adjusting the List and Quantity of Incentive Objects First Granted to the 2020 Restricted Stock Incentive
2020 Restricted Stock Incentive Plan Grants First Restricted Stock to Incentive Objects	Plan (Announcement No.: 2021-006) and the Announcement on the Restricted Share Incentive Plan to Incentive Objects disclosed by the company on January 19, 2021 Announcement on the First Grant of Restricted Stocks (Announcement No.: 2021-007).

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2020 Restricted Stock Incentive Plan Announcement of First Grant Results	For details, please refer to the "2020 Announcement" disclosed by the company in the statutory media on March 10, 2021 Announcement on the Results of the First Grant of the Restricted Stock Incentive Plan (Announcement No.: 2021-009)
For details of the repurchase and cancellation of some restricted stocks, please refer to the "About Repurchase" disclosed by the company in the statutory media on July 26, 2021 Announcement on Cancellation of Some Restricted Shares Granted But Not Released Number: 2021-028). For details, please refer to the "Regulations on Equity Interests" disclosed by the company in the statutory media on October 22, 2021 Announcement on the Implementation of Repurchase and Cancellation of Incentive Restricted Shares (Announcement No.: 2021-049)	

(2) Incentives not disclosed in the temporary announcement or with follow-up progress

Equity incentives

☐Applicable ☐Not applicable

other instructions

☐Applicable ☐Not applicable

Employee stock ownership plan

☐Applicable ☐Not applicable

other incentives

☐Applicable ☐Not applicable

(3) Share incentives granted to directors and senior executives during the reporting period

☐Applicable ☐Not applicable

☐Applicable ☐Not applicable

Unit: share

Name	job title	holding at the beginning of the year limited sex stock quantity	New in the reporting period Grant restrictions number of sex stocks quantity	restricted stock grant of ticket price (Yuan)	solved lock-up share	not unlocked shares	end-of-period limited sex stock quantity	reporting period last market price (Yuan)
Director Wang Yong, Deputy General Manager, financial manager		0	150,000	7.17	0	150,000	150,000 11.62	
Ge Shiwei Director and Deputy General		0	80,000	7.17	0	80,000	80,000 11.62	
Manager Zhao Tianwei Deputy General		0	80,000	7.17	0	80,000	80,000 11.62	
Manager Zhou Guanghui Director and Board Secretary	0 Fang		70,000	7.17	0	70,000	70,000 11.62	
Chufu Deputy General Manager	0 Total / 0		60,000	7.17 /	0	60,000	60,000 11.62	
			440,000		0	440,000	440,000	/

(IV) The evaluation mechanism for senior management personnel and the establishment and implementation of the incentive mechanism during the reporting period

☐Applicable ☐Not applicable

The senior management personnel of the company are appointed by the board of directors, are directly responsible to the board of directors, and accept the assessment, rewards and punishments of the board of directors. company senior

The management personnel operate and manage the company according to the development strategies and investment decisions formulated by the board of directors and the business objectives issued by the board of directors.

The Remuneration and Appraisal Committee is set up under it, which is responsible for the performance appraisal of the senior management personnel according to the specific operation and management of the company, and

Rewards and punishments are based on this.

During the reporting period, the company's senior management personnel were able to strictly comply with the "Company Law", "Articles of Association" and relevant national laws and regulations.

Compliance with the requirements of regulations, conscientiously perform duties, and continuously strengthen internal management under the guidance of the board of directors, laying the foundation for the company's future development.

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XII. Construction and implementation of internal control system during the reporting period ☐Applicable

☐Not applicable

The company's internal control system has a reasonable structure, and the internal control system framework meets the requirements of the Ministry of Finance, the China Securities Regulatory Commission and other five ministries and commissions for the integrity, rationality and effectiveness of the internal control system, and can meet the needs of company management and development. The company conducts internal control evaluation work in accordance with the requirements of the enterprise internal control standard system and relevant regulations, establishes a complete internal control system, and ensures the effective operation of each link. After self-assessment, the company issued the "2021 Internal Control Evaluation Report", and no financial reports and non-financial reports were found during the reporting period. In the case of major, significant defects.

The "Company's 2021 Internal Control Evaluation Report" will be published on the website of the Shanghai Stock Exchange on April 29, 2022.

Explanation of major defects in internal control during the reporting period ☐Applicable

☐Not applicable

XIII. Management and control of subsidiaries during the reporting period ☐Applicable ☐Not

applicable The company has established the "Management Measures for Holding

Subsidiaries" to effectively control business risks and promote the standardized operation of each subsidiary. According to the requirements for asset control of subsidiaries and standardized operation of listed companies, the company exercises the rights of investors by appointing directors and supervisors to subsidiaries, appointing important management personnel, and exercising the rights of investors; To strengthen the daily operation and management of subsidiaries; and, with the support of DingTalk and EAP systems, complete the approval of important matters of subsidiaries, and ensure smooth communication between the company headquarters and the internal information of each subsidiary.

XIV. Explanation on the internal control audit report ☐Applicable ☐Not applicable For details,

please refer to the "2021 Internal Control Audit Report" disclosed by the company on April

29, 2022. Whether to disclose the internal control audit report: yes

Type of opinion on internal control audit report: standard unqualified opinion

15. The rectification of self-examination problems in the special action of listed company governance Not

applicable

XVI. Others ☐Applicable ☐Not

applicable

Section 5 Environmental and Social Responsibility

1. Environmental information

(1) Explanation on the environmental protection of the company and its main subsidiaries that are key pollutant discharge units announced by the environmental protection department ☐Applicable ☐Not applicable

(2) Explanation on environmental protection of companies other than key pollutant discharge units ☐Applicable ☐Not applicable

(3) Relevant information conducive to ecological protection, pollution prevention and control, and fulfillment of environmental responsibilities

√Applicable √Not Applicable

(IV) Measures and effects taken to reduce carbon emissions during the reporting period √Applicable √Not Applicable

II. Social responsibility work √Applicable √Not

applicable Tianzheng Electric enthusiastically

participates in social public welfare undertakings, and practices social responsibility through public welfare activities. In mid-January 2021,

the epidemic prevention and control situation in Hebei was severe. The company immediately donated products to help the power distribution project of Shijiazhuang Huangzhuang centralized isolation point,

actively contacted all resources, and fully supported the construction of Shijiazhuang centralized isolation point. On July 19, 2021, a major flood occurred in Zhengzhou, Henan and other places. The company opened an

emergency rescue hotline in time and established a rescue

The aid team provided assistance to the victims dealers.

Since October 2021, heavy rains have raged in many parts of Shanxi. The company quickly opened the emergency rescue channel to provide local urgently needed materials,

Help the people in the disaster-stricken areas return to normal life as soon as possible, and assist the disaster relief organization to carry out the relief work smoothly.

3. Consolidate and expand the achievements of poverty alleviation, rural revitalization and other work specific conditions

√Applicable √Not applicable In order to support the education of colleges and universities and encourage students with

excellent character and study, the company will sign a donation agreement with the Education Foundation of Xi'an Jiaotong University in 2021. From 2021 to 2023, it will donate 100,000 yuan to Xi'an Jiaotong

University every year for three consecutive years, of which 80,000 yuan will be used to set up the "Zhejiang Tianzheng Electric" scholarship, and the other 20,000 yuan will be used for outstanding scholarship recipients to

participate in the Tianzheng Electric Enterprise Open Day. In 2021, the company signed a donation agreement with the Education Development Foundation of Xi'an University of Technology. The company will donate

40,000 yuan to Xi'an University of Technology for three consecutive years from 2021 to 2023 for the establishment of the "Xi'an University of Technology-Zhejiang Tianzheng Electric" scholarship Reward students with

excellent academic performance. In addition, the company has been carrying out school-enterprise cooperation with many colleges and universities, providing internships and employment positions for students and solving employment problems.

Section VI Important Matters

1. Fulfillment of commitments

(1) Commitments made by the company's actual controller, shareholders, related parties, acquirers and the company and other relevant parties during the reporting period or continuing to the reporting period

√Applicable √Not applicable

Commitment Background	promise type	Commitment party	promise content	Commitment time and period limit	Are there any line deadline	Is it timely Strictly perform	If not performed in time <small>Should indicate that the performance has not been completed</small> specific reason for the trip	If not in time <small>The performance should be stated</small> next steps
Commitments related to share reform								
Acquisition report or change in equity Commitments made in the report								
related to major asset restructuring promise								
related to the initial public offering promise	Share Restriction Tianzheng Group		Note 1 Three from the date of listing	sixteen months	Yes	Yes	not applicable	not applicable
	Restriction on the sale of shares in Gao Tianle		Note 2 Three from the date of listing	sixteen months	Yes	Yes	not applicable	not applicable
	Three days from the date of listing of shares restricted by Gao Guoxuan, Gao Xiao and Gao Jue			sixteen months	Yes	Yes	not applicable	not applicable
	Share Restrictions Wang Yong, Zhu Xingbing, Zhou Guang Hui, Huang Yuechi, Huang Hong Bin, Fang Chufu, Ge Shi Wei, Zhao Tianwei		Note 4 10 from the date of listing	two months	Yes	Yes	not applicable	not applicable
	Share Restricted Du Nan		Note 5 10 from the date of listing	two months	Yes	Yes	not applicable	not applicable

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	Solve the industry compete	Tianzheng Group	Note 6 Long-term effective or not			Yes	not applicable	not applicable
	Solve the industry compete	Gao Tianle and his concerted actions People Gao Guoxuan, Gao Xiao and Gao Jue	Note 7 Long-term effective or not			Yes	not applicable	not applicable
	resolve associations trade	Tianzheng Group	Note 8 whether it is valid for a long time			Yes	not applicable	not applicable
	resolve associations trade	Gao Tianle and his concerted actions People Gao Guoxuan, Gao Xiao and Gao Jue	Note 9 whether it is valid for a long time			Yes	not applicable	not applicable
	Other companies, controlling shareholders, actual inter-controller and concerted action persons, directors (excluding corporate independent director of the company) and senior manager		Note 10 Three from the date of listing sixteen months	Yes	Yes	Yes	not applicable	not applicable
	Other companies Other Tianzheng		Note 11 Long-term validity No Note 12 Long-term validity No Note		Yes	Not applicable	not applicable	not applicable
	Group Others Gao Tianle, Gao Guoxuan, Gao		13 Long-term validity No		Yes	Not applicable	not applicable	not applicable
		Xiao, Gao Jue			Yes	Not applicable	not applicable	not applicable
	All other directors, supervisors, senior executives senior management		Note 14 Long-term effective or not		Yes	not applicable	not applicable	not applicable
Commitments Related to Refinancing								
Commitments Related to Equity Incentives	Other companies Other companies		Note 15 Long-term validity No Note 16 Long-term validity No Note		Yes	Not applicable	not applicable	not applicable
	and other incentive objects		17 Long-term validity No		Yes	Not applicable	not applicable	not applicable
					Yes	Not applicable	not applicable	not applicable
Others to the company's minority shareholders make a promise								
Other commitments								

Note 1:

"Tianzheng Group, the controlling shareholder of the company, undertakes that: (1) Within 36 months from the date of the issuer's initial public offering of stocks and listing, the company will not transfer or entrust others to manage the issuer's first-time shares held directly or indirectly by the company. (2) Within 6 months after the issuer's listing, if the closing price of the issuer's stock for 20 consecutive trading days is lower than the initial public offering price (During the period, if the issuer has any ex-rights and ex-dividend events such as dividend distribution, distribution of dividends, bonus shares, conversion of capital reserves to share capital, allotment of shares, etc., it will be treated as ex-rights and ex-dividends, the same below), or the end of the six-month period after listing (if that day is not a trading day, If the closing price is lower than the initial public offering price on the first trading day after that day, the lock-up period of the issuer's shares held by the company will be automatically extended for 6 months on the basis of the original lock-up period. If the shareholding is reduced within two years after the expiration of the period, the shareholding price shall not be lower than the issue price. If the issuer has incurred dividends, dividends, bonus shares, capital reserves converted into share capital, allotment of shares, etc. Ex-dividend matters, the company's reduction price should not be lower than the issue price at the time of the issuer's initial public offering after the corresponding adjustment. Law, "Several Provisions on Share Reduction by Shareholders, Directors, Supervisors and Senior Management of Listed Companies", "Detailed Implementation Rules for Share Reduction by Shareholders, Directors, Supervisors, and Senior Management of Listed Companies on the Shanghai Stock Exchange" and other relevant laws and regulations." Note 2 : "The actual controller of the company, Gao Tianle, promises: (1) Within 36 months from the date of the issuer's initial public offering and listing, I will not transfer or entrust others to manage the issuer's pre-IPO shares that I directly or indirectly hold. (2) Within 6 months after the issuer's listing, if the closing price of the issuer's shares for 20 consecutive trading days is lower than the initial public offering price (during the period, if the issuer If there are ex-rights and ex-dividend events such as dividends, dividends, bonus shares, conversion of capital reserves to share capital, and allotment of shares, they will be treated as ex-rights and ex-dividends. If the closing price on the first trading day) is lower than the initial public offering price, the lock-up period of the issuer's shares held by me will be automatically extended for 6 months on the basis of the original lock-up period. (3) I am serving as the issuer's director, supervisor, During the period of senior management, the shares of the issuer that are transferred directly or indirectly each year shall not exceed 25% of the total number of shares of the issuer that I directly or indirectly hold. The issuer's shares held directly or indirectly. (4) If the shares held by me are reduced within two years after the expiration of the lock-up period, the reduction price shall not be lower than the issue price. If the issuer has paid dividends before I reduce the aforementioned shares For ex-rights and ex-dividend events such as dividend distribution, bonus shares, conversion of capital reserves to share capital, and allotment of shares, the price of my shareholding reduction should not be lower than the issue price at the time of the issuer's initial public offering. The price should be adjusted. (5) I will reduce the issuer's shares in accordance with the "Company Law", "Securities Law", "Several Regulations for Shareholders of Listed Companies, Directors, Supervisors and Senior Management to Reduce Shares", "Shareholders and Directors, Supervisors, Relevant laws and regulations such as the Implementation Rules for the Reduction of Shares held by Senior Management. "Note 3: "Gao Guoxuan, Gao Xiao and Gao Jue, the persons acting in concert of the actual controllers of the company, undertake that: (1) Within 36 months from the date of the issuer's initial public offering and listing, I will not transfer or entrust others to manage my The shares that have been issued before the issuer's initial public offering held directly or indirectly will not be repurchased by the issuer. (2) Within 6 months after the issuer's listing, if the closing price of the issuer's shares for 20 consecutive trading days is lower than the initial public offering price (during the period, if the issuer distributes dividends, dividends, bonus shares, and capital reserves are converted into share capital) , allotment and other ex-rights and ex-dividend events, it will be treated as ex-right and ex-dividend, the same below), or the closing price at the end of the 6-month period after listing (if that day is not a trading day, the first trading day after that day) is lower than the initial public offering price , the lock-up period of the issuer's shares held by me is automatically extended by 6 months on the basis of the original lock-up period.

(3) If the shares held by me are reduced within two years after the expiration of the lock-up period, the reduction price shall not be lower than the issue price. If, before I reduce my holdings of the aforementioned shares, the issuer has occurred ex-rights and ex-dividend events such as dividend distribution, dividend distribution, bonus shares, capital reserve conversion to share capital, allotment of shares, etc., the price of my shareholding reduction should not be lower than the issuer's initial public offering of shares. The issue price at that time has been adjusted accordingly. (4) I will reduce the issuer's shares in accordance with the "Company Law", "Securities Law", "Several Regulations for Shareholders of Listed Companies, Directors, Supervisors and Senior Management to Reduce Shares", "Shareholders and Directors, Supervisors, Relevant laws and regulations such as the Implementation Rules for the Reduction of Shares held by Senior Management. "Note 4: "Shareholders who are directors and senior managers of the company, Wang Yong, Zhu Xingbing, Zhou Guanghui, Huang Yuechi, Huang Hongbin, Fang Chufu, Ge Shiwei, and Zhao Tianwei undertake: (1) From the date of the issuer's initial public offering and listing Within 12 months, I shall not transfer or entrust others to manage the shares issued before the issuer's initial public offering that I hold directly or indirectly, nor shall the issuer repurchase such shares. (2) Within 6 months after the issuer's listing, if the closing price of the issuer's shares for 20 consecutive trading days is lower than the initial public offering price (during the period, if the issuer distributes dividends, dividends, bonus shares, and capital reserves are converted into share capital) , allotment and other ex-rights and ex-dividend events, it will be treated as ex-right and ex-dividend, the same below), or the closing price at the end of the 6-month period after listing (if that day is not a trading day, the first trading day after that day) is lower than the initial public offering price , the lock-up period of the issuer's shares held by me is automatically extended by 6 months on the basis of the original lock-up period. (3) During my tenure as a director, supervisor or senior executive of the issuer, the shares of the issuer that I directly or indirectly hold each year shall not exceed 25% of the total number of shares of the issuer that I directly or indirectly hold. . Within six months after my resignation, I will not transfer the shares of the issuer that I hold directly or indirectly. (4) If the shares held by me are reduced within two years after the expiration of the lock-up period, the reduction price shall not be lower than the issue price. If, before I reduce my holdings of the aforementioned shares, the issuer has occurred ex-rights and ex-dividend events such as dividend distribution, dividend distribution, bonus shares, capital reserve conversion to share capital, allotment of shares, etc., the price of my shareholding reduction should not be lower than the issuer's initial public offering of shares. The issue price at that time has been adjusted accordingly. (5) I will reduce the issuer's shares in accordance with the "Company Law", "Securities Law", "Several Regulations for Shareholders of Listed Companies, Directors, Supervisors and Senior Management to Reduce Shares", "Shareholders and Directors, Supervisors, Relevant laws and regulations such as the Implementation Rules for the Reduction of Shares held by Senior Management. "Note 5: "Du Nan, a shareholder who serves as a supervisor of the company, promises: (1) Within 12 months from the date of the issuer's initial public offering of stocks, he will not transfer or entrust others to manage the issuer's first time The shares issued before the public offering of shares shall not be repurchased by the issuer. (2) During my tenure, the shares of the issuer that I directly or indirectly hold each year shall not exceed 25% of the total number of shares of the issuer that I directly or indirectly hold. Within six months after my resignation, I will not transfer the shares of the issuer that I hold directly or indirectly. (3) I will reduce the issuer's shares in accordance with the "Company Law", "Securities Law", "Several Regulations for Shareholders of Listed Companies, Directors, Supervisors and Senior Management to Reduce Shares", "Shareholders and Directors, Supervisors, Relevant laws and regulations such as the Implementation Rules for the Reduction of Shares held by Senior Management. "Note 6: "In order to safeguard the interests of all shareholders of the company and ensure the long-term and stable development of the company, Tianzheng Group, the controlling shareholder of the company, issued the "Letter of Commitment on Avoiding Horizontal Competition" to the company, the main contents are as follows: 1. As of the issuance of this letter of commitment On the date, the Company and other enterprises directly or indirectly controlled by the Company did not directly or indirectly hold any interests or other arrangements in enterprises that compete with the issuer's business, and did not engage in business or activities that compete with the issuer in the same industry. 2. The company and other enterprises directly or indirectly controlled by the company will not directly or indirectly engage in businesses that compete with the issuer's business or businesses that may constitute substantial competition in the form of holding shares or by participating in shares but having substantial control.

3. If the issuer engages in a new business field in the future, the company and other enterprises directly or indirectly controlled by the company will not directly or indirectly engage in the new business with the issuer in the form of holding shares or in the form of holding shares but having substantial control. There are directly competing businesses or activities in the field. 4. In order to more effectively avoid horizontal competition between the company and other companies directly or indirectly controlled by the company and the issuer in the future, the company will also take the following measures: (1) Through the board of directors or shareholders (general) meeting and other companies Governance bodies and legal decision-making procedures that reasonably affect other companies directly or indirectly controlled by the company will not directly or indirectly engage in business or activities that compete with the issuer, so as to avoid horizontal competition; (2) If the company and the company Other enterprises directly or indirectly controlled have the same or similar business opportunities as the issuer, and such business opportunities may directly or indirectly cause the company and other enterprises directly or indirectly controlled by the company to compete with the issuer in the same industry. Immediately notify the issuer after discovering the business opportunity, and do its best to urge the business opportunity to be provided to the issuer on a condition not inferior to that provided to the company and other enterprises directly or indirectly controlled by the company; (3) If the company and other enterprises directly or indirectly controlled by the company have businesses that may compete with the issuer, the company and other enterprises directly or indirectly controlled by the company will withdraw from the competition with the issuer by including but not limited to the following methods: 1) Stop the production of products that constitute competition or may constitute competition; 2) Stop operating businesses that constitute competition or may constitute competition; 3) Prioritize the transfer of competing assets or businesses to the issuer or as capital contributions to the issuer in accordance with fair market conditions; 4) Transfer the competing business to an unrelated third party; 5) Take other actions that are beneficial to safeguarding the rights and interests of the issuer to eliminate horizontal competition. In the event of damage to the rights and interests of the issuer and other shareholders due to the violation of the above commitments, the company will bear the corresponding legal responsibilities according to law, and bear all the economic losses caused to the issuer due to the violation of the above commitments. "Note 7: "In order to safeguard the interests of all shareholders of the company and ensure the long-term and stable development of the company, the actual controller of the company, Gao Tianle, and its concerted actors, Gao Guoxuan, Gao Xiao and Gao Jue, respectively issued to the company the Letter of Commitment on Avoiding Horizontal Competition. ", the main contents are as follows: 1. As of the date of the issuance of this letter of commitment, I and other enterprises directly or indirectly controlled by me have not directly or indirectly held any rights or other arrangements in enterprises that compete with the issuer's business in the same industry, and have not engaged in any The issuer's business or activity is in competition. 2. I and other enterprises directly or indirectly controlled by me will not directly or indirectly engage in business that competes with the issuer's business or that may constitute substantial competition by way of holding shares or by way of equity participation but substantial control. 3. If the issuer engages in a new business field in the future, I and other enterprises directly or indirectly controlled by myself will not directly or indirectly engage in the issuer's new business field in the form of holding shares or by way of holding shares but having substantial control. Directly competing businesses or activities. 4. In order to more effectively avoid horizontal competition between myself and other enterprises directly or indirectly controlled by me and the issuer in the future, I will also take the following measures: Legal decision-making procedures, which reasonably affect other enterprises directly or indirectly controlled by me will not directly or indirectly engage in business or activities that compete with the issuer, so as to avoid horizontal competition; The enterprise has the same or similar business opportunity as the issuer, and the business opportunity may directly or indirectly cause me and other enterprises directly or indirectly controlled by me to compete with the issuer, I should notify the issuer immediately after discovering the business opportunity , and do its best to urge the business opportunity to be provided to the issuer on a condition that is not inferior to that provided to me and other enterprises directly or indirectly controlled by me; For the business that competes with the issuer, I and other enterprises directly or indirectly controlled by myself will withdraw from the competition with the issuer by means of including but not limited to: 1) stop producing products that constitute competition or may constitute competition; 2) stop operating Businesses that constitute competition or may constitute competition; 3) Discriminate competing assets or businesses in accordance with the market

4) Transfer competing businesses to unrelated third parties; 5) Take other actions that are beneficial to safeguarding the rights and interests of the issuer to eliminate horizontal competition. If there is any damage to the rights and interests of the issuer and other shareholders due to violation of the above commitments, I will bear the corresponding legal responsibilities in accordance with the law, and bear all the economic losses caused to the issuer due to the violation of the above commitments. Note 8: Tianzheng Group, the controlling shareholder of the company, issued a Letter of Commitment on Regulating Related Party Transactions to the company, the main contents of which are as follows: 1. During the period when the company is the controlling shareholder of the issuer, the company and other enterprises controlled by the company will not illegally occupy the issuer's funds and any other assets for any reason and method, and will try to minimize or avoid affiliated transactions with the issuer. Other controlled enterprises will follow the principles of fairness and reasonableness and fair prices, sign agreements with the issuer in accordance with the law, and perform legal procedures. Regulations, normative documents and relevant provisions such as "Articles of Association of Zhejiang Tianzheng Electric Co., Ltd.", "Articles of Association of Zhejiang Tianzheng Electric Co., Ltd. (Draft)" and other relevant provisions to perform information disclosure obligations and handle relevant approval matters, the company guarantees that it will not damage the issuance through related transactions. 3. If the above commitment is violated, the company is willing to bear all the losses caused to the issuer. 4. This letter of commitment will take effect from the date of signing by the company. This letter of commitment is used by the company as the The issuer's controlling shareholder period is continuously valid and cannot be changed or revoked. 5. The contents described in this letter of commitment are true, accurate and complete, and there are no false records, misleading statements, omissions or concealments. Note 9: The actual controller Gao Tianle and his concerted actors Gao Guoxuan, Gao Xiao and Gao Jue issued a Letter of Commitment on Regulating Related Party Transactions to the company, the main contents of which are as follows: 1. When I am the actual controller of the issuer During the period that I am acting in concert with the issuer, I and other enterprises controlled by me will not illegally occupy the issuer's funds and any other assets for any reason or method, and will try to minimize or avoid related transactions with the issuer. I and other companies under my control will follow the principles of fairness and reasonableness and fair prices, sign agreements with the issuer in accordance with the law, perform legal procedures, and will comply with the Company Law, Securities Law ", "Shanghai Stock Exchange Listing Rules" and other laws, regulations, normative documents, and "Zhejiang Tianzheng Electric Co., Ltd. Articles of Association", "Zhejiang Tianzheng Electric Co., Ltd. Articles of Association (Draft)" and other relevant provisions to fulfill information disclosure obligations and In handling the approval matters, I promise not to damage the legitimate rights and interests of the issuer and other shareholders through related transactions. 3. If I violate the above commitments, I am willing to bear all the losses caused to the issuer. 4. This letter of commitment is signed by me This commitment letter will continue to be valid and cannot be changed or revoked during the period when I am the actual controller of the issuer or the person acting in concert. 5. The contents of this commitment letter are true, accurate and complete, and there are no false records, Misleading statement, omission or concealment, I am willing to bear the corresponding legal responsibility for this. Note 10: (1) Conditions for starting stock price stabilization measures After the initial public offering of shares and listing 36 Within a month, not due to force majeure factors, if the closing price of the company's stock for 20 consecutive trading days is lower than the latest audited net assets per share (equity distribution, capital reserve conversion, share allotment, etc. occur after the audit base date) The company, controlling shareholders, actual controllers and persons acting in concert, directors (excluding independent directors of the company, the same below) and senior management personnel shall comply with this plan. Take legal measures to fulfill the obligation of stabilizing the company's stock price (hereinafter referred to as "the obligation to stabilize the stock price"), but the relevant responsible entities shall abide by the relevant laws and regulations when performing the obligation of stabilizing the stock price.

(2) Specific measures to stabilize the company's stock

price 1. Repurchase of shares by the company (1) When the

start-up conditions are fulfilled, the company will convene a board of directors within 10 days to make a resolution to implement the repurchase of shares in accordance with the law, submit it to the shareholders' meeting for approval and perform

information disclosure program. (2) The company will repurchase from public shareholders in accordance with relevant laws and regulations such as the Administrative Measures for Listed Companies Repurchasing Public Shares (for Trial Implementation), Supplementary Provisions on

Listed Companies Repurchasing Shares by Centralized Bidding Transactions and other relevant laws and regulations Part of the company's shares, and at the same time ensure that the repurchase result will not cause the company's equity distribution to fail to meet the listing conditions.

(3) All the directors of the company undertake to vote in favor of the repurchase matters at the board meeting held by the company on the repurchase of shares. The company's general meeting of shareholders shall make a resolution on the repurchase of shares, which must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting. At the general meeting of shareholders, voted in favor of such repurchase matters at the general meeting of shareholders. (4) After the shareholders' meeting has reviewed and approved the share repurchase plan, go through the filing procedures for the share repurchase with the securities regulatory authority according to law, and go through the cancellation registration procedure with the industry and commerce authority. In addition to complying with the requirements of relevant

laws and regulations, the company shall also meet the following requirements for share repurchase for the purpose of stabilizing the stock price: 1) The company's single-time share repurchase fund shall not be less than RMB 10 million; 2) The total amount of funds used by the company to repurchase shares does not exceed the total amount of funds raised by the company's initial public offering of new shares; 3) If the company's stock price triggers the obligation to stabilize the stock price multiple times in a fiscal year, the total number of shares repurchased by the

company in a single fiscal year No more than 2% of the company's total shares, and the company's equity distribution after the repurchase should meet the listing conditions. 2. Increase in holdings of the controlling shareholder, actual controller and persons acting in concert (1) When the start-up conditions are fulfilled, the controlling shareholder, actual controller and persons acting in concert of the company shall submit a plan to increase their holdings of the company's shares within 10 days and submit an disclosed by the company. (2) The controlling shareholder, actual controller and persons acting in concert of the company shall comply with the provisions of laws, regulations and normative documents such as the "Administrative Measures for Acquisition of Listed Companies" and the "Guidelines for Shareholders of Listed Companies and their Persons

Acting in Concert". Under the premise of the conditions and requirements, the company's shares are increased by means of centralized bidding transactions, block transactions or other methods approved by the securities regulatory authorities. (3) The controlling shareholder, actual controller and persons acting in concert shall undertake to increase the total amount of holdings at a time of not less than RMB 1 million. (4) If the stock price of the company triggers the obligation to stabilize the stock price multiple times in a certain fiscal year, the number of additional shares held in a single fiscal year does not exceed 2% of the total number of shares of the company, and the equity distribution of the company after the increase should meet the listing conditions. Behavior and information disclosure shall comply with relevant laws and regulations. 3.

Directors and senior managers to increase their holdings (1) When the start-up conditions are fulfilled, the company's directors and senior managers need to submit a plan to increase their holdings of the company's shares within 10 days and the company will disclose it. (2) The directors and senior management personnel of the company who work in the company and receive remuneration shall comply with the "Administrative Measures for the Acquisition of Listed Companies" and the "Management Rules for the Shares of the Company Held by Directors, Supervisors and Senior Management of Listed Companies and their Changes" and other laws, Under the premise of the conditions and requirements stipulated by the regulations, the company's stock holdings will be increased. (3) The directors and senior managers of the company who are obliged to

increase their holdings promise that the monetary funds they use to increase their shares of the company will not exceed the total amount of remuneration they received from the company in the previous fiscal year during their tenure as directors or senior managers. 50%. 4. Other laws, regulations, and measures permitted by the regulations of the China Securities Regulatory Commission and the stock exchange (1) The company repurchases shares

(2) Controlling shareholders, actual controllers and persons acting in concert to increase

their holdings (3) Directors and senior managers to increase their shareholdings (3)

Termination of the stock price stabilization plan Within 90 natural days from the date of

announcement of the stock price stabilization plan, In the event of any of the following circumstances, it is deemed that the implementation of the stock price stabilization measures and commitments have been completed, and the implementation of the announced stock price stabilization plan shall be terminated: 1. The closing price of the company's stock for 10 consecutive trading days reaches or exceeds the most recent period of trading. Audited net assets per share (ex-rights and ex-dividends should be dealt with in case of equity distribution, conversion of capital reserve into share capital, allotment of shares, etc. after the audit base date); 2. The company and relevant responsible entities have fully implemented the specific measures to stabilize the stock price this time. 3. Continuing to repurchase or increase the company's shares will result in the company's equity distribution not meeting the listing conditions or will force the controlling shareholder and actual controller to perform the obligation of tender offer. Before appointing new directors and senior management personnel in the future, the company will require them to sign a letter of commitment to ensure that they will fulfill the corresponding commitments made by the directors and senior management personnel during the company's initial public offering and listing. Note 11: The company makes the following commitments on the authenticity, accuracy and completeness of the prospectus for this initial public offering: 1. The company promises that the prospectus does not contain false records, misleading statements or major omissions, and that it is true individual and joint legal responsibility for the integrity, accuracy and completeness. 2. If there are false records, misleading statements or major omissions in the prospectus, which have a significant and substantial impact on the judgment of whether the company complies with the issuance conditions stipulated by law, within 30 trading days after the fact is confirmed by the effective legal documents of the competent authority, the company will repurchase all the new shares in the initial public offering, and the repurchase price will be determined based on the secondary market price, and will not be lower than the issue price plus the bank deposit interest in the same period (if the company's stock has dividends, dividends, bonus shares, capital accumulation fund) In case of ex-rights and ex-dividend matters such as conversion to share capital, the issue price will be adjusted ex-right and ex-dividend accordingly). 3. If there are false records, misleading statements or major omissions in the prospectus, which cause investors to suffer losses in the securities trading of the company's stocks, the company will compensate investors for losses according to law. Note 12: As the controlling shareholder of the issuer, Tianzheng Group has made the following commitments on the authenticity, accuracy and completeness of the prospectus for this initial public offering: 1. The company promises that the prospectus does not contain false records or misleading information. Statements or material omissions, and bear individual and joint legal responsibility for their truthfulness, accuracy and completeness. 2. If there are false records, misleading statements or major omissions in the prospectus, which have a significant and substantial impact on the judgment of whether the issuer complies with the issuance conditions stipulated by law, 30 transactions after the fact is confirmed by the effective legal documents of the competent authority. Within a few days, the company will repurchase the issuer's original restricted shares and the transferred original restricted shares that have been publicly offered by the company. The repurchase price will be determined based on the secondary market price, and will not be lower than the issue price plus bank deposits in the same period. Interest (if the issuer's shares have ex-rights or ex-dividend events such as dividends, dividends, bonus shares, and capital reserves are converted into share capital, the issue price will be adjusted ex-rights and ex-dividends accordingly). 3. If there are false records, misleading statements or major omissions in the prospectus, the company, as the issuer's controlling shareholder, will urge the issuer to repurchase all the new shares in the initial public offering in accordance with the law. 4. If there are false records, misleading statements or major omissions in the prospectus, which cause investors to suffer losses in the securities transactions of the issuer's shares, the company will compensate investors for their losses in accordance with the law. Note 13: Gao Tianle, as the actual controller of the issuer, and Gao Guoxuan, Gao Xiao, and Gao Jue, acting in concert as the actual controllers of the issuer, issued the authenticity, accuracy and completeness of the prospectus for this IPO. The following commitments: 1. I undertake that the prospectus does not contain false records, misleading statements or major omissions, and bear individual and joint legal responsibility for its authenticity, accuracy and completeness.

2. If there are false records, misleading statements or major omissions in the prospectus, which have a significant and substantial impact on the judgment of whether the issuer complies with the issuance conditions stipulated by law, 30 transactions after the fact is confirmed by the effective legal documents of the competent authority. Within a few days, I will repurchase the issuer's original restricted shares and the transferred original restricted shares that I have offered publicly. If the issuer's shares have ex-rights or ex-dividend events such as dividends, dividends, bonus shares, and capital reserves are converted into share capital, the issue price will be adjusted ex-rights and ex-dividends accordingly). 3. If there are false records, misleading statements or major omissions in the prospectus, I, as the issuer's actual controller or a person acting in concert, will urge the issuer to repurchase all the new shares in the IPO in accordance with the law. 4. If there are false records, misleading statements or major omissions in the prospectus, which cause investors to suffer losses in the securities transactions of the issuer's shares, I will compensate the investors for their losses in accordance with the law. Note 14: All directors, supervisors and senior management personnel make the following undertakings regarding the authenticity, accuracy and completeness of the prospectus for the issuer's initial public offering: 1. I undertake that the prospectus does not contain false records or misleading information Statements or material omissions, and bear individual and joint legal responsibility for their truthfulness, accuracy and completeness. 2. If there are false records, misleading statements or major omissions in the prospectus, which cause investors to suffer losses in the securities transactions of the issuer's shares, I will compensate the investors for their losses according to law. 3. I will not refuse to perform the above commitments due to job change, resignation, etc. Note 15: The company does not provide loans or any other form of financial assistance, including guarantees, for the incentive objects of this restricted stock incentive plan to obtain restricted stocks through this plan. Note 16: There are no false records, misleading statements or major omissions in the relevant information disclosure documents of this incentive plan. Note 17: If the company fails to comply with the arrangement for granting rights or exercising rights due to false records, misleading statements or major omissions in the information disclosure documents, the incentive object shall be confirmed to have false records or misleading statements from the relevant information disclosure documents Or after major omissions, all the benefits obtained by this incentive plan will be returned to the company.

(2) There is a profit forecast for the company's assets or projects, and the reporting period is still in the profit forecast period, the company shall explain whether the assets or projects have

reached the original profit forecast and the reasons. ☐Have reached ☐Not reached ☐Not applicable

(3) Completion of performance commitment and its impact on goodwill impairment test ☐Applicable ☐Not applicable

On September 3, 2021, the twelfth meeting of the eighth board of directors of the company reviewed and approved the "Proposal on Capital Increase in Suzhou Hongyun Intelligent Technology Co., Ltd.". Among them, RMB 8.8235 million is included in the registered capital of Hongyun Intelligent, and the remaining RMB 38.8236 million is included in the capital reserve of Hongyun Intelligent. After the capital increase is completed, the registered capital of Hongyun Intelligent will increase from 50 million yuan to 58.8235 million yuan, and the company will hold 15% of the equity of Hongyun Intelligent.

The founding shareholders promised that Hongyun Intelligent should achieve the business goals: sales revenue in 2021 should not be less than 80 million yuan, and net profit should not be low. at RMB 20 million. The net profit calculation standard for this article is subject to the special audit report issued by the auditing agency designated by Tianzheng Electric (the financial results calculated according to the sales and delivery and invoicing as the revenue recognition standard shall prevail, as of March 31, 2022, if the If the accounts receivable corresponding to the credit impairment loss are recovered, this part of the credit impairment loss can be reversed in the aforementioned target net profit. If the previous payment fails to reach more than 60% of the total contract value, the sales revenue of this part will not be recognized). If Hongyun Intelligent fails to achieve the above agreed business goals in 2021, its valuation will be adjusted. For the part of the research and development expenses in 2021 that exceeds the research and development expenses of more than 2 million in 2020, the company agrees to deduct the total amount of not more than 1 million when calculating the company's net profit in 2021. If the sales revenue of Hongyun Intelligent in 2021 is less than 80 million yuan, or the net profit is less than 20 million yuan, the pre-investment valuation of Hongyun Intelligent will be adjusted to 13.5 times (13.5 times) of the actual net profit in 2021. The maximum amount is not more than 270 million yuan. If there is a valuation adjustment, the new pre-investment valuation will be used as the base, and the company's shareholding in Hongyun Intelligence will be recalculated according to the company's current capital increase. The part exceeding 15% will be paid by the founding shareholder Zhao Fei for free or by law. allow

transfer to the company at the lowest consideration.

Hongyun Intelligent is engaged in the research and development, design and sales of smart homes, and its products are mainly used in real estate fine decoration projects. Hong Yunzhi The settlement method that can be settled with major customers is to pay most of the value of the goods (usually more than 80%) after the arrival of the goods, and the remaining part will be settled after the installation and acceptance are completed. Since the acceptance of the project is affected by the customer's overall project acceptance progress, the acceptance time is relatively uncertain. Therefore, in order to measure the operating performance of Hongyun Intelligent more reasonably, the accounting caliber of the performance commitment reached by the company and the founding shareholders of Hongyun Intelligent is based on sales. However, if the payment for the items that have been shipped in 2021 and invoiced before March 31, 2022 fails to reach more than 60% of the total contract value, the sales of this part of the goods shall prevail. Revenue is not recognized. The company sent a designated audit agency to conduct a special audit, and the preliminary work has been completed. However, when the payment deadline is March 31, 2022, the follow-up verification work cannot be completed due to the impact of the epidemic, resulting in the completion of Hongyun Intelligent's performance commitment in 2021. The special audit report has not been completed. According to the preliminary calculation of the designated audit institution: according to the accounting caliber of the performance commitment, Hongyun Intelligent's annual revenue in 2021 will be 66.77 million yuan to 90.74 million yuan, and its net profit will be 10.62 million yuan to 22.43 million yuan.

After the company's capital increase, it has a significant impact on Hongyun Intelligent, and the equity method is used for subsequent measurement. In the company's annual report audit, it will be The accounting adopts the same accounting policy as the company, and the revenue recognition time is when the goods have been installed and the acceptance certificate has been obtained. According to the audit of the annual report, Hongyun Smart will realize sales revenue of RMB 29.4534 million in 2021 and net profit of RMB -10.6259 million, of which the net profit from October to December 2021 will be RMB -4.7103 million, and the company will recognize investment income of RMB -706,500 accordingly. The estimated annual difference in sales revenue between the two is 37.32 million yuan to 61.29 million yuan, and the estimated annual difference in net profit is 21.25 million yuan to 33.06 million yuan, which is a reasonable calculation.

The difference in caliber does not affect the company's long-term equity investment and investment income recognition for Hongyun Intelligence in 2021.

II. Non-operating capital occupation by the controlling shareholder and other related parties during the reporting

period √Applicable √Not applicable

III. Illegal guarantee √Applicable

√Not applicable

IV. Explanation of the board of directors of the company on the "non-standard opinion audit report" of the accounting firm

√Applicable √Not applicable

V. The Company's Analysis and Explanation on the Reasons and Impacts of Changes in Accounting Policies, Accounting Estimates or Correction of Major

Accounting Errors

√Applicable √Not applicable

On December 7, 2018, the Ministry of Finance issued "Accounting Standards for Business Enterprises No. 21 - Leases (Revised in 2018)" (Financial Hui [2018] No. 35) (hereinafter referred to as the "New Lease Standards"). At the eighth meeting of the eighth board of directors of the company in April 2021

The resolution passed on January 22, the company will implement the aforementioned new lease standards from January 1, 2021, and in accordance with the provisions of the new lease standards Changes to relevant accounting policies.

For details, please refer to "Section X. V. 44. Changes in Significant Accounting Policies and Accounting Estimates" in this report.

(2) The company's analysis and explanation on the reasons and impact of the correction of major accounting errors

√Applicable √Not applicable

(3) Communication with the former accounting firm

√Applicable √Not applicable

(4) Other instructions

√Applicable √Not applicable

VI. Appointment and dismissal of accounting firms

Unit: 10,000 Yuan Currency: RMB

	Currently employed
Name of domestic accounting firm	Zhongxinghua Certified Public Accountants (Special General Partnership)
Remuneration of domestic accounting firm	60
Auditing period of domestic accounting firm	6 years

	Name	remuneration
Internal Control Audit Accounting Firm Zhongxinghua Certified Public Accountants (Special General Partnership) Sponsor Guotai Junan		15
Securities Co., Ltd.		4,050

Description of Appointment and Dismissal of Accounting Firms

√Applicable √Not applicable

On May 13, 2021, the company's 2020 annual general meeting reviewed and approved the "Proposal on Renewing the Appointment of Accounting Firms". company

Renewed the appointment of Zhongxinghua Certified Public Accountants (special general partnership) as the company's 2021 financial statement audit and internal control audit institution.

Explanation on the change of accounting firm during the audit ☐Applicable ☐Not

applicable

7. Situations facing delisting risks (1) Reasons for

delisting risk warning ☐Applicable ☐Not applicable

(II) Countermeasures to be taken by the company

☐Applicable ☐Not applicable

(3) Situations and reasons for facing termination of listing

☐Applicable ☐Not applicable

VIII. Matters related to bankruptcy and

reorganization ☐Applicable ☐Not applicable

IX. Major lawsuits and arbitrations ☐The company

has major lawsuits and arbitrations this year ☐The company has no major lawsuits and arbitrations this year

(1) Litigation and arbitration matters have been disclosed in temporary announcements and there is no follow-up

progress ☐Applicable ☐Not applicable

(2) Litigation and arbitration situations not disclosed in the temporary announcement or with subsequent

progress ☐Applicable ☐Not applicable

Unit: Currency: RMB

During the reporting period:									
suing (applying) party	Responding (appealed) party	Jointly liable party		Litigation (Arbitration) Basic Information	Amount involved in litigation (arbitration)	Litigation (arbitration) whether to form estimated liabilities and the amount	Litigation (Arbitration) Progress	Litigation (Arbitration) Trial Results and Impact	Litigation (Arbitration) Judgment Execution
Company Hainan	Hengqian Material Equipment Co., Ltd.	Evergrande Tourism Operation Management Group Co., Ltd. Shenzhen	Litigation Arbitration	The defendant purchased electrical products from the company. During the cooperation period, the defendant repeatedly failed to perform the payment obligations as agreed, and the commercial acceptance bills issued were also not honored when due. The defendant	4,319,889.60		file a case		
Company Guangzhou	Evergrande Material Equipment Co., Ltd.	Evergrande Materials Logistics Group Co., Ltd. Evergrande Real	litigation	purchased electrical products from the company. During the cooperation period, the defendant repeatedly failed to perform the payment obligations according to the contract.	497,300.16		file a case		
Company Shenzhen	Evergrande Material Equipment Co., Ltd.	Estate Group Co., Ltd./ Shenzhen Evergrande Materials	litigation	The defendant purchased electrical products from the company. During the cooperation period, the defendant repeatedly failed to perform the payment obligations as contracted, and the commercial acceptance bills issued were also not honored when due. this	67,229,148.92		file a case		

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		Material Logistics Group Co., Ltd.		In addition, the defendant failed to return the company's contract bond of 20 million yuan on schedule. The defendant purchased electrical					
Company	Guangzhou Henglong Equipment Materials Co., Ltd.	Guangzhou Nanhuang Trading Co., Ltd.	litigation	products from the company. During the cooperation period, the defendant repeatedly failed to perform the payment obligations as agreed, and the commercial acceptance bills issued were also not honored when due. The defendant purchased	1,706,972.32		A lawsuit has been filed, a case has not been filed,		
Company	Guangzhou Hengqian Material Equipment Co., Ltd.	Evergrande Children's World Group Co., Ltd.	litigation	electrical products from the company. During the cooperation period, the defendant repeatedly failed to perform the payment obligations as agreed, and the commercial acceptance bills issued were also not honored when due.	2,889,456.27		a lawsuit has been filed, a case has not yet been filed		

(3) Other explanations

☐Applicable ☐Not applicable

10. Listed companies and their directors, supervisors, senior managers, controlling shareholders and actual controllers are suspected of violating laws and regulations and are punished and rectification

☐Applicable ☐Not applicable

XI. Explanation on the integrity of the company and its controlling shareholder and actual controller during the reporting period ☐Applicable ☐Not applicable

XII. Significant related transactions (I)

Related transactions related to daily operations 1. Matters

that have been disclosed in temporary announcements and have no progress or changes in subsequent implementation ☐Applicable ☐Not applicable

2. Items that have been disclosed in the temporary announcement, but there is progress or change in the subsequent implementation ☐Applicable ☐Not applicable

On April 22, 2021, the Eighth Meeting of the Eighth Session of the Company reviewed and approved the "Proposal on the Estimated Routine Related Party Transactions in 2021". For details, please refer to the company's designated information disclosure media and the website of Shanghai Stock Exchange on April 23, 2021.

"Announcement on the Estimated Daily Connected Transactions in 2021".

The company expects to sell 20 million yuan of products to the related party Jiangsu Tianhe Smart Distributed Energy Co., Ltd. in 2021, and the actual amount is 51.8657 million yuan. The company does not expect to sell products to related party Changzhou Tianhe Smart Energy Engineering Co., Ltd. in 2021.

In the actual operation in 2021, the amount of products sold to it will be 91,100 yuan.

On April 28, 2022, the sixteenth meeting of the eighth session of the board of directors of the company reviewed and approved the "Regarding the Post-Recognition of the 2021 Daily Connections" The Proposal for the Excessive Transactions and Expected Routine Related Party Transactions in 2022" ratify.

3. Matters not disclosed in the temporary announcement ☐Applicable ☐Not applicable

(II) Connected transactions of asset or equity acquisition and sale

2. Items that have been disclosed in temporary announcements, but there are progress or changes in subsequent implementation ☐Applicable ☐Not applicable

3. Matters not disclosed in the temporary announcement ☐Applicable ☐Not applicable

4. If performance agreement is involved, the achievement of performance during the reporting period shall be disclosed ☐Applicable ☐Not applicable

(3) Significant related-party transactions of joint foreign investment

1. Matters that have been disclosed in temporary announcements and have no progress or changes in subsequent implementation ☐Applicable ☐Not applicable

Matters Overview	query index
The company and the company's deputy general manager Zhao Tianwei and others jointly contributed Set up a holding subsidiary, Shanghai Tianyixing Intelligent Electric Co., Ltd. Co., Ltd., the company holds 94% of the shares.	For details, see the company's announcement on the designated information disclosure media on August 27, 2021 and the "About Joint Announcement on the Establishment of Holding Subsidiaries and Related Party Transactions for Foreign Investments.

2. Items that have been disclosed in temporary announcements, but there are progress or changes in subsequent implementation ☐Applicable ☐Not applicable

3. Matters not disclosed in the temporary announcement ☐Applicable ☐Not applicable

(IV) Credit and debt transactions with related parties

1. Matters that have been disclosed in temporary announcements and have no progress or changes in subsequent implementation ☐Applicable ☐Not applicable

2. Items that have been disclosed in temporary announcements, but there are progress or changes in subsequent implementation ☐Applicable ☐Not applicable

3. Matters not disclosed in the temporary announcement ☐Applicable ☐Not applicable

(V) Financial business between the company and the financial company with an associated relationship, the financial company controlled by the company and the related party ☐Applicable ☐Not applicable

(6) Others

☐Applicable ☐Not applicable

13. Significant contracts and their performance

(1) Entrustment, contracting and leasing matters

1. Custody situation

ÿApplicable ÿNot applicable

2. Contracting situation

ÿApplicable ÿNot applicable

3. Leasing situation

ÿApplicable ÿNot applicable

Unit: 10,000 Yuan Currency: RMB

lessor name	lessor name	lease assets Condition	lease capital production involves amount	from lease start date	lease termination day	rent rent receive beneficial	rental income Beneficial in accordance with	rental income Benefit to the public Division influence	whether association trade	association relation
Shanghai Tianzheng Machine Electricity (Group) has limited company	The company	house 220.75		2021-1-1	2021-12-31	/	/	/ Yes		shareholder son company

Description of lease

none

(2) Guarantee situation

ÿApplicable ÿNot applicable

(3) Entrusting others to manage cash assets

1. Entrusted wealth management (1)

General situation of entrusted wealth management

ÿApplicable ÿNot applicable

Unit: 10,000 Yuan Currency: RMB

Types of Funds Sources of Funds Raised by	Balance	Unexpired Balance Overdue	Uncollected Amount
Bank Wealth Management Products	29,400.00	29,400.00	0

Other situations

ÿApplicable ÿNot applicable

The company held the thirteenth meeting of the eighth board of directors and the ninth meeting of the eighth board of supervisors on September 30, 2021.

After passing the "Proposal on Using Part of Idle Raised Funds for Cash Management", it is agreed that the company will use no more than RMB 300 million (including

300 million yuan) of idle raised funds for cash management, which are used to purchase bank principal-guaranteed financial products or structured deposits and other wealth management products.

The term of use shall not exceed 12 months (including 12 months) from the date of deliberation and approval at the thirteenth meeting of the eighth board of directors. in the above

The quota and the resolution period can be used on a rolling basis.

(2) Individual entrusted wealth management

ÿApplicable ÿNot applicable

Other situations

ÿApplicable ÿNot applicable

(3) Impairment provision for entrusted wealth

management ýApplicable ýNot applicable

2. Entrusted loans (1) Overall

situation of entrusted loans ýApplicable

ýNot applicable

Other situations

ýApplicable ýNot applicable

(2) Individual entrusted loans ýApplicable

ýNot applicable

Other situations

ýApplicable ýNot applicable

(3) Provision for impairment of entrusted

loans ýApplicable ýNot applicable

3. Other situations

ýApplicable ýNot applicable

(IV) Other major contracts

ýApplicable ýNot applicable

XIV. Explanation of other major events that have a significant impact on investors' value judgments and investment decisions ýApplicable ýNot

applicable

Section 7 Changes in Shares and Shareholders

1. Changes in share capital

(1) Statement of changes in shares

1. Statement of Changes in Shares

Unit: share

	Before this change		Increase or decrease in this change (+, -)					After this change	
	quantity	Proportion (%)	Issuance of new shares	shares	Provident fund Convert stock	other	Subtotal	quantity	Proportion (%)
1. Shares subject to sales restrictions	330,000,000 82.29		3,115,500			-157,339,000 -154,223,500		175,776,500 43.50	
1. State-owned shares									
2. State-owned legal person holding shares									
3. Shares held by other domestic investors 330,000,000 82.29 Including: Shares held by			3,115,500			-157,339,000 -154,223,500 -15,840,000		175,776,500 43.50	
domestic non-state-owned legal persons 114,986,960 28.67 Shares held by domestic natural						-15,840,000 -141,499,000 -138,383,500		99,146,960 24.54	
persons 215,013,040 53.62 4. Shares held by foreign investors			3,115,500					76,629,540 18.96	
Of which: Shares held by foreign legal persons									
Shares held by foreign natural persons									
2. Unrestricted tradable shares 1.	71,000,000 17.71	71,000,000				157,261,500	157,261,500	228,261,500 56.50	
RMB ordinary shares 2. Domestically	17.71					157,261,500	157,261,500	228,261,500 56.50	
listed foreign shares									
3. Foreign shares listed overseas									
4. Other									
3. Total number of shares	401,000,000	100	3,115,500			-77,500	3,038,000	404,038,000	100

2. Explanation of changes in shares

Applicable Not applicable

On January 18, 2021, the company held the sixth meeting of the eighth board of directors and the fifth meeting of the eighth board of supervisors, respectively reviewing the The "Proposal on Adjusting the List and Quantity of the Company's 2020 Restricted Stock Incentive Plan Awarded for the First Time"

"Proposal on Granting Restricted Stocks to Incentive Objects for the First Time". The board of directors of the company believes that the restricted shares stipulated in this incentive plan The granting conditions of the votes have been fulfilled, and it is agreed to determine the granting of restricted shares to the incentive objects on January 18, 2021 as the first grant date, The grant price is RMB 7.17 per share. The company granted and registered a total of 3,115,500 restricted shares for the first time. March 8, 2021.

On July 23, 2021, the company held the tenth meeting of the eighth board of directors and the eighth meeting of the eighth board of supervisors. After passing the "Proposal on the Repurchase and Cancellation of Restricted Shares that have been granted but not yet released from restricted sales", the company has given the resignation incentive object to Tan Tan. A total of 77,500 restricted shares have been granted but have not yet been lifted by Zhengyan, Huang Yufei, Lv Qingpeng, Zhou Chen, and Han Pengkai Do a repo write-off. On October 26, 2021, the company completed the registration process at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. Procedures for repurchase and cancellation of the 77,500 restricted shares mentioned above.

On August 9, 2021, the 157,261,500 IPO restricted shares held by the company's 159 shareholders will be listed after the expiration of the restricted period. Pass.

3. The impact of changes in shares on financial indicators such as earnings per share and net assets per share in the last year and the latest period (if any) Applicable Not applicable

4. Other contents deemed necessary by the company or required by securities regulators to be disclosed Applicable Not applicable

(2) Changes in restricted shares

Applicable Not applicable

Unit: Share

Shareholder name	Restricted shares at the beginning of the year number	Unlimited this year Number of shares sold	Increase limit this year Number of shares sold	Year-end restricted shares number	Reasons for Restriction	Date of Release of Restriction
Tianzheng Group has limited company	99,146,960	0	0	99,146,960	initial public offering Row	2023-08-07
Gao Tianle 66,730,620		0	0	66,730,620	restricted IPO Row	2023-08-07
Gao Xiao	4,950,440	0	0	4,950,440	restricted IPO Row	2023-08-07
Gao Guoxuan	1,250,480	0	0	1,250,480	restricted IPO Row	2023-08-07
Gao Jue	660,000	0	0	660,000	restricted IPO IPO	2023-08-07
Yang Hong et al 144 shareholders	151,376,060 151,376,060		0	0	Restricted Shares Lifting the	2021-08-09
Wang Yong	936,540	936,540	150,000	150,000	ban on the IPO of restricted shares release, grant restricted stock	2021-08-09/ See Incentive Program for details Unlocking Arrangements
Zhou Guanghui	880,000	880,000	70,000	70,000 IPO	restricted shares	2021-08-09/

					release, grant restricted stock	See Incentive Program for details Unlocking Arrangements
Ge Shiwei	110,000	110,000	80,000	80,000	IPO of Restricted Shares release, grant restricted stock	2021-08-09/ See Incentive Program for details Unlocking Arrangements
Zhao Tianwei	805,200	805,200	80,000	80,000	IPO of Restricted Shares release, grant restricted stock	2021-08-09/ See Incentive Program for details Unlocking Arrangements
Fang Chufu	506,000	506,000	60,000	60,000	IPO of Restricted Shares release, grant restricted stock	2021-08-09/ See Incentive Program for details Unlocking Arrangements
Lu Yangming	451,000	451,000	70,000	70,000	IPO of Restricted Shares release, grant restricted stock	2021-08-09/ See Incentive Program for details Unlocking Arrangements
Iraqi political tide	286,000	286,000	70,000	70,000	IPO of Restricted Shares release, grant restricted stock	2021-08-09/ See Incentive Program for details Unlocking Arrangements
Yao Rongxi	280,500	280,500	70,000	70,000	IPO of Restricted Shares release, grant restricted stock	2021-08-09/ See Incentive Program for details Unlocking Arrangements
Yu Xu	363,000	363,000	50,000	50,000	IPO of Restricted Shares release, grant restricted stock	2021-08-09/ See Incentive Program for details Unlocking Arrangements
Xu Zusong	319,000	319,000	50,000	50,000	IPO of Restricted Shares release, grant restricted stock	2021-08-09/ See Incentive Program for details Unlocking Arrangements
Huang Yuan	231,000	231,000	70,000	70,000	IPO of Restricted Shares release, grant restricted stock	2021-08-09/ See Incentive Program for details Unlocking Arrangements
Zhang Bingwei	297,000	297,000	40,000	40,000	IPO of Restricted Shares release, grant restricted stock	2021-08-09/ See Incentive Program for details Unlocking Arrangements
Wu Qiang	143,000	143,000	30,000	30,000	IPO of Restricted Shares release, grant restricted stock	2021-08-09/ See Incentive Program for details Unlocking Arrangements
Li Shuyu	242,000	242,000	15,000	15,000	IPO of Restricted Shares release, grant restricted stock	2021-08-09/ See Incentive Program for details Unlocking Arrangements
Li Peng	35,200	35,200	30,000	30,000	IPO of Restricted Shares release, grant restricted stock	2021-08-09/ See Incentive Program for details Unlocking Arrangements
132 others restricted stock Incentive object	0	0	2,103,000	2,103,000	grant restrictive stock	See Incentive Program for details Unlocking Arrangements
Total	330,000,000	157,261,500	3,038,000	175,776,500	/	/

II. Securities Issuance and Listing

(I) Securities issuance as of the reporting period

√Applicable √Not applicable

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Unit: Share Currency: RMB

Stocks and Derivatives	issue date	Issue price	Number of Issues Listing Date	Approved for listing	end of transaction
Types of Securities		(or interest rate)		Number of transactions	expiry date
Common Stock Shares					
RMB ordinary shares	2021-03-08	7.17	3,115,500		

Explanation of securities issuance as of the reporting period (for bonds with different interest rates during the duration, please explain separately):

☐Applicable ☐Not applicable

Taking March 8, 2021 as the grant date, the company granted 3,115,500 restricted shares to 152 incentive objects at the grant price.

The price is 7.17 yuan per share, and the source of the stock is the company's directional issuance of the company's RMB A-share ordinary shares to the incentive objects. March 2021

On March 8, the company completed the registration of the above-mentioned shares in the Shanghai Branch of China Securities Depository and Clearing Corporation Limited.

(2) Changes in the total number of shares of the company and changes in the structure of shareholders and changes in the structure of assets and liabilities of the company

☐Applicable ☐Not applicable

For details of the total number of shares of the company and changes in the shareholder structure, please refer to "I.

Changes" section.

For details of changes in the company's assets and liabilities structure, please refer to "V. Reporting Period" of "Section III. Management Discussion and Analysis" in this report.

"(3) Analysis of Assets and Liabilities" in "Main Operating Conditions".

(3) Existing internal employee shares

☐Applicable ☐Not applicable

3. Shareholders and actual controllers

(1) Total number of shareholders

The total number of ordinary shareholders as of the end of the reporting period (account)	30,803
The total number of ordinary shareholders at the end of the previous month before the disclosure date of the annual report (account)	31,017
The total number of preferred shareholders with their voting rights restored as of the end of the reporting period (account) The	-
preferred shares with restored voting rights at the end of the previous month before the disclosure date of the annual report Total number of shareholders (households)	-

(2) As at the end of the reporting period, the top ten shareholders and top ten tradable shareholders (or shareholders not subject to selling restrictions) shareholdings

Unit: share

Shareholdings of the top ten shareholders							
Shareholder name (full name)	increase during the reporting period reduce	Number of shares held at the end of the period quantity	Proportion (%)	hold limited sale Conditional number of shares quantity	pledge, bid remember or freeze Situation Nature of Shareholders		
					shares state	number quantity	
Tianzheng Group Co., Ltd.	0	99,146,960	24.54	99,146,960	No	0	non-state-owned legal person
Gao Tianle	0	66,730,620	16.52	66,730,620	No	0	Domestic natural person
Shanghai Fuding Investment Management Co., Ltd. Partnership (Limited Partnership) - Shanghai Fuding Phase I Equity Investment Fund Partnership (Limited Partnership)	-3,514,710	7,045,290	1.74	0	none	0	other
Kou Guangzhi	-1,820,000	6,100,000	2,313,300	5,606,700	1.51	0	None 0 Domestic natural person
Yang Hong			1.39		0	None 0 Domestic natural person	

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Gao	0 4,950,440 -100 3,582,820	1.23 4,950,440 None 0 Domestic natural persons		
Xiaoyu	3,550,000 3,550,000	0.89	0 None 0 Domestic natural person	
Yusuifei Hu		0.88	0 None 0 Domestic natural person	
Chunyong Agricultural Bank of China Co., Ltd. Co., Ltd. - Bank of Communications Schroders Advanced Manufacturing Hybrid Securities investment fund	3,545,122 3,545,122	0.88	0 none 0 other	
huangyuechi	0 3,229,380 0.80 Shareholdings of the top		0 None 0 Domestic natural person	
ten shareholders not subject to selling restrictions				
Shareholder name	The number of unrestricted tradable shares held	Type and quantity of shares		
		number of species		
Shanghai Fuding Investment Management Partnership (Limited Partnership) - Shanghai Fuding Phase I Equity Investment Fund Golden Partnership (Limited Partnership)	7,045,290	RMB general Common stock		7,045,290
Kou Guangzhi	6,100,000	RMB general Common		6,100,000
Yang Hong	5,606,700	stock in RMB Common		5,606,700
Yu Suifei	3,582,820	stock in RMB Common		3,582,820
Hu Chunyong	3,550,000	stock in RMB Common stock		3,550,000
Agricultural Bank of China Limited - Bank of Communications Schroders Advanced Manufacturing Hybrid Portfolio Investment Fund gold	3,545,122	RMB general Common stock		3,545,122
huangyuechi	3,229,380	RMB general Common stock		3,229,380
China Merchants Bank Co., Ltd. - Bank of Communications Shi Luo German Equilibrium Growth One-Year Holding Period Hybrid Securities investment fund	3,150,685	RMB general Common stock		3,150,685
Hu Zhongsheng	2,713,660	RMB general Common		2,713,660
Schreger	2,580,800	stock in RMB Common stock		2,580,800
Description of the special account for repurchase among the top ten shareholders				
The above-mentioned shareholders' entrusted voting rights and entrusted voting				
Explanation of rights and waiver of voting rights				
The statement that the above-mentioned shareholders are affiliated or acting in concert bright	<p>Among the above shareholders, Gao Tianle and Gao Xiao have a father-son relationship and act in concert; Gao Tianle holds 63.05% of Tianzheng Group Co., Ltd. (hereinafter referred to as "Tianzheng Group")</p> <p>Equity, and served as chairman of Tianzheng Group, the actual controller of Tianzheng Group; Huang Yue Chi holds a 0.98% stake in Tianzheng Group and serves as the director and general manager of Tianzheng Group.</p> <p>Li; Kou Guangzhi is the brother of Yang Hong's spouse; Hu Zhongsheng holds 1.63% of Tianzheng Group, And serve as director of Tianzheng Group; Shi Leijie holds 5.73% equity of Tianzheng Group, and is responsible for Chairman of the Supervisory Committee of Tianzheng Group, Shi Leijie is Gao Tianle's cousin. Besides, the public</p> <p>The company does not know whether there is any relationship between the other top ten shareholders and the top ten shareholders not subject to selling restrictions.</p> <p>association or acting in concert.</p>			
Preferred shareholders with restored voting rights and the number of shares held Quantity Description				

Number of shares held by the top ten shareholders with restrictions on sales and restrictions on sales

•Applicable •Not applicable

Unit: share

sequence No	Name of Shareholders with Sales Restrictions	limited holding Sale conditional shares quantity	Restricted shares can be listed and traded		Restrictions
			Circumstances can be listed and traded time	Add new listing Easy Share Quantity	
1	Tianzheng Group Co., Ltd.	99,146,960 Restricted	for 36 months from 2023-08-07	- the date the company's stock is listed	
2	Gao Tianle	66,730,620 2023-08-07		- the date the company's stock is listed	Limited sale within 36 months
3	Gao Xiao	4,950,440 2023-08-07		- the date the company's stock is listed	Limited sale within 36 months
4	Gao Guoxuan	1,250,480 2023-08-07		- the date the company's stock is listed	Limited sale within 36 months
5	Gao Jie	660,000 2023-08-07		- the date the company's stock is listed	Limited sale within 36 months
6	Wang Yong	150,000 -		- See restricted stock incentives for details	Restrictions on the Rewards Program
7	Ge Shiwei	80,000 -		- See restricted stock incentives for details	Restrictions on the Rewards Program
	Zhao Tianwei	80,000 -		- See restricted stock incentives for details	Restrictions on the Rewards Program
8	Zhou Guanghui	70,000 -		- See restricted stock incentives for details	Restrictions on the Rewards Program
	Huang Yuan	70,000 -		- See restricted stock incentives for details	Restrictions on the Rewards Program
	Iraqi political tide	70,000 -		- See restricted stock incentives for details	Restrictions on the Rewards Program
	Lu Yangming	70,000 -		- See restricted stock incentives for details	Restrictions on the Rewards Program
	Li Dingkin	70,000 -		- See restricted stock incentives for details	Restrictions on the Rewards Program
	Wan Sikuan	70,000 -		- See restricted stock incentives for details	Restrictions on the Rewards Program
	Zhou Qing	70,000 -		- See restricted stock incentives for details	Restrictions on the Rewards Program
	Husvah	70,000 -		- See restricted stock incentives for details	Restrictions on the Rewards Program
	Yao Rongxi	70,000 -		- See restricted stock incentives for details	Restrictions on the Rewards Program
	Sun Yingsu	70,000 -		- See restricted stock incentives for details	Restrictions on the Rewards Program
9	Fang Chufu	60,000 -		- See restricted stock incentives for details	Restrictions on the Rewards Program
	Xie Xiaoran	60,000 -		- See restricted stock incentives for details	Restrictions on the Rewards Program
	Wang Lei	60,000 -		- See restricted stock incentives for details	Restrictions on the Rewards Program

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10	Xu Zusong	50,000 -		- See restricted stock incentives for details
	Yu Xu	50,000 -		- See restricted stock incentives for details
The statement that the above-mentioned shareholders are affiliated or acting in concert		Among the above shareholders, Gao Guoxuan is the father of Gao Tianle, and Gao Xiao and Gao Jue are the sons of Gao Tianle. Gao Guoxuan, Gao Tianle, Gao Xiao, and Gao Jue are acting in concert; Gao Tianle holds Tianzheng Collection Group Co., Ltd. (hereinafter referred to as "Tianzheng Group") 63.05% equity, and served as Tianzheng Chairman of the group, the actual controller of Tianzheng Group; Gao Guoxuan holds Tianzheng Group 0.41% equity.		

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

Applicable Not applicable

IV. Controlling shareholders and actual controllers

(I) Controlling shareholders

1 Legal person

Applicable Not applicable

Name of	Tianzheng Group Co., Ltd.
the person in charge of the unit or the date of	Gao Tianle
establishment of the legal representative Main business	1997-07-07
operations Other domestic holdings and shares during	investment management
the reporting period	none
Other information on the equity of foreign	
listed companies	none

2 Natural person

Applicable Not applicable

3 Special explanation on the fact that the company does not have a controlling

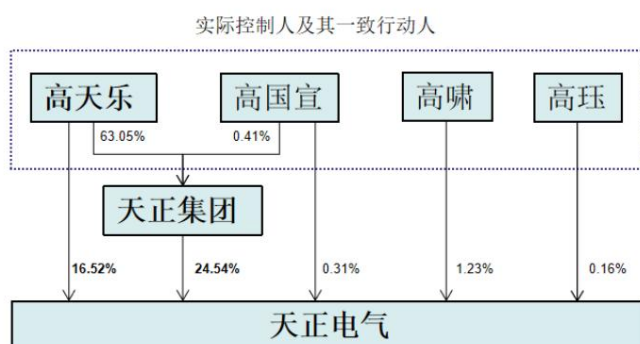
shareholder Applicable Not applicable

4 Explanation on the change of controlling shareholder during the reporting

period Applicable Not applicable

5 Block diagram of the property rights and control relationship between the company and the controlling

shareholder Applicable Not applicable



(2) The actual controller

1 Legal person

☑Applicable ☐Not applicable

2 Natural person

☑Applicable ☐Not applicable

Gao Tianle	
Nationality: Chinese	
Whether to obtain the right of abode in other countries or regions	is
Main occupation and position	Currently Chairman of Tianzheng Group, Chairman of Tianzheng Electromechanical, Chairman and President of the Company manager.
Domestic and overseas listed companies that have been controlled in the past 10 years	none
Division situation	

3 Special explanation on the fact that the company has no actual controller

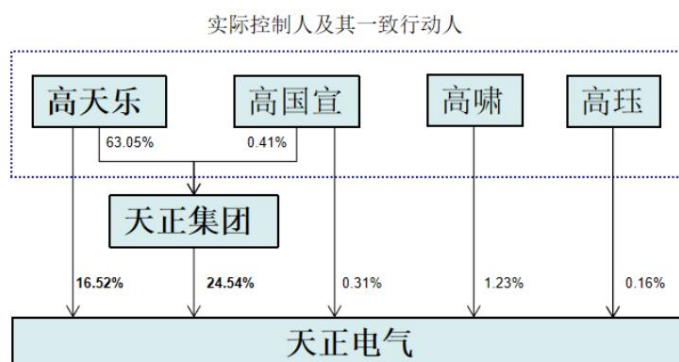
☑Applicable ☐Not applicable

4 Explanation on the change of the company's control during the reporting period

☑Applicable ☐Not applicable

5 Block diagram of the property rights and control relationship between the company and the actual

controller ☑Applicable ☐Not applicable



6 The actual controller controls the company through trust or other asset management methods

☑Applicable ☐Not applicable

(3) Other information on controlling shareholders and actual controllers

☑Applicable ☐Not applicable

V. The proportion of the company's controlling shareholder or the largest shareholder and its persons acting in concert with the accumulative number of pledged shares to the number of company shares held by them

above 80%

☑Applicable ☐Not applicable

6. Other legal person shareholders holding more than 10% of the shares

☑Applicable ☐Not applicable

7. Explanation on share restriction and reduction

☐Applicable ☐Not applicable

For details, please refer to the relevant contents of the restricted shares in "I. Fulfillment of Commitments" in "Section VI, Important Events" of this report.

VIII. Specific implementation of share repurchase during the reporting period

☐Applicable ☐Not applicable

Unit: Currency: RMB

Name of the share repurchase plan	Reviewing the cancellation of the restricted stock that has been granted but not unlocked by the resignation incentive object
Disclosure time of the share repurchase plan	July 26, 2021
Number of shares to be repurchased and its ratio to the total share capital example(%)	0.02%
Amount to be repurchased	532,425
Amount to be repurchased	October 2021
for the purpose of	log out
repurchase during the repurchase	77,500
period (shares) Amount of repurchased amount accounted for in the equity incentive plan and the proportion of the underlying stock (%) (if any)	2.49%
The company uses centralized bidding to reduce its holdings Progress on share repurchase	

Section VIII Preference Shares

☐Applicable ☐Not applicable

Section IX Bonds Related Information

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

☐Applicable ☐Not applicable

II. Convertible corporate bonds ☐Applicable

☐Not applicable

Section X Financial Report

1. Audit report

√Applicable √Not applicable

Audit Report

Zhongxing Huashen Zi (2022) No. 510010

All shareholders of Zhejiang Tianzheng Electric Co., Ltd.:

I. Audit opinion

We audited the financial statements of Zhejiang Tianzheng Electric Co., Ltd. (hereinafter referred to as "Tianzheng Electric Company"), including

Consolidated and Parent Balance Sheets as at 31 December 2021, Consolidated and Parent Income Statements, Consolidated and Parent Income Statements for 2021

The company's cash flow statement, consolidated and parent company's statement of changes in shareholders' equity, and related notes to the financial statements.

We believe that the attached financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises in all material respects and fairly reflect Tianzheng

Electric Company Consolidated and Parent Company Financials at December 31, 2021 and 2021 Consolidated and Parent Company Operating Results

and cash flow.

2. Forming the basis for the audit opinion

We performed the audit work in accordance with the Chinese Certified Public Accountants Auditing Standards. Auditor's Report "Certified Accountant's

Our responsibilities under these standards are further explained in the "Responsibility for Auditing Financial Statements" section. In accordance with the professional ethics of Chinese certified public accountants

Code, we are independent of Tianzheng Electric Company and fulfill other responsibilities in professional ethics. We believe that the review we have obtained

The audit evidence is sufficient and appropriate to provide a basis for an audit opinion.

3. Key audit matters

The key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These things

The response to these items is based on the background of auditing the financial statements as a whole and forming an audit opinion, and we do not express an independent opinion on these matters.

We have identified the following matters as the key audit matters that need to be communicated in the audit report.

(1) Revenue recognition

1. Item description

The operating income of Tianzheng Electric Company is mainly the sales income of low-voltage electrical products. Tianzheng Electric Company's 2021 annual financial statements

The amount of operating income items shown is RMB 2,921,911,600. For the accounting policies for revenue recognition, please refer to "V. 38. Revenue" in this section.

Since revenue is one of Tianzheng Electric's key performance indicators, we identify Tianzheng Electric's revenue recognition as a key

key audit matters.

2. Audit response

The main procedures we performed in response to the above key audit matters related to revenue recognition include:

(1) Understand and evaluate the design and operational effectiveness of management's key internal controls related to revenue recognition;

(2) Select samples to check sales contracts and product distribution agreements, and identify those related to individual performance obligations and the transfer of control over goods

the contract terms, and evaluate whether Tianzheng Electric Company's revenue recognition time point meets the requirements of the Accounting Standards for Business Enterprises;

(3) Select a sample of the revenue confirmed during the reporting period, check the sales contract (order), invoice, delivery note, and domestic sales receipt

Bill of lading, export declaration form, bill of lading and other supporting documents, and evaluate whether the relevant revenue recognition is in line with the revenue recognition of Tianzheng Electric Co., Ltd.

Accounting Policies;

(4) Analyze the revenue and gross profit margin in combination with the product type to determine whether there is any abnormal fluctuation in the amount of revenue during the reporting period

Case;

(5) For the income transactions recorded before and after each balance sheet date in the reporting period, select samples and check the delivery documents and other supporting documents.

Documentation to assess whether revenue was recorded in the appropriate accounting period;

(6) Select samples to confirm the important end customers and distributors during the reporting period to verify the authenticity and accuracy of revenue recognition.

accuracy and completeness.

(7) Review the accuracy of the accrual of sales rebate amount through procedures such as confirmation, analysis and recalculation.

(2) Impairment of notes receivable and accounts receivable

1. Item description

The total amount of notes receivable and accounts receivable of Tianzheng Electric Company on December 31, 2021 was RMB 893.5619 million, accounting for the end of the period.

27.37% of the total assets, and the amount of notes receivable and accounts receivable is relatively high. The provision for bad debts has an impact on the financial position and

The impact of operating results is significant, and the provision for bad debts largely depends on the judgments and estimates made by the management, so we

The impairment of bills receivable and accounts receivable was identified as a key audit matter.

2. Audit response

The main procedures we performed in relation to the above key audit matters related to the impairment of bills receivable and accounts receivable include:

(1) Review the approval process for the provision for bad debts of bills receivable and accounts receivable, and check the accounting for the provision for bad debts.

the reasonableness of the policy;

(2) Analyze and compare the rationality and consistency of bad debt provision for bills receivable and accounts receivable during the reporting period;

(3) Analyze the transactions of major customers during the reporting period, and implement the account receivable impairment test procedures, combined with the management's

Payback evaluation of bills and accounts receivable in the current period and after the period

The rationality of the provision for bad debts of accounts receivable;

(4) Obtain the bad debt provision accrual table, analyze and check the rationality of key assumptions and data, and the amount of bad debt accrued by the management.

accuracy.

4. Other information

The management of Tianzheng Electric Company is responsible for other information. Additional information includes information covered in the 2021 Annual Report but does not include

including financial statements and our audit report.

Our audit opinion on the financial statements does not cover the other information, nor do we issue any form of assurance on the other information

in conclusion.

In conjunction with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information

There is a material inconsistency or a material misstatement that appears to exist in the financial statements or what we learned during the audit.

Based on the work we have performed, if we determine that other information is materially misstatement, we should report that fact. At this

On the other hand, we have nothing to report.

V. Responsibilities of management and those charged with governance for the financial statements

The management of Tianzheng Electric Company (hereinafter referred to as the management) is responsible for the preparation of financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises, so that the

Achieving a fair presentation and designing, implementing and maintaining the necessary internal controls so that the financial statements are free from fraud or error

material misstatement.

When preparing the financial statements, the management is responsible for evaluating Tianzheng Electric's ability to continue as a going concern, and for disclosing information related to going concern.

matters (if applicable), and apply the going concern assumption unless management plans to liquidate Tianzheng Electric Company, cease operations, or otherwise

His realistic choice.

Those charged with governance are responsible for overseeing Tianzheng Electric Company's financial reporting process.

6. The CPA's Responsibilities for the Audit of Financial Statements

Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement due to fraud or error, and

Issue an audit report containing an audit opinion. Reasonable assurance is a high level of assurance, but does not

A material misstatement is always detected when a material misstatement exists. Misstatement may result from fraud or error, if the misstatement is reasonably expected to be either alone or

Misstatements are generally considered to be material if, in aggregate, they may affect the economic decisions that users of the financial statements make based on the financial statements.

We exercise professional judgment and maintain professional scepticism in conducting our audit in accordance with auditing standards. At the same time, we

Also do the following:

(1) Identify and assess the risk of material misstatement of the financial statements due to fraud or error, and design and implement audit procedures to respond to

These risks, and obtain sufficient and appropriate audit evidence as a basis for expressing an audit opinion. Since fraud may involve string

failure to detect risk of material misstatement due to fraud

The risk is higher than the risk of failing to detect a material misstatement due to an error.

(2) To understand the internal control related to auditing so as to design appropriate auditing procedures.

(3) Evaluate the appropriateness of the management's selection of accounting policies and the rationality of accounting estimates and related disclosures.

(4) draw conclusions on the appropriateness of management's use of the going concern assumption. At the same time, based on the audit evidence obtained, it may be possible to

Whether there are significant uncertainties in matters or circumstances that give rise to significant doubts about Tianzheng Electric's ability to continue as a going concern.

Auditing standards require us to bring to the attention of users of the statement in our audit report if we conclude that a material uncertainty exists

Relevant disclosures in the financial statements; if the disclosures are insufficient, we should express an unqualified opinion. Our conclusions are based on the

information available on the reporting date. However, future events or circumstances may result in Tianzheng Electric Company being unable to continue as a going concern.

(5) Evaluate the overall presentation (including disclosure), structure and content of the financial statements, and evaluate whether the financial statements reflect fairness

related transactions and matters.

(6) Obtain sufficient and appropriate audit evidence on the financial information of entities or business activities in

Comment on the report. We are responsible for directing, supervising and performing group audits. We accept full responsibility for our audit opinion.

We communicate with those charged with governance on matters such as the planned scope, timing and significant audit findings of the audit, including communicating our

Notable internal control deficiencies identified during the audit.

We also provide a statement to those charged with governance that we have complied with ethical requirements related to independence and communicate with those charged with

All relationships and other matters reasonably believed to affect our independence, and related precautions, if applicable.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore relevant
key audit matters. We describe these matters in our audit report unless laws and regulations prohibit public disclosure of these matters, or in the rare

In many cases, if the adverse consequences of communicating a matter in the audit report would reasonably be expected to outweigh the benefits in the public interest

, we determined that the matter should not be communicated in the audit report.

Zhongxinghua Certified Public Accountants (special general partnership) Chinese certified public accountant: Gao

Minjian (project partner)

Beijing China

Chinese Certified Public Accountant: Pang Yuwen

April 28, 2022

2. Financial Statements

Consolidated Balance Sheet

December 31, 2021 Prepared

by: Zhejiang Tianzheng Electric Co., Ltd.

Unit: Currency: RMB

project	Note 31 December 2021	December 31, 2020	
Current assets:			
monetary	Seven, 1	816,814,810.48	1,060,284,566.99
capital trading financial assets			
Derivative financial assets			
Notes Receivable	Seven, 4	83,261,254.73	88,700,864.73
Accounts	Seven, 5	810,300,661.16	774,488,234.68
Receivable Accounts	Seven, 6	325,935,376.38	324,714,776.99
Receivable Financing	Seven, 7	5,207,997.89	6,282,284.68
Advances Other	Seven, 8	21,753,950.94	8,099,155.12
Receivables Including: Interest Receivable			
Dividends receivable			
Repurchase of resale financial assets			
	Seven,	355,550,869.24	306,697,349.77
Inventory	9 Seven, 10	1,071,021.72	
Contract Assets Held for Sale Assets			
Non-current assets due within one year VII	12 Other	15,000,000.00	
current assets VII. 13 Current assets Total non-current assets		107,382,425.02	64,814,829.82
		2,542,278,367.56	2,634,082,062.78
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investment	Seven, 17	46,940,554.37	
Other equity instrument investment			
Other non-current financial assets			
investment real estate			
Fixed assets	Seven, 21	359,441,951.77	325,306,034.96
Construction in	Seven, 22	111,063,056.92	22,877,604.22
progress productive biological assets			
oil and gas asset			
Right-of-use assets	Seven, 25	12,472,928.63	
Intangible assets	Seven, 26	114,278,184.15	116,341,192.82
development expenditure			
goodwill			
Long-term deferred	Seven, 29	8,379,495.12	8,361,163.00
expenses Deferred tax	Seven, 30	48,599,879.43	38,204,813.75
assets Other non-current assets	Seven, 31	21,302,163.62	19,621,199.10
Total non-current assets		722,478,214.01	530,712,007.85
Total assets Current		3,264,756,581.57	3,164,794,070.63
liabilities:			
Held-for-trading	Seven, 32	90,103,583.34	40,051,160.70
financial liabilities for short-term borrowings			

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Derivative financial liabilities			
Bills Payable	Seven, 35	72,648,219.09	12,131,938.43
Accounts Payable	Seven, 36	1,067,969,989.03	1,059,927,293.83
Advance Receipts			
Contract	Seven, 38	8,529,468.56	3,927,195.35
liabilities Payable	Seven, 39	72,599,411.18	77,611,747.48
employee benefits	Seven, 40	5,806,173.76	25,625,498.31
Taxes payable Other	Seven, 41	60,619,175.74	20,216,343.05
payables Including: Interest payable			
dividends payable			
held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities	7. 44	126,335,313.98	171,689,259.58
Total current liabilities		1,504,611,334.68	1,411,180,436.73
Non-current liabilities:			
Long term loan			
Bonds payable			
Of which: preferred stock			
perpetual bond			
Lease liability	7. 47	10,626,659.19	
long-term payables			
Long-term employee compensation payable			
Estimated	Seven, 50	16,775,297.23	16,457,042.27
liabilities	Seven, 51	6,754,857.81	2,809,449.07
Deferred income Deferred tax liabilities			
Other non-current liabilities			
Total non-current		34,156,814.23	19,266,491.34
liabilities Total		1,538,768,148.91	1,430,446,928.07
liabilities Owner's equity (or shareholders' equity):			
Paid-in capital (or share capital)	Seven, 53	404,038,000.00	401,000,000.00
Other equity instruments			
Of which: preferred stock			
perpetual bond			
Less capital	Seven, 55	674,394,245.70	655,626,535.70
reserve: other	Seven, 56	20,871,060.00	
comprehensive income from treasury shares			
Special reserves			
The undistributed	Seven, 59	115,595,976.95	104,713,483.92
profit of surplus reserve	Seven, 60	549,831,757.01	573,007,122.94
is attributable to the owner's equity of the parent company			
(or shareholders' equity) total		1,722,988,919.66	1,734,347,142.56
minority shareholders' equity		2,999,513.00	
owners' equity (or shareholders' equity) profit) total		1,725,988,432.66	1,734,347,142.56
liabilities and owners' equity (or Shareholders' equity) Total		3,264,756,581.57	3,164,794,070.63

company person in charge: Gao Tianle

Person in charge of accounting work: Wang Yong

Person in charge of accounting department: Huang Yuan

Parent Company Balance Sheet

December 31, 2021

Prepared by: Zhejiang Tianzheng Electric Co., Ltd.

Unit: Currency: RMB

project	Note 31 December 2021	December 31, 2021	December 31, 2020
Current assets:			
monetary		724,756,583.83	957,050,679.62
capital trading financial assets			
Derivative financial assets			
Notes Receivable		83,261,254.73	88,700,864.73
Accounts	Seventeen, 1	828,011,371.94	767,876,920.67
Receivable Accounts		325,935,376.38	324,714,776.99
Receivable Financing		5,181,774.85	6,281,376.40
Advances Other	Seventeen, 2	21,817,390.11	58,029,357.19
Receivables Including: Interest Receivable			
Dividends receivable			
		261,585,555.30	240,229,650.66
Inventory		1,071,021.72	
Contract Assets Held for Sale Assets			
Non-current assets due within one		15,000,000.00	
year Other current assets Total		96,401,156.66	58,599,583.99
non-current assets:		2,363,021,485.52	2,501,483,210.25
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investment	Seventeen, 3	273,940,554.37	180,000,000.00
Other equity instrument investment			
Other non-current financial assets			
investment real estate			
Fixed assets		197,932,218.84	164,998,489.81
Construction in		103,671,975.22	21,765,991.90
progress productive biological assets			
oil and gas asset			
Right-of-use assets		12,472,928.63	
Intangible assets		80,680,089.33	81,829,777.23
development expenditure			
goodwill			
Long-term deferred		1,968,207.22	1,630,379.90
expenses Deferred tax		42,116,209.12	37,698,197.95
assets Other non-current assets		19,489,813.62	18,342,829.10
Total non-current assets		732,271,996.35	506,265,665.89
Total assets Current		3,095,293,481.87	3,007,748,876.14
liabilities:			
Held-for-trading		90,103,583.34	40,051,160.70
financial liabilities for short-term borrowings			
Derivative financial liabilities			
bills payable		72,648,219.09	12,131,938.43

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Accounts		949,171,594.88	948,618,469.94
Payable Advances			
Contract		8,529,468.56	3,927,195.35
liabilities Payable		63,885,626.53	68,837,193.82
employee benefits		2,495,719.06	21,896,615.28
Taxes payable Other		56,222,688.24	18,111,027.99
payables Including: Interest payable			
dividends payable			
held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities		126,335,313.98	171,689,259.58
Total current liabilities		1,369,392,213.68	1,285,262,861.09
Non-current liabilities:			
Long term loan			
Bonds payable			
Of which: preferred stock			
perpetual bond			
Lease liability		10,626,659.19	
long-term payables			
Long-term employee compensation payable			
Estimated		16,775,297.23	16,457,042.27
liabilities		6,754,857.81	2,809,449.07
Deferred income Deferred tax liabilities			
Other non-current liabilities			
Total non-current		34,156,814.23	19,266,491.34
liabilities Total		1,403,549,027.91	1,304,529,352.43
liabilities Owner's equity (or shareholders' equity):			
Paid-in capital (or share capital)		404,038,000.00	401,000,000.00
Other equity instruments			
Of which: preferred stock			
perpetual bond			
Less capital		688,125,835.42	669,358,125.42
reserve: other		20,871,060.00	
comprehensive income from treasury shares			
Special reserves			
Surplus reserve		126,450,423.63	115,567,930.60
undistributed profit		494,001,254.91	517,293,467.69
owner's equity (or shareholders' equity profit) total		1,691,744,453.96	1,703,219,523.71
liabilities and owners' equity (or Shareholders' equity) Total		3,095,293,481.87	3,007,748,876.14

company person in charge: Gao Tianle

Person in charge of accounting work: Wang Yong

Person in charge of accounting department: Huang Yuan

2021 Annual Report

Consolidated Income Statement

January-December 2021

Unit: Currency: RMB

Item 1.	Notes	2021	2020
Total operating income of which:		2,921,911,560.93	2,473,233,541.84
operating income 2. Total operating	Seven, 61	2,921,911,560.93	2,473,233,541.84
cost of which: operating costs,		2,775,143,638.57	2,203,238,121.93
taxes and additional sales expenses,	Seven, 61	2,227,039,084.01	1,785,823,505.29
management expenses,	Seven, 62	16,433,728.72	15,253,148.45
research and	Seven, 63	282,457,432.31	198,785,624.72
development expenses,	Seven, 64	131,725,402.20	112,900,256.41
financial expenses, of	Seven, 65	131,793,157.71	94,209,521.83
which: interest	Seven, 66	-14,305,166.38	-3,734,934.77
expenses, interest income		3,508,242.22	4,044,822.88
plus: other		18,029,187.96	8,141,057.85
income investment income (losses	7. 67	38,447,099.79	34,123,374.97
are filled with "-"	7. 68	-900,840.51	
List)			
Of which: For associates and joint ventures			
investment income			
Gold measured at amortized cost			
Financial assets derecognition income			
Exchange gains (losses are filled with "-"			
List)			
Net exposure hedging gains (losses in			
Fill in with "-")			
Gains from changes in fair value (losses in			
Fill in with "-")			
Credit impairment losses (losses are marked with "-"	Seven, 71	-65,596,540.86	-9,952,783.78
number)			
Asset impairment losses (losses are marked with "-"	Seven, 72	-12,497,430.08	-4,583,819.16
number)			
Income from disposal of assets (losses are marked with "-"	Seven, 73	391,493.11	-216,215.74
3.			
Operating profit (losses are listed with "-") Plus:		106,611,703.81	289,365,976.20
non-operating income minus non-operating	Seven, 74	2,280,282.31	624,830.63
expenses 4. Total profit (total losses are	Seven, 75	1,925,906.59	8,500,662.08
marked with "-"			
Fill in)		106,966,079.53	281,490,144.75
Less: Income tax	Seven, 76	-1,975,210.57	34,661,876.98
expenses V. Net profit (fill in with "-") for net loss			
(1)		108,941,290.10	246,828,267.77
Classification by business continuity			
1. Net profit from continuing operations (net loss equal to			
Fill in with "-") 2. Net		108,941,290.10	246,828,267.77
profit from discontinued operations (net loss equal to			
Fill in with "-")			
(2) Classification by ownership			

1. Net profit attributable to shareholders of the parent company (The net loss is listed with "-") 2. Minority		108,941,777.10	246,828,267.77
shareholders' profit and loss (net loss is listed with "-") Fill in with "-") 6. Net		-487.00	
after-tax other comprehensive income			
(1) Others belonging to the owners of the parent company Comprehensive income, net of tax			
1. Other comprehensive items that cannot be reclassified into profit or loss combined income			
(1) Changes in re-measurement of defined benefit plans Forehead			
(2) Others that cannot be transferred to profit or loss under the equity method Comprehensive income			
(3) Fair value of other equity instrument investments change			
(4) Fair value of the company's own credit risk change			
2. Other comprehensive reclassification to profit or loss income			
(1) Other comprehensive items that can be transferred to profit or loss under the equity method combined income			
(2) Changes in fair value of other debt investments			
(3) Financial assets are reclassified and included in other comprehensive Amount of combined income			
(4) Provision for credit impairment of other debt investments			
(5) Cash flow hedging reserve			
(6) Differences in translation of foreign currency financial statements			
(7) Others			
(2) Other comprehensive assets attributable to minority shareholders Net after-tax amount of combined income			
7. Total comprehensive income (1)		108,941,290.10	246,828,267.77
Comprehensive income attributable to owners of the parent company Total combined income		108,941,777.10	246,828,267.77
(2) Comprehensive income attributable to minority shareholders 8. Earnings		-487.00	
per share:			
(1) Basic earnings per share (yuan/share) 18. 2 (2) Diluted earnings per share		0.27	0.70
(yuan/share) 18. 2 In the case of business combination under the same control in		0.27	0.70

period, the merged party realizes it before the combination Net profit is: 0 yuan, realized by the merged party in the previous period

The net profit is: 0 yuan. Person

in charge of the company: Gao Tianle

Person in charge of accounting work: Wang Yong

Person in charge of accounting department: Huang Yuan

Parent company income statement

January-December 2021

Unit: Yuan Currency: RMB 2021 Year

project	Notes	2020 Seventeen, 4 2,850,135,163.30 2,374,886,804.73	
1. Less operating income:			
operating costs	Seventeen, 4 2,209,094,050.82 1,751,892,290.57		

Taxes and additional		11,521,009.99	11,519,042.11
sales expenses,		278,283,026.97	194,767,104.46
management expenses,		100,158,828.79	87,121,920.98
research and		114,100,491.24	85,633,574.47
development expenses,		-12,833,980.44	-3,186,963.19
financial expenses, including:		3,508,242.22	4,028,052.05
interest expenses,		16,520,368.35	7,544,064.03
interest income plus: other income		36,610,650.85	32,789,370.39
investment income (losses are filled with "-") List)	Seventeen, 5	-900,840.51	
Of which: For associates and joint ventures investment income			
Gold measured at amortized cost Financial assets derecognition income			
Net exposure hedging gains (losses in Fill in with "-")			
Gains from changes in fair value (losses in Fill in with "-")			
Credit impairment losses (losses are marked with "-" number)		-65,934,895.62	-10,239,479.23
Asset impairment losses (losses are marked with "-" number)		-8,134,534.52	-3,141,035.42
Income from disposal of assets (losses are marked with "-" 2.		391,493.11	-216,215.74
Operating profit (losses are listed with "-") Plus:		111,844,609.24	266,332,475.33
non-operating income minus: non-operating		2,213,350.99	604,399.41
expenses 3. Total profit (total losses are marked with "-" Fill in)		112,807,031.14	260,311,068.23
Less: Income tax		3,982,100.89	30,963,816.87
expenses		108,824,930.25	229,347,251.36
Fill in with "-") (2) Net		108,824,930.25	229,347,251.36
profit from discontinued operations (net loss equal to Fill in with "-")			
V. Other comprehensive income, net after tax			
(1) Others that cannot be reclassified into profit or loss Comprehensive income			
1. Remeasurement of changes in defined benefit plans Forthwith			
2. Others that cannot be transferred to profit or loss under the equity method Comprehensive income			
3. Fair value of other equity instrument investments change			
4. The fair value of the company's own credit risk change			
(2) Other comprehensive items that will be reclassified into profit or loss combined income			

1. Other comprehensive profits and losses that can be transferred under the equity method combined income			
2. Changes in fair value of other debt investments			
3. Financial assets are reclassified and included in other comprehensive Amount of combined income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedge reserve			
6. Differences in translation of foreign currency financial statements			
7. Others			
6. Total comprehensive		108,824,930.25	229,347,251.36
income 7. Earnings per share:			
(1) Basic earnings per share (yuan/share)			
(2) Diluted earnings per share (RMB/share)			

Person in charge of the company: Gao Tianle

Person in charge of accounting work: Wang Yong

Person in charge of accounting department: Huang Yuan

Consolidated Statement of

Cash Flows January-December 2021

Unit: Currency: RMB

Item	Notes	2021	2020
1. Cash flow from operating activities:			
Cash received from the sale of goods and the provision of labor services gold		2,257,652,971.07	1,767,227,145.59
Refunds of taxes and fees received and other related business activities	Seven, 78	187,512,614.43	121,509,823.37
Cash inflows from operating activities are subtotaled for		2,447,524,846.48	1,890,984,254.79
purchasing goods and accepting payment for labor services. gold		1,329,794,323.54	897,731,403.93
Paid to and for employees		493,932,082.63	429,140,038.81
Various taxes and fees paid in		146,886,846.98	153,488,521.98
cash to pay other related business activities	Seven, 78	429,128,714.70	234,824,175.90
Subtotal of cash outflows from operating activities		2,399,741,967.85	1,715,184,140.62
cash flow from operating activities		47,782,878.63	175,800,114.17
2. Cash flow from investing activities:			
Cash back on investment			
Cash received from investment income			
Disposal of fixed assets, intangible assets and other		2,514,411.24	354,300.41
Net cash recovered from his long-term assets			
Disposal of subsidiaries and other business units			
net cash received			
Receive other information related to investment activities	Seven, 78	361,423,472.22	
Subtotal of cash inflows from cash investing activities		363,937,883.46	354,300.41
Purchase and construction of fixed assets, intangible assets and other		161,600,478.37	71,488,261.40
Cash paid from his long-term assets			

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Cash paid for investment		77,647,100.00	
to acquire subsidiaries and other business units			
Net cash paid			
Payment of other related investment activities	Seven, 78	305,423,472.22	350,000,000.00
Subtotal			
of cash outflows from cash investing activities		544,671,050.59	421,488,261.40
cash flow from investing activities		-180,733,167.13	-421,133,960.99
3. Cash			
flow from financing activities:			
Cash received from absorbing investments		25,338,135.00	660,353,018.88
Including: Subsidiaries absorbing minority shareholders' investments		3,000,000.00	
Cash received			
from financing and cash		89,947,577.36	60,000,000.00
received from borrowing	Seven, 78		12,859,433.95
Subtotal			
of cash inflows from cash financing		115,285,712.36	733,212,452.83
activities Cash distributions paid to repay		39,947,577.36	150,000,000.00
debts, dividends, profits or interest payments		124,690,469.58	3,928,749.98
Cash paid of			
which: Subsidiary paid to minority shareholders			
dividends, profits			
Pay for other fundraising activities	Seven, 78	8,684,962.26	8,821,698.12
Subtotal			
of cash outflows from cash financing activities		173,323,009.20	162,750,448.10
cash flow from financing activities		-58,037,296.84	570,462,004.73
4. Changes			
in exchange rates to cash and cash equivalents		-14,813.10	
V. Net increase			
in cash and cash equivalents plus: balance of cash		-191,002,398.44	325,128,157.91
and cash equivalents at the beginning of the period		701,632,252.43	376,504,094.52
Footnote			
VI. Balance of cash and cash equivalents at the end of the period		510,629,853.99	701,632,252.43

Person in charge of the company: Gao Tianle in charge of accounting work: Wang Yong Person in charge of accounting organization: Huang Yuan

Parent company cash flow statement

from January to December 2021

Unit: Currency: RMB

Item	Notes	2021	2020
1. Cash flow from operating activities:			
Cash received from the sale of goods and the provision of labor services		2,247,530,706.26	1,665,055,870.06
gold			
Refunds of taxes and		1,900,280.70	1,642,626.12
fees received and other related business activities		321,776,815.07	242,677,732.80
Cash			
inflows from operating activities are subtotaled for		2,571,207,802.03	1,909,376,228.98
purchasing goods and accepting payment for labor services.		1,424,781,638.77	924,854,001.96
gold			

Paid to and for employees		430,010,693.16	368,397,717.30
Various			
taxes and fees paid in		130,109,803.24	133,035,986.48
cash to pay other related business activities		506,265,156.50	316,836,461.74
Cash			
outflows from operating activities		2,491,167,291.67	1,743,124,167.48
Subtotal Net cash flows from operating activities		80,040,510.36	166,252,061.50
Forward			
2. Cash flow from investing activities:			
Cash back on investment			
Cash received from investment income			
Disposal of fixed assets, intangible assets and other		2,511,653.13	375,084.64
Net cash recovered from his long-term assets			
Disposal of subsidiaries and other business units			
net cash received			
Receive other information related to investment activities		330,448,222.22	
Subtotal			
of cash inflows from cash investing activities		332,959,875.35	375,084.64
Purchase and construction of fixed assets, intangible assets and other		132,873,766.27	59,464,519.70
Cash paid for investment in long-term			
assets paid for cash acquisition		124,647,100.00	100,000,000.00
of subsidiaries and other business units			
Net cash paid			
Payment of other related investment activities		280,448,222.22	320,000,000.00
Subtotal			
of cash outflows from cash investing activities		537,969,088.49	479,464,519.70
cash flow from investing activities		-205,009,213.14	-479,089,435.06
3. Cash			
flow from financing activities:			
Cash received from		22,338,135.00	660,353,018.88
investments received from		89,947,577.36	60,000,000.00
borrowed cash received from other financing activities			12,859,433.95
Subtotal			
of cash inflows from cash financing		112,285,712.36	733,212,452.83
activities Cash distributions paid to repay		39,947,577.36	140,000,000.00
debts, dividends, profits or interest payments		124,690,469.58	3,887,979.15
Cash paid			
for other financing activities		8,684,962.26	8,821,698.12
Subtotal			
of cash outflows from cash financing activities		173,323,009.20	152,709,677.27
cash flow from financing activities		-61,037,296.84	580,502,775.56
4. Changes			
in exchange rates to cash and cash equivalents		-14,813.10	
V. Net increase			
in cash and cash equivalents plus: balance of cash		-186,020,812.72	267,665,402.00
and cash equivalents at the beginning of the period		628,682,740.06	361,017,338.06
Forward			
6. Balance of cash and cash equivalents at the end of the period		442,661,927.34	628,682,740.06

Person in charge of the company: Gao Tianle

Person in charge of accounting work: Wang Yong Person in charge of accounting organization: Huang Yuan

Consolidated Statement of Changes in Owner's
Equity January-December 2021

Unit: Currency: RMB

project	2021												
	Equity attributable to equity holders											Minority shareholders' equity	Total owner's equity
	Paid-up capital (or shares Book)	Other equity workers			Less capital reserve: treasury shares		That he	Special item	Undistributed profit of surplus reserve	That he	Subtotal		
		priority share	forever continued debt	That he									
1. The end of the previous year <small>Footnote</small>	401,000,000.00				655,626,535.70				104,713,483.92 573,007,122.94		1,734,347,142.56		1,734,347,142.56
Plus: Changes in accounting policies Even													
earlier error just													
under the same control business combination													
other													
2. Balance at the beginning of the year <small>Footnote</small>	401,000,000.00				655,626,535.70				104,713,483.92 573,007,122.94		1,734,347,142.56		1,734,347,142.56
3. Changes in this period Amount (reduced by Fill in with "-")	3,038,000.00				18,767,710.00 20,871,060.00				10,882,493.03 -23,175,365.93		-11,358,222.90 2,999,513.00		-8,358,709.90
(1) Comprehensive income Total									108,941,777.10		108,941,777.10	-487.00	108,941,290.10
(2) Owner's Investment Incoming and Reducing	3,038,000.00				18,767,710.00 20,871,060.00						934,650.00 3,000,000.00		3,934,650.00
Capital 1. Owner invested Common	3,038,000.00				18,767,710.00 20,871,060.00						934,650.00 3,000,000.00		3,934,650.00
stock 2. Other equity instruments Holder invests capital													

3. share-based payment owner's equity														
Forward														
4. other														
(3) Profit distribution								10,882,493.03	132,117,143.03		-121,234,650.00		-121,234,650.00	
1. Withdrawal of surplus								10,882,493.03 -10,882,493.03						
reserve 2 . to the owner (or shareholders) distribution									121,234,650.00		-121,234,650.00		-121,234,650.00	
3. other														
(4) Ownership														
Profits carried forward internally														
1. capital reserve transfer capital (or share capital)														
2. Increase in surplus reserve capital (or share capital)														
3. Surplus reserve make up loss														
4. defined benefit plan														
Changes carried forward and retained income														
5. Other comprehensive income														
Carry forward retained earnings														
6. other														
(5) Special Reserve														
1. Extraction in this issue														
2. Use in this issue														
(6) Others														
4. Balance at the end of the current period	404,038,000.00				674,394,245.70 20,871,060.00			115,595,976.95 549,831,757.01			1,722,988,919.66 2,999,513.00 1,725,988,432.66			
Forward														

project	2020													
	Equity attributable to equity holders												few number share East right beneficial	Total owner's equity
	Paid-up capital (or share capital)	Other equity workers			capital reserve	reduce: in stock share	That he combine receive beneficial	Specimen item store prepare	surplus reserve	undistributed profit	That he	Subtotal		
		Tool	priority share	forever combined debt										
1. Addition of the balance at the end of the	330,000,000.00				66,273,516.82				81,778,758.78 349,113,580.31			827,165,855.91		827,165,855.91
previous year: changes in accounting policies														
Early error correction														
Business combination under common control														
other														
2. The opening balance of the current year	330,000,000.00				66,273,516.82				81,778,758.78 349,113,580.31			827,165,855.91		827,165,855.91
3. The amount of increase or decrease in this period (Reductions are listed with "-") (1) Total	71,000,000.00				589,353,018.88				22,934,725.14 223,893,542.63			907,181,286.65		907,181,286.65
comprehensive income (2) Owner's										246,828,267.77		246,828,267.77		246,828,267.77
investment and reduction capital	71,000,000.00				589,353,018.88							660,353,018.88		660,353,018.88
1. Common stock invested by the owner	71,000,000.00				589,353,018.88							660,353,018.88		660,353,018.88
2. Holders of other equity instruments into capital														
3. Share-based payment included in ownership amount of benefit														
4. other														
(3) Profit distribution 1.									22,934,725.14 -22,934,725.14					
Withdrawal of surplus reserve									22,934,725.14 -22,934,725.14					
2 . to owners (or shareholders) distribute														
3. other														
(IV) Internal structure of owners' equity change														
1. Capital reserve is converted into capital (or share capital)														

2. Turn surplus reserves into capital (or share capital)													
3. Surplus reserve to make up for losses													
4. Changes in the defined benefit plan Transfer retained earnings													
5. Other comprehensive income carried forward and retained income													
6. other													
(5) Special Reserve													
1. Extraction in this issue													
2. Use in this issue													
(6) Others													
4. The ending balance of the current period	401,000,000.00				655,626,535.70				104,713,483.92	573,007,122.94		1,734,347,142.56	1,734,347,142.56

Person in charge of the company: Gao Tianle

Person in charge of accounting work: Wang Yong

Person in charge of accounting department: Huang Yuan

Statement of Changes in Owner's Equity of Parent

Company from January to December 2021

Unit: Currency: RMB

project	2021									
	Paid-up capital (or share capital)	Other equity instruments			Less capital reserve: treasury shares	other comprehensive income	Special item store prepare	surplus reserve	Total undistributed profit	owner's equity
		You Yong First share	continued debt	That he						
I. Addition of the balance at the end of the previous year: changes in accounting policies	401,000,000.00				669,358,125.42			115,567,930.60	517,293,467.69	1,703,219,523.71
Early error correction										
other										
2. The opening balance of the current year 3. The increase or decrease in the current period Fill in with "-" (1)	401,000,000.00				669,358,125.42			115,567,930.60	517,293,467.69	1,703,219,523.71
Total comprehensive income	3,038,000.00				18,767,710.00	20,871,060.00		10,882,493.03	-23,292,212.78	-11,475,069.75
(2) Owner's investment and capital reduction										
1. Common stock invested by the owner 2.	3,038,000.00				18,767,710.00	20,871,060.00	18,767,710.00			934,650.00
Investment by holders of other equity instruments Book	3,038,000.00				20,871,060.00					934,650.00
3. Share-based payment included in owner's equity amount										
4. other										
(3) Profit distribution 1.								10,882,493.03	-132,117,143.03	-121,234,650.00
Withdrawal of surplus								10,882,493.03	-10,882,493.03	
reserve 2 . Distribution to owners (or shareholders)									-121,234,650.00	-121,234,650.00
3. other										
(IV) Internal transfer of owner's equity										
1. Converting capital reserve into capital (or share capital)										
2. Turn surplus reserve into capital (or share capital)										
3. Surplus reserve to make up for losses										
4. Changes in the defined benefit plan carried forward Deposit income										
5. Other comprehensive income carried forward to retained earnings										
6. other										

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(5) Special Reserve											
1. Extraction in this issue											
2. Use in this issue											
(6) Others											
4. The ending balance of the current period	404,038,000.00				688,125,835.42	20,871,060.00			126,450,423.63	494,001,254.91	1,691,744,453.96

project	2020									
	Paid-up capital (or share capital)	Other equity instruments			Less capital reserve: treasury shares	other comprehensive income	Special reserve	surplus reserve	Total undistributed profit	owner's equity
		priority share	forever continued debt	That he						
I. Addition of the balance at the end of the previous year: changes in accounting policies	330,000,000.00				80,005,106.54			92,633,205.46	310,880,941.47	813,519,253.47
Early error correction										
other										
2. The opening balance of the	330,000,000.00				80,005,106.54			92,633,205.46	310,880,941.47	813,519,253.47
current year 3. The increase or decrease in the current period Fill in with "-") (1)	71,000,000.00				589,353,018.88			22,934,725.14	206,412,526.22	889,700,270.24
Total comprehensive income									229,347,251.36	229,347,251.36
(2) Owner's investment and capital reduction	71,000,000.00				589,353,018.88					660,353,018.88
1. Common stock invested by the owner 2. Investment by holders of other equity instruments Book	71,000,000.00				589,353,018.88					660,353,018.88
3. Share-based payment included in owner's equity amount										
4. other										
(3) Profit distribution								22,934,725.14	-22,934,725.14	
1. Withdrawal of surplus								22,934,725.14	-22,934,725.14	
reserve 2 . Distribution to owners (or shareholders)										
3. other										
(IV) Internal transfer of owner's equity										
1. Converting capital reserve into capital (or share capital)										
2. Turn surplus reserve into capital (or share capital)										

3. Surplus reserve to make up for losses											
4. Changes in the defined benefit plan carried forward											
Deposit income											
5. Other comprehensive income carried forward to retained earnings											
6. other											
(5) Special Reserve											
1. Extraction in this issue											
2. Use in this issue											
(6) Others											
4. The closing balance of the current	401,000,000.00				669,358,125.42				115,567,930.60	517,293,467.69	1,703,219,523.71

period The person in charge of the company: Gao Tianle

Person in charge of accounting work: Wang Yong

Person in charge of accounting department: Huang Yuan

3. Basic information of the company 1.

Company profile yApplicable yNot applicable

1) The company's registered place,

organizational form and headquarters address Zhejiang Tianzheng Electric Co., Ltd.

(hereinafter referred to as the company, the company or Tianzheng Electric) is owned by Tianzheng Group Co., Ltd. and Wang Wei, Liu Shenglong and other 20 natural persons jointly initiated the establishment. It was registered with the Zhejiang Provincial Administration for Industry and Commerce on October 29, 1999. The headquarter is located in Yueqing City, Zhejiang Province. The company's registered address: Sulu Industrial Zone, Liushi Town, Yueqing City, Zhejiang Province, legal representative: Gao Tianle. The company now holds the "Business License" with the unified social credit code of 91330000717612987P issued by the Zhejiang Provincial Administration for Market Regulation. Approved by the China Securities Regulatory Commission Zhengjian Faxing Zi [2020] No. 1482 and approved by the Shanghai Stock Exchange, the company issued an initial public offering of 71 million RMB ordinary shares (A shares) and issued an initial public offering of 71 million shares in Shanghai on August 7, 2020. Listed on the stock exchange, stock code: 605066.

As of December 31, 2021, the company's registered capital was RMB 404,038,000.00, and the total number of shares was 404,038,000 shares (with a par value of RMB 1 per share). 2) Business nature and main business activities of the company The company and its subsidiaries are mainly engaged in the production and sales of low-voltage electrical appliances, instruments and meters. According to the "Guidelines for Industry Classification of Listed Companies" issued by the China Securities Regulatory Commission, the industry in which the company operates belongs to C38 "Electrical Machinery and Equipment Manufacturing". According to the national standard of "National Economic Industry Classification" (GB/T4754-2011) promulgated and implemented by the National Bureau of Statistics in August 2011, the company's industry is "transmission, distribution and One of the branches of "control equipment manufacturing" - distribution switch control equipment manufacturing. 3) Approval for issuance of the financial report This financial statement has been approved for issuance by the 16th meeting of the 8th Board of Directors of the Company on April 28, 2022.

2. Scope of Consolidated Financial Statements

yApplicable yNot applicable There are 2

subsidiaries included in the scope of consolidation of the Company in 2021. For details, please refer to "IX. Equity in other entities" in this section.

The consolidation scope of the Company in this period increased by 1 account over the previous period. For details, please refer to "VIII. Changes in Consolidation Scope" in this section.

4. Basis for preparation of financial statements 1. Basis for

preparation

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

2. Going concern yApplicable

yNot applicable The financial statements

are presented on the basis of going concern, and the company has the ability to continue as a going concern for at least 12 months from the end of the reporting period.

V. Important accounting policies and accounting estimates Specific

accounting policies and accounting estimates reminders: yApplicable yNot

applicable The company and its subsidiaries are engaged in the production

and sales of low-voltage electrical appliances, instruments and meters. The Company and its subsidiaries have formulated a number of specific accounting policies and accounting estimates for transactions and events such as revenue recognition based on the actual production and operation characteristics and in accordance with the provisions of the relevant accounting standards for business enterprises. Item description. For the description of the significant accounting judgments and estimates made by the management, please refer to "V. 45. Others" in this section.

1. Statement of Compliance with Accounting Standards for Business Enterprises

The financial statements prepared by the Company conform to the requirements of the Accounting Standards for Business Enterprises, and truly and completely reflect the Company's financial status, operating results, changes in shareholders' equity and cash flow and other relevant information.

2. Accounting period

The company's fiscal year starts from January 1st to December 31st in the Gregorian calendar.

3. Operating cycle

✓Applicable ✓Not applicable The

normal operating cycle refers to the period from the purchase of assets for processing to the realization of cash or cash equivalents. The company takes 12 months as an operating cycle, and uses it as the standard for dividing the liquidity of assets and liabilities.

4. Bookkeeping currency

The company's functional currency is RMB.

5. Accounting treatment for business combination under common control and not under common control

✓Applicable ✓Not applicable

Business combination refers to a transaction or event that combines two or more separate enterprises to form a reporting entity. Business combination is divided into business combination under the same control and business combination not under the same control.

(1) Business combination under the same control

The enterprises involved in the merger are subject to the ultimate control of the same party or the same multiple parties before and after the merger, and the control is not temporary, it is a business combination under the same control. For a business combination under the same control, the party that obtains control over other companies participating in the merger on the merger date is the merging party, and the other companies participating in the merger are the merged party. The merger date refers to the date on which the merging party actually obtains control over the merged party. The assets and liabilities obtained by the company in the business combination shall be measured at the book value of the assets and liabilities of the merged party (including the goodwill formed by the acquisition of the merged party by the ultimate controlling party) in the consolidated financial statements of the ultimate controlling party on the merger date; The difference between the book value of the assets and the book value of the combined consideration paid (or the total face value of the issued shares) shall be adjusted to the share premium in the capital reserve. If the share premium in the capital reserve is insufficient to offset, the retained earnings shall be adjusted. All direct expenses incurred by the merging party for the business combination shall be included in the current profit and loss when incurred. (2) Business combination not under the same control If the enterprises involved in the merger are not ultimately controlled by the same party or the same multiple parties before and after the merger, it is a business combination not under the same control. For a business combination not under the same control, the party that obtains control over other companies participating in the merger on the purchase date is the purchaser, and the other companies participating in the merger are the acquiree. The purchase date refers to the date on which the purchaser actually obtains control over the purchased party.

For a business combination not under common control, the cost of the combination includes the assets paid by the acquirer, the liabilities incurred or assumed, and the fair value of the equity securities issued by the acquirer to obtain control over the acquiree on the acquisition date. Intermediary fees such as auditing, legal services, evaluation and consultation, and other management fees are included in the current profit and loss when incurred. The transaction costs of the equity securities or debt securities issued by the purchaser as consideration for the merger shall be included in the initial recognition amount of the equity securities or debt securities. The contingent consideration involved is included in the merger cost at its fair value on the purchase date. If there is new or further evidence of the existing conditions on the purchase date within 12 months after the purchase date and the contingent consideration needs to be adjusted, adjust the merger accordingly. reputation. Combination costs incurred by the purchaser and identifiable net assets acquired in the combination are measured at the fair value on the acquisition date. If the merger cost is greater than the fair value share of the acquiree's identifiable net assets on the acquisition date obtained in the merger, it is recognized as goodwill. If the merger cost is less than the fair value share of the identifiable net assets of the acquiree obtained in the merger, first review the fair value of the acquired identifiable assets, liabilities and contingent liabilities of the acquiree and the measurement of the merger cost. If the merger cost is still less than the fair value share of the identifiable net assets of the acquiree obtained in the merger, the difference shall be included in the current profit and loss. The purchaser obtains the deductible temporary difference from the purchasee, which is not met on the purchase date because it does not meet the conditions for the recognition of deferred tax assets.

If it is confirmed, within 12 months after the purchase date, if new or further information is obtained to show that the relevant situation on the purchase date already exists, it is expected that the economic benefits brought by the deductible temporary difference of the purchased party on the purchase date can be realized. , the related deferred income tax assets will be recognized, and the goodwill will be reduced at the same time. If the goodwill is not enough to write off, the difference will be recognized as the current profit and loss; except for the above circumstances, if the deferred tax assets related to the business combination are recognized, it will be included in the current profit and loss .

6. Preparation method of consolidated financial statements

√Applicable √Not applicable (1) Determination of the scope of

consolidated financial statements The scope of consolidated financial

statements is determined on the basis of control. Control means that the company has the power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use the power over the investee to affect the amount of returns. The scope of consolidation includes the Company and all its subsidiaries. Subsidiaries are entities controlled by the company.

Once changes in relevant facts and circumstances lead to changes in the relevant elements involved in the above definition of control, the company will reassess. (2) The method of preparing the consolidated financial statements The company starts to include it in the scope of consolidation from the date of obtaining the actual control over the net assets and production and operation decisions of the subsidiary; it stops being included in the scope of consolidation from the date of loss of actual control. For disposed subsidiaries, the operating results and cash flow before the disposal date have been properly included in the consolidated income statement and consolidated cash flow statement; for subsidiaries disposed of in the current period, the opening balance of the consolidated balance sheet is not adjusted. For subsidiaries added through business combination not under the same control, their operating results and cash flows after the acquisition date have been appropriately included in the consolidated income statement and consolidated cash flow statement, and the opening balance and comparative figures of the consolidated financial statements are not adjusted. For subsidiaries added through business combination under the same control, their operating results and cash flows from the beginning of the current period of consolidation to the date of consolidation have been appropriately included in the consolidated income statement and consolidated cash flow statement, and the comparative figures in the consolidated financial statements are adjusted at the same time.

When preparing the consolidated financial statements, if the accounting policies or accounting periods adopted by the subsidiary and the company are inconsistent, necessary adjustments shall be made to the subsidiary's financial statements in accordance with the company's accounting policies and accounting periods. For subsidiaries acquired through business combination not under the same control, adjustments are made to their financial statements based on the fair value of identifiable net assets on the acquisition date.

All significant current balances, transactions and unrealized profits within the company are eliminated when the consolidated financial statements are prepared.

Shareholders' equity of subsidiaries and the portion of the current net profit or loss that is not owned by the Company are separately listed as minority shareholders' equity and minority shareholders' profit and loss under shareholders' equity and net profit in the consolidated financial statements. The share of the subsidiary's current net profit and loss that belongs to minority shareholders' equity is listed under the "minority shareholder's profit and loss" item under the net profit item in the consolidated income statement. The loss of a subsidiary shared by minority shareholders exceeds the share of minority shareholders in the subsidiary's initial shareholders' equity, which still offsets the minority shareholders' equity.

7. Classification of joint arrangements and accounting for joint operations

√Applicable √Not applicable A joint

venture arrangement refers to an arrangement jointly controlled by two or more parties. The Company divides the joint venture arrangement into joint operation and joint venture according to the rights and obligations it enjoys in the joint venture arrangement. Joint operation refers to a joint venture arrangement in which the company enjoys the relevant assets of the arrangement and assumes the relevant liabilities of the arrangement. A joint venture refers to a joint arrangement in which the Company only has rights to the net assets of the arrangement. The Company's investment in joint ventures is accounted for by the equity method, and the investment in joint ventures shall be accounted for in accordance with the procedures described in "V. 21. Long-term equity investment" in this section.

accounting policy.

The company, as a joint venture party, confirms the assets held by the company alone, the liabilities assumed by the company alone, and the assets jointly held and the liabilities assumed by the company according to the company's share; The income generated by the share of the company is recognized; the income generated by the joint operation due to the sale of the output is recognized according to the company's share; the expenses incurred by the company alone are recognized, and the expenses incurred by the joint operation are recognized according to the company's share. When the company invests or sells assets to the joint operation as a joint venture (the assets do not constitute business, the same below), or purchases assets from the joint operation, before the assets are sold to a third party, the company only confirms that the assets arising from the transaction The portion of the profit or loss attributable to other participants in the joint operation. If such assets suffer from asset impairment losses that comply with the provisions of "Accounting Standards for Business Enterprises No. 8 - Asset Impairment", the Company shall fully recognize the loss in the case of investment or sale of assets by the Company to the joint operation; When the company purchases assets from joint operation, the company recognizes the loss according to its share.

8. Determination of cash and cash equivalents

Cash equivalents are short-term (generally due within three months from the date of purchase) held by the enterprise, highly liquid, and easy to transfer.

Exchange for a known amount of cash with little risk of a change in value.

9. Foreign currency business and foreign currency statement

translation √Applicable √Not applicable

(1) Conversion method of foreign currency

transactions At initial recognition, the foreign currency transactions of the company are converted into the functional currency at the current average exchange rate on the transaction day, but the foreign currency exchange business or transactions involving foreign currency The actual exchange rate is converted into the amount in the functional currency.

(2) Conversion method for foreign currency monetary items and foreign currency non-monetary items On the

balance sheet date, the foreign currency monetary items are converted at the spot exchange rate on the balance sheet date. The exchange differences arising from the special foreign currency borrowings related to the construction of assets eligible for capitalization shall be treated in accordance with the principle of capitalization of borrowing costs; the exchange differences arising from changes in other book balances of available-for-sale foreign currency monetary items other than amortized costs shall be accounted for. In addition to other comprehensive income, it is included in the current profit and loss.

Foreign currency non-monetary items measured at historical cost are still measured at the functional currency amount translated at the spot exchange rate on the transaction date. Foreign currency non-monetary items measured at fair value shall be converted at the spot exchange rate on the date when the fair value is determined, and the difference between the converted amount in the functional currency and the amount in the original functional currency shall be treated as changes in fair value (including changes in exchange rates). , included in the current profit and loss or recognized as other comprehensive income.

10. Financial instruments

Applicable Not applicable

Financial instruments refer to contracts that form financial assets of one party and financial liabilities or equity instruments of other parties. (1) Recognition and derecognition of financial instruments When the company becomes a party to a financial instrument contract, it recognizes the relevant financial assets or financial liabilities. If a financial asset meets the following conditions, the recognition of the financial asset (or a part of a financial asset, or a part of a group of similar financial assets) shall be terminated, that is, it shall be written off from its account and balance sheet: the right to receive cash flow from the financial asset expires; the right to receive the cash flow of the financial asset, or assumed the obligation to pay the cash flow received in full to a third party in a timely manner under the "pass-through agreement"; and substantially transferred almost all the risks and rewards of ownership of the financial asset. Reward, or relinquish control of a financial asset, although substantially neither transfer nor retain substantially all the risks and rewards of ownership of the financial asset. Financial liabilities are derecognized when the obligation for the financial liabilities has been performed, cancelled or expired. If an existing financial liability is replaced by the same creditor with another financial liability with substantially different terms, or the terms of the existing liability are substantially modified, such replacement or modification is deemed to be derecognition of the original liability and recognition of the new liability. Liabilities are dealt with, and the difference is included in the current profit and loss.

Financial assets purchased or sold in a conventional manner are recognized and derecognized based on transaction-day accounting. The conventional way of buying and selling financial assets refers to the collection or delivery of financial assets within the time limit stipulated by regulations or common practice in accordance with the terms of the contract. Trading day refers to the date on which the company undertakes to buy or sell financial assets. (2) Classification and measurement of financial assets At the time of initial recognition, the Company classifies financial assets into the following categories: Financial assets whose changes are included in current profit and loss, and financial assets whose changes are included in other comprehensive income at fair value. Unless the Company changes its business model for managing financial assets, in which case all affected related financial assets are reclassified on the first day of the first reporting period following the change in the business model, financial assets may not be allowed after initial recognition. reclassify. Financial assets are measured at fair value on initial recognition. For financial instruments measured at fair value through profit or loss

Assets, related transaction costs are directly included in the current profit and loss, and other types of financial assets-related transaction costs are included in their initial recognition amount. For bills receivable and accounts receivable arising from the sale of goods or provision of labor services that do not include or consider significant financing components, the Company will initially measure them at the transaction price defined by the revenue standard. Subsequent measurement of financial assets depends on their classification: Financial assets measured at amortized cost Financial assets that meet the following conditions are classified as financial assets measured at amortized cost: The company's business model for managing the financial assets is to collect The contractual cash flow is the objective; the contractual terms of the financial asset provide that the cash flow generated on a specified date is solely the payment of principal and interest based on the amount of principal outstanding. For such financial assets, the actual interest method is adopted and the subsequent measurement is carried out according to the amortized cost. The gains or losses arising from the derecognition, amortization or impairment according to the actual interest method are included in the current profit and loss. Financial assets at fair value through other comprehensive income

Financial assets that meet the following conditions at the same time are classified as financial assets measured at fair value through other comprehensive income

Assets: The company's business model for managing the financial asset is to both collect contractual cash flows and sell the financial asset; the contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only for the principal and Payment of interest based on the outstanding principal amount. For such financial assets, fair value is used for subsequent measurement. The discount or premium is amortized using the effective interest method and recognized as interest income or expense. Except for impairment losses or gains and foreign exchange gains and losses recognized as current profits and losses, changes in the fair value of such financial assets are recognized as other comprehensive income until the financial assets are derecognized, and their accumulated gains or losses are transferred to current profits and losses. However, the relevant interest income of the financial asset calculated using the effective interest method is included in the current profit and loss.

The Company irrevocably elects to designate some non-trading equity instrument investments as being measured at fair value with changes included in its

For financial assets with other comprehensive income, only relevant dividend income is included in the current profit and loss, and changes in fair value are recognized as other comprehensive income. Until the financial asset is derecognized, its accumulated gains or losses are transferred to retained earnings. Financial assets measured at fair value through profit or loss for the current period are the difference between the above-mentioned financial assets measured at amortized cost and financial assets at fair value through other comprehensive income.

Other financial assets are classified as financial assets measured at fair value through profit or loss for the current period. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value are included in the current profit and loss.

(3) Classification and measurement of financial

liabilities The Company classifies financial liabilities into financial liabilities measured at fair value through profit or loss, financial guarantee contract liabilities and financial liabilities measured at amortized cost.

The subsequent measurement of financial liabilities depends on their

classification: Financial liabilities at fair value through profit or loss This type of financial liabilities

includes financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated for measurement at fair value.

Financial liabilities whose changes are included in the current profit and loss. After initial recognition, such financial liabilities are subsequently measured at fair value. Except for hedge accounting, the resulting gains or losses (including interest expenses) are included in the current profit and loss. However, for the financial liabilities designated by the Company to be measured at fair value and whose changes are included in the current profit and loss, the amount of changes in the fair value of the financial liabilities caused by changes in its own credit risk is included in other comprehensive income. When the financial liabilities are derecognized, the accumulated gains and losses previously included in other comprehensive income shall be transferred out of other comprehensive income and included in retained earnings. Financial Guarantee Contract Liabilities A financial guarantee contract refers to a contract that requires the company to pay a specific amount to the contract holder who has suffered losses when a specific debtor cannot repay the debt in accordance with the original or revised terms of the debt instrument. Financial guarantee contract liabilities are subsequently measured at the higher of the loss reserve amount determined according to the impairment principle of financial instruments and the balance of the initial recognition amount after deducting the accumulated amortization amount determined according to the revenue recognition principle. After the initial recognition of financial liabilities measured at amortized cost, other financial liabilities are measured at amortized cost using the effective interest method. Except for special circumstances, financial liabilities and equity instruments are distinguished according to the following principles: If the company cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or other financial assets, the contractual obligation meets the definition of financial liability. Some financial instruments, although they do not expressly contain terms and conditions for the obligation to deliver cash or other financial assets, may create contractual obligations indirectly through other terms and conditions.

If a financial instrument needs to be settled with or can be settled with the company's own equity instruments, it is necessary to consider whether the company's own equity instruments used to settle the instrument are used as a substitute for cash or other financial assets, or for the purpose of holding the instrument The party has a residual interest in the assets of the issuer after deducting all liabilities. If the former, the instrument is the issuer's financial liability; if the latter, the instrument is the issuer's equity instrument. In some cases, a financial instrument contract provides that the company must settle the financial instrument with its own equity instruments, where the amount of contractual rights or contractual obligations is equal to the number of own equity instruments that can be obtained or delivered multiplied by its settlement. fair value at the time of the contract, whether the amount of the contractual right or contractual obligation is fixed or based in whole or in part on variables other than the market price of the company's own equity instruments (such as interest rates, the price of a commodity or a financial instrument price), the contract is classified as a financial liability.

(4) Derivative financial instruments and embedded derivatives

Derivative financial instruments are initially measured at the fair value on the date when the derivative transaction contract is signed, and follow-up at their fair value metering. A derivative financial instrument with a positive fair value is recognized as an asset, and a negative fair value is recognized as a liability.

Except for the portion of the cash flow hedge that is effective as a hedge, it is included in other comprehensive income and transferred out when the hedged item affects profit or loss. In addition to the current profit and loss, gains or losses arising from changes in the fair value of derivatives are directly included in the current profit and loss.

For hybrid instruments containing embedded derivatives, such as the main contract is a financial asset, the hybrid instrument as a whole shall be subject to the relevant provisions on the classification of financial assets. If the main contract is not a financial asset, and the hybrid instrument is not measured at fair value and its changes are included in the current profit and loss for accounting treatment, the embedded derivative does not have a close relationship with the main contract in terms of economic characteristics and risks, and is not closely related to the embedded derivative. Under the same conditions, if a separate instrument meets the definition of a derivative, the embedded derivative is split from the mixed instrument and treated as a separate derivative financial instrument. If the fair value of the embedded derivative cannot be measured separately on the acquisition date or subsequent balance sheet date, the hybrid instrument as a whole is designated as a financial asset or financial liability at fair value through profit or loss. (5) Impairment of financial instruments The company's financial assets measured at amortized cost, liabilities at fair value through other comprehensive income

For instrument investment, lease receivables and financial guarantee contracts, etc., the loss provision is recognized on the basis of expected credit losses.

Measurement of expected credit loss

Expected credit loss refers to the weighted average of credit losses of financial instruments with the risk of default as the weight. Credit loss refers to the difference between all contract cash flows receivable under the contract and all cash flows expected to be received, discounted by the company at the original effective interest rate, that is, the present value of all cash shortages. Among them, the credit-impaired financial assets purchased or originated by the Company shall be discounted at the credit-adjusted effective interest rate of the financial assets.

The lifetime expected credit loss refers to the expected credit loss caused by all possible default events during the entire expected lifetime of a financial instrument. The expected credit losses in the next 12 months refer to the possible default events of financial instruments that may occur within 12 months after the balance sheet date (if the expected duration of the financial instrument is less than 12 months, the expected duration). Expected credit losses are part of the lifetime expected credit losses.

On each balance sheet date, the Company measures the expected credit losses of financial instruments in different stages separately. If the credit risk of the financial instrument has not increased significantly since the initial recognition, it is in the first stage, and the company measures the loss provision according to the expected credit loss in the next 12 months; the credit risk of the financial instrument has increased significantly since the initial recognition but no credit reduction has occurred yet. If the financial instrument has suffered credit impairment since the initial recognition, it is in the second stage, and the company measures the loss provision according to the expected credit loss of the entire duration of the instrument; if the financial instrument has suffered credit impairment since the initial recognition, it is in the third stage, and the company calculates the loss provision according to the entire duration of the instrument. The expected credit loss measurement loss provision. For financial instruments with low credit risk on the balance sheet date, the company assumes that its credit risk has not been recognized since the initial recognition.

If there is no significant increase, the loss provision is measured according to the expected credit loss in the next 12 months.

For financial instruments in the first and second stages and with relatively low credit risk, the Company calculates interest income based on the book balance and actual interest rate before deduction of impairment reserves. For financial instruments in the third stage, interest income is calculated based on the book balance less the amortized cost and the effective interest rate after the provision for impairment has been accrued. For bills receivable and accounts receivable, regardless of whether there is a significant financing component, the company measures the loss provision based on the expected credit loss of the entire duration. For other receivables, debt investments, and other debt investments, the company, according to the nature of the investment, according to the various types of counterparties and risk exposures, through default risk exposure and expected credit within the next 12 months or the entire duration Loss rate, which calculates expected credit losses. Low credit risk If the default risk of financial instruments is low, the borrower's ability to fulfill its contractual cash flow obligations in the short term is strong, and even if there are adverse changes in the economic situation and operating environment in a longer period, it may not necessarily decrease The borrower's ability to meet its contractual cash flow obligations and the financial instrument is considered to have low credit risk. Significant increase in credit risk The company determines the expected duration of financial instruments by comparing the probability of default within the expected duration of the financial instrument determined on the balance sheet date with the probability of default within the expected duration of the financial instrument at the time of initial recognition The relative change in the probability of default occurring to assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When determining whether the credit risk has increased significantly since the initial recognition, the company considers that there is no need to pay unnecessary additional costs or efforts

reasonable and supportable information, including forward-looking information, that is readily available to you. The information considered by the Company includes: A. Whether there are significant changes in internal price indicators caused by changes in credit risk; B. Adverse changes in business, financial or economic conditions that are expected to cause significant changes in the debtor's ability to meet its debt service obligations ;

C. Whether there has been a significant change in the actual or expected operating results of the debtor; whether there has been a significant adverse change in the regulatory, economic or technological environment in which the debtor is located; D. Whether the value of the collateral used as collateral for the debt or the quality of the guarantee or credit enhancement provided by a third party Significant changes occurred. this

These changes are expected to reduce the debtor's economic motive for repayment within the contractual period or affect the probability of default; E. Whether

there has been a significant change in the debtor's economic motive for reducing the debtor's repayment within the contractual period; F. Expected

changes in the loan contract, including expected changes Whether the breach of contract may result in a waiver or revision of contractual obligations, granting interest-free periods, interest rate jumps, requiring additional collateral or guarantees, or making other changes to the contractual framework of the financial instrument;

G. Whether the expected performance and repayment behavior of the debtor have changed significantly;

H. Whether the contract payment is overdue (inclusive) for more than 30 days. According to the nature of

the financial instrument, the company evaluates whether the credit risk is significant on the basis of a single financial instrument or a combination of financial instruments

Increase. When evaluating on the basis of a portfolio of financial instruments, the Company may classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk ratings. Generally, if the overdue period exceeds 30 days, the Company determines that the credit risk of the financial instrument has increased significantly. Unless the Company can

obtain reasonable and substantiated information without undue cost or effort, proving that although the contractually agreed payment period has been exceeded by 30 days, the credit risk has not increased significantly since initial recognition. ¶ Credit-impaired financial assets The company assesses on the balance sheet date whether financial assets measured at amortized cost and debt

investments at fair value through other comprehensive income have suffered credit impairment. A financial asset becomes a credit-impaired financial asset when one or more events that adversely affect

the expected future cash flows of the financial asset occur. Evidence of credit impairment of financial assets includes the following observable information: Significant financial difficulties of the

issuer or debtor; breach of contract by the debtor, such as default or overdue payment of interest or principal; Contractual considerations giving concessions that the debtor would not have made under any other circumstances; the likelihood of bankruptcy or other financial reorganization of the debtor; the disappearance of an active market for the financial asset due to financial difficulties of the issuer or debtor; purchase or origination at a substantial discount For a financial asset, this discount reflects the fact that a credit loss has occurred.

(6) Transfer of financial assets

Transfer of financial assets refers to the following two situations: the contractual right to receive the cash flow of the financial asset is transferred to the other party; the whole or part of the financial asset is transferred to the other party, but the contract to receive the cash flow of the financial asset is retained rights and contractual obligations to pay the cash flows received to one or more recipients. ¶ Derecognizing the transferred financial assets has transferred almost all the risks and rewards of ownership of the financial assets to the transferee, or has neither transferred nor retained funds

For those who have almost all the risks and rewards of ownership of a financial asset, but have given up control over the financial asset, the financial asset shall be derecognized.

When judging whether the control over the transferred financial assets has been given up, the actual ability of the transferee to sell the financial assets shall be emphasized. If the transferee can independently sell the transferred financial assets as a whole to a third party that has no related party relationship with it, and there are no additional conditions to restrict the sale, it indicates that the enterprise has given up control over the financial assets.

When judging whether the transfer of financial assets meets the conditions for derecognition of financial assets, the company pays attention to the essence of the transfer of financial assets.

If the overall transfer of financial assets satisfies the conditions for termination of recognition, the difference between the following two amounts shall be included in the current profit and loss: the book value of the transferred financial assets; The sum of the accumulated amount (in the case where the transferred financial assets are available-for-sale financial assets). If the partial transfer of financial assets satisfies the conditions for derecognition, the overall book value of the transferred financial assets shall be divided between the derecognition part and the non-derecognition part (in this case, the retained service assets are regarded as part of the non-derecognized financial assets).) shall be apportioned according to their respective relative fair values, and the difference between the following two amounts shall be included in the current profit and loss:

The book value of the derecognized part; the consideration of the derecognized part, and the change in the fair value originally included in the owner's equity

The sum of the amount corresponding to the derecognized part in the accumulated amount (in the case where the transferred financial asset is an available-for-sale financial asset).

¶ If the financial assets transferred by continuous involvement

have neither transferred nor retained almost all the risks and rewards of ownership of the financial assets, and have not given up control over the financial assets, the relevant financial assets, and the related liabilities are recognized accordingly. The degree of continued involvement in the transferred financial assets refers to the level of risk faced by the enterprise due to changes in the value of the financial assets. ¶Continue to confirm the transferred financial assets

If almost all risks and rewards related to the ownership of the transferred financial assets are still retained, the transferred financial assets should continue to be recognized.

as a whole and recognize the consideration received as a financial liability.

The financial assets and the related financial liabilities recognized shall not be offset against each other. In the subsequent accounting period, the enterprise should continue to recognize the income generated by the financial asset and the expenses generated by the financial liability. If the transferred financial assets are measured at amortized cost, the relevant liabilities recognized shall not be designated as financial liabilities at fair value through profit or loss for the current period. (7) Offset of financial instruments Financial assets and financial liabilities shall be listed separately in the balance sheet and shall not be offset against each other. but also meet the following conditions

The net amount after offsetting is presented in the balance sheet: The company has the legal

right to offset the recognized amount, and the legal right is currently enforceable; the company plans to settle on a net basis, or At the same time, the

financial assets are realized and the financial liabilities are paid off. For the transfer of financial assets that do not meet the conditions for derecognition,

the transferor shall not offset the transferred financial assets and related liabilities.

pin.

(8) Determination of the fair value of financial instruments The company

measures the fair value of the relevant assets or liabilities at the price of the main market. If there is no major market, the company measures the fair value of the relevant assets or liabilities at the most favorable market price.

The main market refers to the market with the largest transaction volume and the highest degree of transaction activity of the relevant assets or liabilities; the most favorable market refers to the market that can sell the relevant assets at the highest amount or transfer the relevant liabilities at the lowest amount after considering transaction costs and transportation costs. market. The Company adopts the assumptions used by market participants to maximize their economic benefits when pricing the asset or liability.

• Valuation techniques

The company adopts valuation techniques that are applicable in the current situation and supported by sufficient available data and other information. The valuation techniques used mainly include market method, income method and cost method. The company uses a method consistent with one or more of these valuation techniques to measure the fair value. If multiple valuation techniques are used to measure the fair value, consider the rationality of each valuation result, and select the most representative fair value under the current circumstances. The amount of value is taken as fair value.

In the application of valuation techniques, the Company prioritizes the use of relevant observable input values, and only uses unobservable input values when relevant observable input values cannot be obtained or it is impractical to obtain them. An observable input is an input that can be derived from market data. This input reflects the assumptions that market participants use when pricing the underlying asset or liability. Unobservable inputs are inputs that cannot be derived from market data. This input is based on the best available information on assumptions used by market participants in pricing the underlying asset or liability. • Fair value hierarchy The company divides the input values used for fair value measurement into three levels, and firstly uses the first level input value, secondly uses the second level input value, and finally uses the third level input value. Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that can be obtained on the measurement date. The second-level input value is the directly or indirectly observable input value of the relevant asset or liability in addition to the first-level input value. The third level of input is the unobservable input of the related asset or liability.

11. Determination method

and accounting treatment method of expected credit loss of notes receivable

• Applicable • Not applicable

Receivables include notes receivable, accounts receivable, contract assets, receivables financing, other receivables, etc. (1) Notes receivable, accounts receivable

and contract assets For notes receivable, accounts receivable and contract assets, regardless of whether they contain significant financing components, the

company always measures them at the amount equivalent to the expected credit loss during the entire duration Its loss provision, the increase or reversal amount of the resulting loss provision, is included in the current profit and loss as impairment loss or gain.

When the information of the expected credit loss cannot be assessed at a reasonable cost for a single receivable, the company will apply the credit risk characteristics according to the The receivables are divided into several combinations, and the expected credit loss is calculated on the basis of the combination. The determined receivables combination and the accrual method are as follows:

Item	Bad debt provision accrual method
Portfolio 1: Accounts receivable portfolio with ageing as credit risk feature 2: Low-risk portfolio For low-risk	The aging analysis method is adopted to extract the accounts receivable according to the aging and expected credit loss rate.
accounts such as bank acceptance bills receivable and	export tax rebates receivable, based on historical experience

	value to determine the expected credit loss rate.
Combination 3: Related parties within the scope of consolidation receivables	For receivables from related parties within the scope of consolidation, determine expected credit losses based on historical experience Rate.
Combination 4: Receivables Involving Litigation item	<p>In the event of losing the lawsuit, a provision for bad debts shall be made in full for the relevant receivables;</p> <p>The remaining receivables are based on the balance of the litigation receivables of the Company in the previous two fiscal years.</p> <p>Estimate the recoverable amount according to the average collection ratio, and determine the expected credit loss of the receivables involved in litigation Rate. Bad debt provision calculated based on estimated loss rate and bad debt calculated based on aging analysis method</p> <p>The provision for bad debts shall be made on the basis of whichever is higher.</p>

For receivables with aging as credit risk characteristics, the company refers to historical credit loss experience, combined with the current situation and

Predicting future economic conditions, compiling a comparison table between the aging of accounts receivable and the expected credit loss rate of the entire duration, and calculating the expected credit loss. The accrual ratio is as follows:

aging	Accrual of commercial acceptance bills receivable Proportion(%)	Accounts receivable accrual ratio (%)	Contract asset accrual ratio (%)
Within 1 year (including 1 year, the same below)	5.00	5.00	5.00
1-2 years	15.00	15.00	15.00
2-3 years	50.00	50.00	50.00
over 3 years	100.00	100.00	100.00

If there is objective evidence that a certain receivable has been credit-impaired, the company shall accrue bad debts for the receivable individually.

Prepare and recognize expected credit losses.

(2) Other receivables

For other receivables other than notes receivable, accounts receivable and contract assets (including other receivables, long-term receivables etc.) shall be measured in accordance with the test method of "V. 10. (5) Impairment of financial instruments" in this section.

12. Accounts receivable

Determination method and accounting treatment method of expected credit loss of accounts receivable

✓Applicable ✗Not applicable

For details, please refer to "V. 11. Notes Receivable" in this section.

13. Receivables financing

✓Applicable ✗Not applicable

For details, please refer to "V. 10. Financial Instruments" in this section.

14. Other receivables

Determination method and accounting treatment method of expected credit loss of other receivables

✓Applicable ✗Not applicable

For details, please refer to "V. 10. Financial Instruments" in this section.

15. Inventory

✓Applicable ✗Not applicable

(1) Classification of inventories

Inventories mainly include raw materials, semi-finished products, goods in stock, low-value consumables, issued goods, and turnover materials.

(2) Valuation method of inventory acquisition and delivery

Inventories are priced at actual cost when they are obtained, and the cost of inventories includes purchase cost, processing cost and other costs. take and issue

All prices are calculated by the weighted average method, except that Tianzheng Import and Export is calculated by the individual identification method.

(3) Recognition of the net realizable value of inventories and the method of accruing depreciation

reserves Net realizable value refers to the estimated selling price of inventories in daily activities minus the estimated costs to be incurred at the time of completion, estimated sales expenses and related taxes and fees amount after. When determining the net realisable value of inventories, it is based on the solid evidence obtained, taking into account the purpose of holding the inventories and the impact of events after the balance sheet date. On the balance sheet date, inventories are measured at the lower of cost and net realisable value. When its net realizable value is lower than cost, withdraw

Inventory impairment. Inventory depreciation reserves are drawn based on the difference between the cost of a single inventory item and its net realizable value.

After the provision for inventory depreciation has been made, if the factors affecting the previous write-down of the inventory value have disappeared, resulting in the net realizable value of the inventory. If it is higher than its book value, it shall be reversed within the original provision for inventory depreciation, and the reversed amount shall be included in the current profit and

loss. (4) The inventory system of inventory is perpetual inventory system. (5) Amortization method of low-value consumables and packaging materials Low-value consumables are amortized according to the one-off amortization method when they are used;

16. Contract assets (1).

Recognition method and standard of contract assets lapse)

the right to collect payments from customers, presented as

a contract asset on the balance sheet. Contract assets and contract liabilities under the same contract are presented on a net basis, and contract assets and contract liabilities under different contracts are not offset.

(2) Determination method and accounting treatment method of expected credit loss of contract assets

ÿApplicable ÿNot applicable The determination method of expected credit loss of contract assets shall be handled with reference to the impairment test method of "V. 11. Notes receivable" in this section.

17. Assets held for sale ÿApplicable

ÿNot applicable If the company

mainly recovers its book value through sale (including non-monetary asset exchange with commercial substance, the same below) rather than continuous use of a non-current asset or disposal group, it is classified as held for sale. The specific standard is to meet the following conditions at the same time: a certain non-current asset or disposal group can be sold immediately under the current situation according to the practice of selling such assets or disposal group in similar transactions; the company has made a resolution on the sale plan and obtained confirmation purchase commitment; the sale is expected to be completed within a year. Among them, the disposal group refers to a group of assets that are disposed of as a whole in a transaction through sale or other means, and the liabilities directly related to these assets transferred in the transaction. If the asset group or combination of asset groups to which the disposal group belongs has apportioned the goodwill obtained in the business combination in accordance with the Accounting Standards for Business Enterprises No. 8 - Asset Impairment, the disposal group shall include the goodwill apportioned to the disposal group. When the company initially measures or re-measures on the balance sheet date and divides it into non-current assets and disposal groups held for sale, if its book value is higher than the net amount after the fair value minus the selling expenses, the book value shall be written down to The net amount after deducting the selling expenses from the fair value, the written-down amount is recognized as the asset impairment loss, which is included in the current profit and loss, and at the same time, the impairment provision for the assets held for sale is made. For the disposal group, the recognized asset impairment loss is first deducted from the book value of the goodwill in the disposal group, and then deducted proportionally to the "Accounting Standards for Business Enterprises No. 42 - Non-current Assets Held for Sale" in the disposal group. The book value of each non-current asset stipulated in the measurement regulations of "Disposal Group and Discontinued Operation" (hereinafter referred to as "Hold-for-sale Standards"). If the net amount of the disposal group held for sale on the subsequent balance sheet date increases after deducting the selling expenses, the previously written down amount shall be restored, and the held-for-sale standard shall be applied after being classified as held-for-sale The amount of asset impairment loss recognized for non-current assets subject to measurement requirements shall be reversed, and the reversal amount shall be included in the current profit and loss, and the book value of each non-current asset in the disposal group shall be subject to the measurement provisions of the held-for-sale standard except for goodwill. The proportion increases its book value proportionally; the book value of goodwill that has been written off, and the non-current assets that are subject to the measurement requirements of the held-for-sale standard, the asset impairment loss recognized before being classified as held-for-sale shall not be reversed. No depreciation or amortization is provided for the non-current assets held for sale or the non-current assets in the disposal group, and the interest and other expenses of the liabilities in the disposal group held for sale continue to be recognized. When the non-current assets or disposal groups no longer meet the classification conditions of the held-for-sale category, the company will no longer classify them as held-for-sale categories or remove the non-current assets from the held-for-sale disposal group. And according to the lower of the following two: (1) divided into

The book value before the held-for-sale category is adjusted according to the depreciation, amortization or impairment that should have been recognized under the assumption that it is not classified as the held-for-sale category; (2) The recoverable amount.

18. Debt investment (1)

Determination method and accounting treatment method of expected credit loss of debt investment

¥Applicable ¥Not applicable For details, please refer to "V. 10. Financial Instruments" in this section.

19. Other debt investments (1).

Determination and accounting methods for expected credit losses of other debt investments ¥Applicable ¥Not

applicable

20. Long-term receivables (1).

Determination method and accounting treatment method of expected credit loss of long-term receivables

¥Applicable ¥Not applicable

21. Long-term equity investment

¥Applicable ¥Not applicable The

long-term equity investment referred to in this section refers to the long-term equity investment in which the Company has control, joint control or significant influence over the investee. The long-term equity investment that the company does not have control, joint control or significant influence on the investee is accounted for as a financial asset measured at fair value and its changes are included in the current profit and loss. If it is non-trading, the company will initially recognize When the company chooses to designate it as a financial asset measured at fair value and its changes are included in other comprehensive income, please refer to "V. 10. Financial Instruments" in this section for its accounting policies.

Joint control refers to the common control that the company has over an arrangement in accordance with relevant agreements, and the relevant activities of the arrangement must be decided by the unanimous consent of the participants sharing the control right. Significant influence means that the company has the right to participate in the decision-making of the financial and operating policies of the investee, but cannot control or jointly control the formulation of these policies with other parties. (1) Determination of investment cost For the

long-term equity investment obtained from the merger of enterprises under the same control, on the merger date, the share of the book value of the owner's equity of the merged party in the consolidated financial statements of the ultimate controlling party shall be regarded as the initial investment of the long-term equity investment cost. The difference between the initial investment cost of long-term equity investment and the cash paid, the non-cash assets transferred and the book value of the debts borne shall be adjusted to the capital reserve; if the capital reserve is insufficient to offset, the retained earnings shall be adjusted. If the issue of equity securities is used as the consideration for the merger, the share of the book value of the shareholders' equity of the merged party in the consolidated financial statements of the ultimate controlling party on the merger date shall be regarded as the initial investment cost of the long-term equity investment, and the total face value of the issued shares shall be regarded as the share capital. The difference between the initial investment cost of the long-term equity investment and the total face value of the issued shares shall be adjusted to the capital reserve; if the capital reserve is insufficient to offset, the retained earnings shall be adjusted. If the equity of the merged party under the same control is obtained step by step through multiple transactions, and the merger of enterprises under the same control is finally formed, it shall be dealt with whether it belongs to a "package transaction": if it belongs to a "package transaction", each transaction shall be treated as one item Transactions in which control is obtained are accounted for. If it does not belong to a "package deal", on the merger date, the share of the book value of the owner's equity of the merged party in the consolidated financial statements of the ultimate controlling party shall be taken as the initial investment cost of long-term equity investment. The difference between the book value of the long-term equity investment before the merger and the sum of the book value of the newly paid consideration for further acquisition of shares on the merger date shall be adjusted to the capital reserve; if the capital reserve is insufficient to offset, the retained earnings shall be adjusted. For a long-term equity investment obtained from a business combination not under the same control, the initial investment cost of the long-term equity investment shall be the combination cost on the purchase date. The combination cost includes the assets paid by the purchaser, liabilities incurred or assumed, and equity securities issued. Sum of fair values. If the equity of the acquiree is acquired step by step through multiple transactions, and eventually a business combination not under the same control is formed, it shall be dealt with whether it belongs to a "package transaction": if it belongs to a "package transaction", each transaction shall be regarded as one acquisition. Transactions of control are accounted for. If it does not belong to a "package deal", the sum of the book value of the equity investment originally held by the acquiree plus the new investment cost shall be regarded as the initial investment cost of the long-term equity investment calculated by the cost method. If the originally held equity is accounted for by the equity method, the related other comprehensive income will not be accounted for temporarily. Originally held equity investments are available-for-sale financial assets

, the difference between its fair value and book value, as well as the accumulated changes in fair value originally included in other comprehensive income, are transferred to the current profit and loss.

Intermediary fees such as auditing, legal services, evaluation and consulting and other related management incurred by the merging party or the purchaser for the business combination

Expenses are included in the current profit and loss when incurred.

Other equity investments other than long-term equity investments formed by business combination shall be initially measured at cost. Depending on the acquisition method of long-term equity investment, the cost shall be calculated according to the actual cash purchase price paid by the company and the amount of equity securities issued by the company. The fair value, the value agreed in the investment contract or agreement, the fair value or original book value of the assets exchanged in the non-monetary asset exchange transaction, and the fair value of the long-term equity investment itself are determined. Expenses, taxes and other necessary expenses directly related to the acquisition of long-term equity investments are also included in investment costs. For the additional investment that can exert significant influence on the investee or implement joint control but does not constitute control, the cost of long-term equity investment is the original equity investment determined in accordance with the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments. The sum of the fair value plus the additional investment cost.

(2) Subsequent measurement and profit and loss recognition

methods for long-term equity investments that have joint control (except for constituting joint operators) or significant influence over the investee, use equity legal accounting. In addition, the company's financial statements use the cost method to account for long-term equity investments that can control the investee.

γ Long-term equity investment accounted for by the cost method

When the cost method is adopted, the long-term equity investment is priced at the initial investment cost, and the cost of the long-term equity investment is adjusted by adding or recovering the investment. Except for the price actually paid when the investment is obtained or the cash dividends or profits that have been declared but not distributed in the consideration, the current investment income is recognized as the cash dividends or profits declared and distributed by the investee. γ If the long-term equity investment accounted for by the equity method is accounted for by the equity method, if the initial investment cost of the long-term equity investment is greater than the share of the fair value of the identifiable net assets of the investee at the time of investment, the initial investment cost of the long-term equity investment shall not be adjusted; If the cost is less than the fair value share of the investee's identifiable net assets at the time of investment, the difference is included in the current profit and loss, and the cost of long-term equity investment is adjusted at the same time.

When accounting using the equity method, the investment income and other comprehensive income shall be recognized respectively according to the share of the net profit and loss and other comprehensive income realized by the investee that shall be enjoyed or shared, and the book value of the long-term equity investment shall be adjusted at the same time; Distributed profits or cash dividends shall be calculated according to the share, and the book value of the long-term equity investment shall be reduced accordingly; for other changes in the owner's equity of the investee except for net profit and loss, other comprehensive income and profit distribution, the book value of the long-term equity investment shall be adjusted. and included in the capital reserve. When confirming the share of the net profit and loss of the investee, the net profit of the investee shall be adjusted based on the fair value of the identifiable assets of the investee when the investment is obtained. If the accounting policy and accounting period adopted by the investee are inconsistent with the Company's, the financial statements of the investee shall be adjusted in accordance with the Company's accounting policy and accounting period, and investment income and other comprehensive income shall be recognized accordingly. For the transactions between the company and its associates and joint ventures, if the invested or sold assets do not constitute business, the unrealized internal transaction profits and losses shall be offset according to the proportion of the shares attributable to the company. On this basis Recognize investment gains and losses. However, the unrealized internal transaction losses between the company and the investee, which belong to the impairment losses of the transferred assets, shall not be offset. If the assets invested by the company to a joint venture or an associate constitute a business, and the investor thus obtains long-term equity investment but does not obtain control, the fair value of the invested business shall be used as the initial investment cost of the new long-term equity investment. The difference between the cost and the book value of the invested business is fully included in the current profit and loss. If the assets sold by the Company to joint ventures or associates constitute business, the difference between the consideration obtained and the book value of the business shall be fully included in the current profit and loss. If the assets purchased by the company from associates and joint ventures constitute business, accounting treatment shall be carried out in accordance with the provisions of the Accounting Standards for Business Enterprises No. 20 - Business Combination, and the full amount of gains or losses related to the transaction shall be recognized.

When recognizing the net loss of the investee that should be shared, the book value of the long-term equity investment and other long-term equity that substantially constitute the net investment in the investee shall be written down to zero. In addition, if the company is obliged to bear additional losses to the investee, the estimated liabilities shall be recognized according to the expected obligations and included in the current investment losses. If the investee realizes net profit in the subsequent period, the company will resume the recognition of the profit sharing amount after the profit sharing amount makes up for the unrecognized loss sharing amount.

For the long-term equity investments in associates and joint ventures held by the Company before the first implementation of the new accounting standards, such as

If there is an equity investment debit balance related to the investment, the straight-line amortization of the original remaining term is included in the current profit and loss. γ Acquisition of

minority equity When preparing the consolidated financial statements, the difference between the long-term equity investment newly added due to the acquisition of minority

equity and the share of net assets of the subsidiary that should be continuously calculated from the date of acquisition (or the date of combination) calculated in accordance with the newly increased shareholding ratio Adjust the capital reserve, if the capital reserve is insufficient to offset, adjust the retained earnings. γ Disposal of long-term equity investment

In the consolidated financial statements, the parent company partially disposes of the long-term equity investment in the subsidiary without losing control, and the difference between the disposal price and the net assets of the subsidiary corresponding to the disposal of the long-term equity investment is included in shareholders' equity; If the disposal of the long-term equity investment in the subsidiary leads to the loss of control over the subsidiary, it shall be dealt with in accordance with the relevant accounting policies described in "V. 6. (2) Method of preparing consolidated financial statements" in this section.

For the disposal of long-term equity investment under other circumstances, the difference between the book value of the disposed equity and the actual price obtained shall be included in the current profit and loss.

For long-term equity investments accounted for by the equity method, if the remaining equity after disposal is still accounted for by the equity method, the other comprehensive income originally included in the shareholders' equity shall be used in the corresponding proportion to directly dispose of the relevant assets or liabilities with the investee at the time of disposal. Accounting is done on the same basis. Owner's equity recognized due to changes in other owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution shall be carried forward to the current profit and loss proportionally.

For long-term equity investments accounted for by the cost method, if the remaining equity after disposal is still accounted for by the cost method, other comprehensive income recognized by the equity method accounting or financial instrument recognition and measurement standards accounting before the control of the investee is obtained, The accounting treatment shall be carried out on the same basis as the investee's direct disposal of relevant assets or liabilities, and the current profit and loss shall be carried forward proportionally; the net assets of the investee recognized due to the use of the equity method shall be accounted for except for the net profit and loss, other comprehensive income and profit distribution Changes in other owners' equity other than those are carried forward proportionally to the current profit and loss.

If the company loses control over the investee due to the disposal of part of the equity investment, when preparing individual financial statements, if the remaining equity after the disposal can exercise joint control or exert significant influence on the investee, it shall be accounted for by the equity method instead. The remaining equity is deemed to be adjusted using the equity method when it is acquired; if the remaining equity after disposal cannot exercise joint control or exert significant influence on the investee, the accounting treatment shall be carried out in accordance with the relevant provisions of the financial instrument recognition and measurement standards, the difference between the fair value and the book value on the date of losing control is included in the current profit and loss. For other comprehensive income recognized by the equity method accounting or financial instrument recognition and measurement standard accounting before the company obtains control over the investee, when the control over the investee is lost, it shall directly dispose of the relevant assets or Accounting treatment is carried out on the same basis as liabilities, and other changes in owners' equity other than net profit and loss, other comprehensive income and profit distribution in the net assets of the investee recognized due to accounting by the equity method are carried forward when the control over the investee is lost. Current profit and loss. Among them, if the remaining equity after disposal is accounted for using the equity method, other comprehensive income and other owners' equity will be carried forward in proportion; if the remaining equity after disposal is accounted for according to the recognition and measurement standards for financial instruments, other comprehensive income and other ownership All rights and interests are carried forward. If the company loses joint control or significant influence on the investee due to the disposal of part of the equity investment, the remaining equity after disposal shall be accounted for according to the recognition and measurement standards of financial instruments. The difference between the book values is included in the current profit and loss. Other comprehensive income recognized by the original equity investment due to accounting by the equity method shall be accounted for on the same basis as the investee's direct disposal of relevant assets or liabilities when the equity method is terminated. The owner's equity recognized by other changes in owner's equity other than income and profit distribution shall be fully transferred to the current investment income when the equity method is terminated.

The company disposes of the equity investment in subsidiaries step by step through multiple transactions until it loses control. If the above transactions belong to a package transaction, each transaction is accounted for as a transaction that disposes of equity investment in subsidiaries and loses control. The difference between each disposal price before the loss of control and the book value of the long-term equity investment corresponding to the disposed equity is first recognized as other comprehensive income, and then transferred to the current profit and loss of the loss of control when the control is lost.

22. Investment property does not

apply

23. Fixed assets (1).

Recognition conditions

☐Applicable ☐Not applicable Fixed

assets refer to tangible assets that are held for the production of commodities, provision of labor services, lease or operation and management, and whose service life exceeds one fiscal year. Fixed assets are recognized only when the economic benefits associated with them are likely to flow to the Company and their costs can be measured reliably. Fixed assets are initially measured at cost and considering the impact of expected disposal costs.

(2). Depreciation method

☐Applicable ☐Not applicable

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Category	Depreciation method	Depreciation period (years)	Residual rate	annual depreciation rate
Houses and buildings	Average age method	20	5%	4.75%
Special equipment	Average age method	5	5%	19.00%
Transportation equipment	Average age method	4	5%	23.75%
Mechanical equipment	Average age method	5-10	5%	19.00%-9.50%
Office equipment and its	Average years method	3-5	5%	31.67%-19.00%

Estimated net residual value refers to the expected state when the estimated service life of the fixed asset has expired and is at the end of the service life.

The amount currently obtained from the disposal of the asset after deducting estimated disposal costs.

(3) Recognition basis, valuation and depreciation method of fixed assets acquired under financial

lease ☐Applicable ☐Not applicable

(4) Impairment test method for fixed assets and provision for impairment

Please refer to "V. 30. Impairment of long-term assets" in this section for the method of impairment test and provision for impairment of fixed assets.

(5) Other descriptions of

subsequent expenditures related to fixed assets, if the economic benefits related to the fixed assets are likely to flow in and the cost can be reliable

It shall be included in the cost of fixed assets, and the book value of the replaced part shall be derecognized. In addition to other follow-up expenses,

Included in the current profit and loss when it occurs.

When the fixed asset is in a state of disposal or it is expected that no economic benefits will be generated through use or disposal, the fixed asset is derecognized.

Produce. The difference between the disposal income from the sale, transfer, scrap or damage of fixed assets after deducting its book value and related taxes is included in the current period profit and loss.

The company will review the service life, estimated net residual value and depreciation method of fixed assets at least at the end of the year.

Changes are treated as changes in accounting estimates.

24. Construction in progress

☐Applicable ☐Not applicable

The cost of construction in progress is determined according to the actual construction expenditure, including various construction expenditures incurred during the construction period, and the project can be

The capitalized borrowing costs and other related costs before the state are used. Construction in progress will be carried forward to solid state after reaching the expected usable state fixed assets.

Please refer to "V. 30. Impairment of long-term assets" in this section for the method of impairment test and provision for impairment of construction in progress.

25. Borrowing costs

☐Applicable ☐Not applicable

Borrowing costs include borrowing interest, amortization of discounts or premiums, ancillary expenses, and exchange differences arising from foreign currency borrowings

Wait. Borrowing costs that can be directly attributable to the acquisition, construction or production of assets eligible for capitalization are

When the payment expenses have been incurred and the acquisition, construction or production activities necessary to make the asset ready for its intended use or sale have begun,

Begin capitalization; stop when the constructed or produced assets eligible for capitalization reach the intended use or sale state.

stop capitalization. The remaining borrowing costs are recognized as expenses in the period in which they are incurred.

The interest expense actually incurred in the current period of the special loan, minus the interest income or income from the unused loan funds deposited in the bank.

The amount after the investment income obtained from the temporary investment shall be capitalized;

The capitalized amount is determined by multiplying the weighted average number of asset expenditures by the capitalization rate of the occupied general borrowings. The capitalization rate is based on the general

The weighted average interest rate of the loan is calculated and determined.

During the capitalization period, the exchange differences of foreign currency special borrowings are fully capitalized; the exchange differences of foreign currency general borrowings are included in the current period profit and loss.

Assets eligible for capitalization refer to the acquisition, construction or production activities that require a considerable period of time before they can reach their intended use or availability.

Assets such as fixed assets, investment properties, and inventories in the sale state.

If the acquisition, construction or production of an asset eligible for capitalization is abnormally interrupted and the interruption lasts for more than 3 months, the capitalization of borrowing costs shall be suspended until the acquisition, construction or production of the asset resumes.

26. Biological assets

Applicable Not applicable

27. Oil and gas properties

Applicable Not applicable

28. Right-of-use assets

Applicable Not applicable For

details, please refer to "V. 42. Lease" in this section.

Please refer to "V. 30. Impairment of long-term assets" in this section for the method of impairment test and provision for impairment of right-of-use assets.

29. Intangible assets (1).

Valuation method, service life and impairment test Applicable Not applicable

Intangible assets refer to identifiable non-monetary assets without physical

form owned or controlled by the company. Intangible assets are initially measured at cost. Expenses related to intangible assets are included in the cost of

intangible assets if the related economic benefits are likely to flow into the company and the cost can be measured reliably. Expenses for other items other than the above shall be included in the

current profit and loss when incurred. The acquired land use rights are usually accounted for as intangible assets. For the self-development and construction of buildings such as workshops, the related land

use rights expenses and building construction costs are accounted for as intangible assets and fixed assets respectively. In the case of purchased houses and buildings, the relevant price shall be allocated

between the land use rights and the buildings. If it is difficult to allocate them reasonably, they shall all be treated as fixed assets.

The intangible assets with limited useful life are accumulated from the original value minus the estimated net residual value and the provision for impairment from the time they are available for use.

The calculated amount is amortized on a straight-line basis over its estimated useful life. Intangible assets with indefinite useful lives shall not be amortized.

At the end of the period, the service life and amortization method of the intangible assets with limited service life are reviewed, and if there is a change, it will be treated as a change in accounting estimates. In addition, the service life of an intangible asset with an indefinite service life is also reviewed. If there is evidence that the intangible asset will bring economic benefits to the enterprise for a foreseeable period, its service life is estimated and based on the intangible asset with limited service life. amortization policy. Please refer to "V. 30. Impairment of Long-term Assets" for details on the method of impairment test and provision for impairment of intangible assets.

(2) Accounting policy for internal research and development

expenditures Applicable Not applicable The expenditures of the

Company's internal research and development projects are divided into research-stage expenditures and development-stage expenditures.

Expenses in the research stage shall be included in the current profit and loss when incurred. Expenditure in the development phase that meets

the following conditions at the same time is recognized as an intangible asset, and the expenditure in the development phase that fails to meet the following conditions is included in the current

profit and loss: Applicable Not applicable Have the intention to complete the intangible asset and use or sell it; Applicable Not applicable The way in which the

intangible asset generates economic benefits, including the existence of a market for the products produced by using the intangible asset or the existence of a market for the intangible asset itself,

and the fact that the intangible asset will be used internally, which can be proved Its usefulness; Applicable Not applicable There are sufficient technical, financial and other resources to support the development of the

intangible asset and to be able to use or sell the intangible asset; Applicable Not applicable The expenditures attributable to the development stage of the intangible asset can be measured reliably. If it is impossible to

distinguish the research stage expenditure and the development stage expenditure, all the research and development expenditure incurred shall be included in the current profit and loss.

30. Impairment of long-term assets

Applicable Not applicable For fixed

assets, construction in progress, intangible assets with limited useful lives, right-of-use assets, investment real estate measured at cost and long-term assets for subsidiaries, joint ventures and associates For non-current non-financial assets such as equity investments, the Company determines whether there is any sign of impairment on the balance sheet date. If there is any indication of impairment, estimate its recoverable amount and conduct an impairment test. Goodwill, intangible assets with indefinite useful lives and intangible assets that have not yet reached a usable state, regardless of whether there is any sign of impairment, are tested for impairment every year. If the result of the impairment test indicates that the recoverable amount of the asset is lower than its book value, an impairment provision shall be made according to the difference and included in the impairment loss. The recoverable amount is the higher of the fair value of the asset less disposal costs and the present value of the asset's estimated future cash flows. The fair value of the asset is determined based on the price of the sales agreement in an arm's length transaction; if there is no sales agreement but there is an active market for the asset, the fair value is determined based on the buyer's bid for the asset; if there is no sales agreement and there is no active market for the asset, the highest available price is used. The fair value of assets is estimated based on the best information. Disposal costs include legal fees, related taxes, removal fees, and direct costs incurred in bringing the asset to marketable condition in connection with the disposal of the asset. The present value of the expected future cash flow of the asset is determined according to the expected future cash flow generated during the continuous use and final disposal of the asset, and the discounted amount is determined by selecting an appropriate discount rate. The provision for asset impairment is calculated and confirmed 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 shall be determined based on the asset group to which the asset belongs. An asset group is the smallest group of assets that can independently generate cash inflows. For the goodwill listed separately in the financial statements, when conducting the impairment test, the book value of the goodwill shall be apportioned to the asset group or combination of asset groups expected to benefit from the synergistic effect of the business combination. If the test results show that the recoverable amount of the asset group or combination of asset groups including the apportioned goodwill is lower than its book value, the corresponding impairment loss shall be recognized. The amount of impairment loss is first deducted from the book value of the goodwill apportioned to the asset group or combination of asset groups, and then based on the proportion of the book value of other assets other than goodwill in the asset group or combination of asset groups. Deduct the book value of other assets. Once the above-mentioned asset impairment loss is confirmed, the part whose value is recovered will not be reversed in subsequent periods.

31. Long-term prepaid expenses

Applicable Not applicable Long-

term prepaid expenses are the expenses that have been incurred but should be borne by the reporting period and subsequent periods for an amortization period of more than one year. The long-term deferred expenses of the Company mainly include decoration expenses and greening works. Long-term deferred expenses are amortized on a straight-line basis over the expected benefit period.

32. Contract liabilities (1).

Recognition method of contract liabilities Applicable

Not applicable Contract liabilities refer to the

obligation of the company to transfer the goods to the client after receiving or receivable consideration from the client. If the customer has paid the contract consideration or the company has obtained the unconditional right to receive payment before the company transfers the goods to the customer, the company shall, at the earlier point of time when the customer actually pays the amount and the amount due and payable, shall pay the amount received or payable. Receivables are presented as contract liabilities. Contract assets and contract liabilities under the same contract are presented on a net basis, and contract assets and contract liabilities under different contracts are not offset.

33. Employee compensation

(1) Accounting treatment method of short-term compensation

Applicable Not applicable Short-term compensation mainly

includes wages, bonuses, allowances and subsidies, employee benefits, medical insurance premiums, maternity insurance premiums, work-related injury insurance premiums, housing provident fund, trade union funds and employees Education funding, non-monetary benefits, etc. The company recognizes the actual short-term employee benefits as liabilities during the accounting period when employees provide services to the company, and includes them in the current profit and loss or related asset costs. Among them, non-monetary benefits are measured at fair value.

(2). Accounting treatment of post-employment benefits Applicable

Not applicable

Post-employment benefits mainly include basic pension insurance, unemployment insurance and annuities. Post-employment benefit plan includes defined contribution Draw. If a defined withdrawal plan is adopted, the corresponding deposit amount shall be included in the relevant asset cost or current profit and loss when it occurs.

(3) Accounting treatment of dismissal benefits ☐Applicable

☐Not applicable The company cannot unilaterally withdraw

the proposal to terminate the labor relationship with the employee before the expiration of the labor contract, or to encourage the employee to voluntarily accept the layoff. When the dismissal benefit provided by the labor relationship termination plan or the layoff proposal, and the Company confirms the cost related to the reorganization involving the payment of dismissal benefit, whichever is earlier, the employee compensation liability arising from the dismissal benefit is recognized and included in the current profit and loss. However, if the dismissal benefits are not expected to be fully paid 12 months after the end of the annual reporting period, they shall be treated as other long-term employee compensation. The internal retirement plan of employees is treated in the same principle as the above-mentioned dismissal benefits. The company will start from the day when the employees stop providing services to

The salaries and social insurance premiums to be paid during the normal retirement date are included in the current profit and loss (dismissal welfare) when the conditions for the recognition of estimated liabilities are met.

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

Accounting for defined benefit plans.

34. Lease liabilities

☐Applicable ☐Not applicable For

details, please refer to "V. 42. Lease" in this section.

35. Estimated liabilities

☐Applicable ☐Not applicable When

the obligations related to contingencies meet the following conditions at the same time, they are recognized as estimated liabilities: (1) the obligation is the current obligation undertaken by the company; (2) the performance of the obligation is likely to lead to economic (3) The amount of the obligation can be measured reliably. On the balance sheet date, considering factors such as risks, uncertainties and time value of money related to contingencies,

The estimated liabilities are measured by the best estimate of the expenditure required by the relevant present obligation.

If all or part of the expenses required to settle the estimated liabilities are expected to be compensated by a third party, the compensation amount shall be separately recognized as an asset when it is basically confirmed that it can be received, and the recognized compensation amount does not exceed the book value of the estimated liabilities. (1) When the obligation formed by contingent matters such as providing product quality assurance to the outside world becomes a current obligation of the company, the performance of the obligation is likely to cause economic benefits to flow out of the company, and the amount of the obligation can be measured reliably, the company will take the obligation. Confirmed as estimated liabilities. (2) The company initially measures the estimated liabilities according to the best estimate of the expenditure required to perform the relevant current obligations, and then

On the balance sheet date, the book value of the estimated liabilities shall be reviewed.

36. Share-based payment

☐Applicable ☐Not applicable (1)

Accounting treatment of share-based payment Share-

based payment is determined on the basis of equity instruments granted or undertaken in order to obtain services from employees or other parties debt transactions. Share-based payment is divided into equity-settled share-based payment and cash-settled share-based payment.

☐ Equity-settled share-based payment The equity-

settled share-based payment in exchange for services provided by employees shall be measured at the fair value of the equity instruments granted to employees on the grant date. The amount of the fair value shall be calculated and included in the relevant costs on a straight-line basis during the waiting period based on the best estimate of the number of exercisable equity instruments under the condition that the right can be exercised after completing the service during the waiting period or meeting the specified performance conditions. Or expenses / When the right is exercised immediately after the grant, the relevant costs or expenses shall be included in the grant date, and the capital reserve shall be increased accordingly.

On each balance sheet date during the waiting period, the company makes the best estimate based on the latest obtained follow-up information such as changes in the number of exercisable employees, and revises the estimated number of exercisable equity instruments. The impact of the above estimates shall be included in the relevant costs or expenses of the current period, and the capital reserve shall be adjusted accordingly. For equity-settled share-based payments in exchange for services of other parties, if the fair value of services of other parties can be measured reliably, it shall be measured at the fair value of services of other parties on the date of acquisition; if the fair value of services of other parties cannot be reliably measured, but equity instruments If the fair value of the equity instrument can be reliably measured, it shall be measured according to the fair value of the equity instrument on the date of service acquisition, included in the relevant costs or expenses, and the shareholders' equity shall be increased accordingly. ̳ Cash-settled share-based payment Cash-settled share-based payment shall be measured at the fair value of the liabilities determined on the basis of shares or other equity instruments undertaken by the company. If the right can be exercised immediately after the grant, the relevant costs or expenses will be included on the grant date, and the liabilities will be increased accordingly; if the right can only be exercised after completing the service during the waiting period or meeting the specified performance conditions, on each balance sheet date of the waiting period, Based on the best estimate of the vesting situation, according to the fair value of the liability assumed by the company, the services obtained in the current period are included in the cost or expense, and the liability is increased accordingly. The fair value of the liability is remeasured on each balance sheet date before the settlement of the relevant liability and on the settlement date, and the change in the liability is calculated

into the current profit and

loss. (2) Relevant accounting treatment for modification and termination of share-based payment plan

When the company modifies the share-based payment plan, if the modification increases the fair value of the equity instruments granted, the increase in services obtained shall be recognized according to the increase in the fair value of the equity instruments. The increase in the fair value of equity instruments refers to the difference between the fair values of the equity instruments before and after the modification on the modification date. If the modification reduces the total fair value of share-based payment or adopts other methods that are not conducive to employees, the accounting treatment of the services obtained shall continue to be treated as if the change has never occurred, unless the company cancels some or all of the granted rights and interests tool. During the waiting period, if the granted equity instruments are cancelled, the company will treat the cancellation of the granted equity instruments as accelerated exercise, and the amount that should be recognized during the remaining waiting period will be immediately included in the current profit and loss, and the capital reserve will be recognized at the same time. If the employees or other parties can choose to meet the non-vesting conditions but not within the waiting period, the company will treat it as the cancellation of the grant of equity instruments. (3) The accounting treatment of share-based payment transactions involving the company and the company's shareholders or actual controllers involves share-based payment transactions between the company and the company's shareholders or actual controllers. One of the settlement company and the service-receiving company is

Within the company and another outside the company, accounting treatment shall be carried out in accordance with the following provisions in the company's consolidated financial statements:

̳ If the settlement enterprise settles with its own equity instruments, the share-based payment transaction shall be treated as equity-settled share-based payment;

In addition, share-based payments are processed as cash-settled.

If the settlement enterprise is an investor of the service enterprise, the fair value of the equity instruments or the fair value of the liabilities that should be assumed on the grant date shall be determined.

The value is recognized as the long-term equity investment in the enterprise receiving the service, and the capital reserve (other capital reserve) or liabilities are recognized at the same time.

̳ If the service-receiving enterprise has no settlement obligation or grants its own equity instruments to its employees, the share-based payment transaction shall be treated as equity-settled share-based payment; the service-accepting enterprise has settlement obligations and grants its own equity instruments to its employees. , the share-based payment transaction is treated as a cash-settled share-based payment.

For share-based payment transactions between enterprises within the company, if the service-receiving enterprise and the settlement enterprise are not the same enterprise, the confirmation and measurement of the share-based payment transaction in the respective financial statements of the service-accepting enterprise and the settlement enterprise shall be based on the above principles. deal with.

37. Other financial instruments such as preference shares and perpetual bonds

̳Applicable ̳Not Applicable

38. Revenue (1).

Accounting policies adopted for revenue recognition and measurement ̳Applicable

̳Not applicable When the contract between the company and the customer

simultaneously meets the following conditions, the revenue is recognized when the customer obtains control over the relevant commodities: the parties to the contract have approved The contract also promises to perform their respective obligations; the contract clarifies the rights and obligations of the parties to the contract related to the transferred goods or the provision of labor services; the contract has clear payment terms related to the transferred goods; the contract has commercial substance, that is, the performance of the contract will change the risk, time distribution or amount of future cash flows of the Company; the consideration to which the Company is entitled for the transfer of goods to customers is likely to be recovered.

On the contract start date, the company identifies each individual performance obligation in the contract, and assigns the transaction price according to each individual performance obligation. The relative proportion of the stand-alone selling price of the promised goods is allocated to each individual performance obligation. In determining the transaction price, the influence of factors such as variable consideration, significant financing components in the contract, non-cash consideration, and consideration payable to customers are considered.

For each single performance obligation in the contract, if one of the following conditions is met, the company will recognize the transaction price apportioned to the single performance obligation as revenue according to the progress of the performance during the relevant performance period: The customer will immediately recognize the transaction price when the company performs the contract. Obtain and consume the economic benefits brought by the company's performance; the customer can control the products under construction during the company's performance; the products produced by the company during the performance of the contract have irreplaceable uses, and the company has The right to receive payment for the portion of the performance that has been completed to date. The progress of contract performance is determined by the input method or output method according to the nature of the transferred goods. When the progress of contract performance cannot be reasonably determined, if the cost incurred by the company is expected to be compensated, the revenue shall be recognized according to the amount of cost incurred until the progress of contract performance can be compensated. until reasonably certain. If one of the above conditions is not met, the company will apportion to the transaction price of the single performance obligation when the customer obtains control of the relevant commodity to recognize revenue. When judging whether a customer has obtained control over a product, the company considers the following indications: the company has the current right to receive payment for the product, that is, the customer has a current payment obligation for the product; the company has transferred the legal ownership of the product to the customer, that is The customer already owns the legal ownership of the commodity; the enterprise has transferred the commodity in kind to the customer, that is, the customer has physically possessed the commodity; the enterprise has transferred the main risks and rewards of the ownership of the commodity to the customer, that is, the customer has obtained the ownership of the commodity the main risks and rewards on the commodity; the customer has accepted the commodity; other indications that the customer has obtained control of the commodity. The specific methods of revenue recognition of the Company are as follows: The Company's commodity sales business usually only includes the performance obligations of the transferred commodities.

For domestic sales, when the goods have been issued and signed by the customer, the control of the goods will be transferred, and the company will recognize the income at this point in time. In the export business, when the product is declared to the customs and the bill of lading is obtained according to the contract, the control of the product is transferred, and the company recognizes the revenue at that time. The credit period granted by the Company to customers is in line with industry practice, and there is no significant financing component. Under the distribution model, there are arrangements such as sales rebates in the contracts between the company and customers, which form variable consideration. The company determines the best estimate of the variable consideration based on the expected value or the most likely amount, but the transaction price including the variable consideration shall not exceed the accumulated recognized revenue when the relevant uncertainty is eliminated. amount. For the rebate amount expected to be granted to customers according to the sales policy, the current sales revenue is offset and the corresponding liabilities are recognized.

(2) Differences in accounting policies for revenue recognition due to the adoption of different business models for similar businesses ÿApplicable

ÿNot Applicable

39. Contract cost ÿApplicable

ÿNot applicable If the incremental

cost incurred by the Company for obtaining the contract is expected to be recovered, it is recognized as an asset as the cost of obtaining the contract. If the costs incurred for the performance of the contract do not fall within the scope of other accounting standards for business enterprises other than the "Accounting Standards for Business Enterprises No. 14 - Revenue (2017 Revision)" and meet the following conditions at the same time, it is recognized as an asset as the cost of contract performance: ÿ The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing overhead (or similar expenses), costs clearly borne by the customer, and other costs incurred solely as a result of the contract; ÿ the cost It increases the resources the company will use to perform performance obligations in the future; ÿ the cost is expected to be recovered.

Assets related to contract costs are amortized on the same basis as the revenue from commodities related to the asset is recognized, and are included in current losses.

beneficial.

40. Government grants

ÿApplicable ÿNot applicable

Government grants refer to the monetary assets and non-monetary assets obtained by the company from the government free of charge, excluding the capital invested by the government as an investor and enjoying the corresponding owner's rights and interests. Government grants are divided into asset-related government grants and income-related government grants. The company defines the government grants obtained for the purchase and construction or forming long-term assets in other ways as government grants related to assets; other government grants are defined as government grants related to income. If the government document does not specify the subsidy object, the subsidy will be divided into the income-related government subsidy and the asset-related government subsidy in the following ways: (1) If the government document specifies the specific project for which the subsidy is directed, according to the specific project In the project budget, the relative proportion of the amount of expenditure that forms the asset and the amount of expenditure included in the expense is divided, and the division ratio needs to be reviewed on each balance sheet date, and changed if necessary;

(2) The purpose in the government documents is only a general expression, and if no specific project is specified, it is regarded as a government grant related to the income. If the government grant is a monetary asset, it shall be measured according to the amount received or receivable. If the government grant is a non-monetary asset, it shall be measured at its fair value; if the fair value cannot be obtained reliably, it shall be measured at its nominal amount. Government subsidies measured at the nominal amount are directly included in the current profit and loss. The company usually recognizes and measures government subsidies according to the actual amount received when they are actually received. However, if there is conclusive evidence at the end of the period that it can meet the relevant conditions stipulated by the financial support policy, it is expected to receive financial support funds, which shall be measured according to the amount receivable. Government subsidies measured according to the amount receivable should meet the following conditions at the same time: (1) The amount of the subsidy receivable has been confirmed by the competent government department, or it can be reasonably calculated according to the relevant provisions of the officially promulgated financial fund management measures, and it is expected that there is no major uncertainty in its amount; (2) It is based on the financial support projects and financial funds management methods officially released by the local financial department and actively disclosed in accordance with the "Regulations on the Disclosure of Government Information", and the management methods It should be inclusive (any enterprise that meets the specified conditions can apply), rather than specially formulated for specific enterprises; (3) The relevant subsidy approval documents have clearly promised the disbursement period, and the disbursement of the funds is guaranteed. The corresponding financial budget is guaranteed, so it can be reasonably guaranteed that it will be received within the specified time limit. Government grants related to assets are recognized as deferred income, and are included in the current profit and loss in a reasonable and systematic manner within the useful life of the relevant assets. Government grants related to income are used to compensate for related costs or losses in subsequent periods, and are recognized as deferred income, and are included in the current profit and loss during the period in which the related costs or losses are recognized; they are used to compensate for related costs that have already occurred. or loss, directly included in the current profit and loss. Government grants that include both asset-related parts and income-related parts at the same time, and separate accounting treatment for different parts; if it is difficult to distinguish, classify them as income-related government grants as a whole. Government grants related to the company's daily activities are included in other income or offset related costs according to the essence of economic business; government grants unrelated to daily activities are included in non-operating income and expenses. When the confirmed government grant needs to be returned, if there is a relevant deferred income balance, the book balance of the relevant deferred income shall be written down, and the excess

The outgoing part is included in the current profit and loss; in other cases, it is directly included in the current profit and loss.

41. Deferred income tax assets/deferred income tax liabilities ☐Applicable ☐Not

applicable (1) On the current income tax balance sheet date, for the current income tax liabilities (or assets) formed in the current period and previous periods, the expected payment should be calculated according to the tax law (or refund) of the income tax amount measured. The taxable income on which the current income tax expense is calculated is calculated after making corresponding adjustments to the pre-tax accounting profit for the reporting period in accordance with the relevant tax laws. (2) Deferred income tax assets and deferred income tax liabilities The difference between the book value of certain assets and liabilities and their tax bases, as well as the differences between items that are not recognized as assets and liabilities but whose tax bases can be determined in accordance with tax laws For temporary differences arising from the difference between the book value and the tax base, deferred tax assets and deferred tax liabilities are recognized using the balance sheet liability method.

Taxable temporary in connection with the initial recognition of goodwill and in connection with the initial recognition of an asset or liability arising from a transaction that is neither a business combination nor affects accounting profit and taxable income (or deductible loss) when it occurs The related deferred tax liabilities will not be recognized. In addition, for taxable temporary differences related to investments in subsidiaries, associates and joint ventures, if the company can control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future, and the related deferred tax liabilities will not be recognized. Except for the above exceptions, the Company recognizes deferred income tax liabilities arising from all other taxable temporary differences.

Intermediate property in a transaction that is neither a business combination nor affects accounting profits and taxable income (or deductible losses) when it occurs The deductible temporary differences related to the initial recognition of the assets or liabilities incurred shall not be recognized as related deferred tax assets. In addition, for deductible temporary differences related to investments in subsidiaries, associates and joint ventures, if the temporary difference is not probable to reverse in the foreseeable future, or it is not probable that the temporary difference will be available for deduction in the future. The taxable income of temporary differences shall not be recognized as related deferred tax assets. Except for the above exceptions, the Company recognizes deferred income tax assets arising from other deductible temporary differences within the limit of the taxable income that is likely to be obtained to offset the deductible temporary differences. For deductible losses and tax credits that can be carried forward to future years, with a high probability of being available against deductible losses and taxes

To the extent that the deductible future taxable income is limited, the corresponding deferred income tax assets are recognized.

On the balance sheet date, for deferred income tax assets and deferred income tax liabilities, in accordance with the provisions of the tax law, the related assets will be recovered as expected. The applicable tax rate is measured in the period in which the asset or the related liability is settled.

On the balance sheet date, review the book value of deferred tax assets. If it is probable that sufficient taxable income cannot be obtained in the future to offset the benefits of deferred tax assets, write down the book value of deferred tax assets. . The write-down amount is reversed when it is probable that sufficient taxable income will be obtained.

(3) Income tax expenses

Income tax expenses include current income tax and deferred income tax.

Except for the current income tax and deferred income tax related to transactions and events recognized as other comprehensive income or directly included in shareholders' equity, and the deferred income tax arising from business combination to adjust the book value of goodwill, the remaining Current income tax and deferred income tax expenses or gains are included in current profit and loss. (4) Offset of income tax When it has the legal right to settle on a net basis and intends to settle on a net basis or to acquire assets and pay off liabilities simultaneously, the Company shall

The company's current income tax assets and current income tax liabilities are presented on a net basis after offsetting.

When it has the legal right to settle the current income tax assets and current income tax liabilities on a net basis, and the deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax collection authority on the same taxpayer or are related to different taxpayers, However, in each future period when significant deferred income tax assets and liabilities are reversed, when the taxpayer involved intends to settle the current income tax assets and liabilities on a net basis or obtain assets and pay off liabilities at the same time, the company deferred income tax Assets and deferred tax liabilities are presented on a net basis after offsetting.

42. Leasing

(1) Accounting treatment method of operating lease

√Applicable √Not applicable For details, please refer to

"V. 42.(3) Determination method and accounting treatment method of lease under the new lease standard" in this section.

(2) Accounting treatment method of finance lease

√Applicable √Not applicable For details, please refer to

"V. 42.(3) Determination method and accounting treatment method of lease under the new lease standard" in this section.

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

standards

A contract for payment of consideration. On the inception date of a contract, the Company assesses whether the contract is or contains a lease.

(1) The Company as the lessee The types

of assets leased by the Company are mainly houses and buildings. √Initial

measurement On the start date of the lease term, the company recognizes the right

to use the leased asset during the lease term as a right-of-use asset, and recognizes the present value of the unpaid lease payments as lease liabilities, short-term leases and low-value asset leases except. When calculating the present value of lease payments, the Company adopts the interest rate implicit in the lease as the discount rate; if the interest rate implicit in the lease cannot be determined, the incremental borrowing rate of the lessee is used as the discount rate. √Subsequent measurement The company depreciates the right-of-use asset from the month when the lease term begins. If it can be reasonably determined that the ownership of the leased asset will be obtained at the expiration of the lease term, the company will depreciate the leased asset within the remaining useful life. If it cannot be reasonably determined that the ownership of the leased asset can be obtained at the expiration of the lease term, the Company shall accrue depreciation within the shorter of the lease term and the remaining useful life of the leased asset.

For lease liabilities, the company calculates its interest expense in each period of the lease term at a fixed periodic interest rate, and includes it into the current profit and loss or into the cost of relevant assets. Variable lease payments that are not included in the measurement of lease liabilities are included in the current profit and loss or the cost of related assets when they are actually incurred. After the commencement date of the lease term, when there is a change in the in-substance fixed payment, the estimated amount payable for the residual value guarantee changes, the index or ratio used to determine the lease payment changes, the evaluation of the purchase option, renewal option or termination option When the result or actual exercise situation changes, the Company re-measures the lease liability according to the present value of the changed lease payments, and adjusts the book value of the right-of-use asset accordingly. If the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the Company will include the remaining amount in the current profit and loss.

Short-term leases and leases of low-value assets For short-term

leases (leases with a lease term not exceeding 12 months on the lease start date) and leases of low-value assets, the Company adopts a simplified approach, not recognizing right-of-use assets and lease liabilities, but in each period of the lease term, the lease payments are included in the cost of the relevant assets or the current profit and loss according to the straight-line method or other systematic and reasonable methods. Lease modification If the lease is modified and the following conditions are met at the same time, the company will account for the lease modification as a separate lease.

reason:

- The lease modification expands the scope of the lease by increasing the right to use one or more leased assets; • The increased consideration equals the stand-alone price of the expanded lease scope, adjusted for the contractual conditions. If the lease change is not accounted for as a separate lease, (except for the contract change directly caused by the new crown pneumonia epidemic that adopts the simplified method.) on the effective date of the lease change, the company re-allocates the consideration of the contract after the change, and re-determines the lease term. The lease liability is remeasured at the present value of the modified lease payments and the revised discount rate.

If the lease change leads to the narrowing of the lease scope or the shortening of the lease term, the company will reduce the book value of the right-of-use asset accordingly, and include the relevant gains or losses on partial or complete termination of the lease into the current profit and loss. If other lease changes result in re-measurement of lease liabilities, the Company adjusts the book value of the right-of-use asset accordingly.

43. Other important accounting policies and accounting estimates Applicable Not applicable

44. Changes in important accounting policies and accounting estimates (1).

Changes in important accounting policies Applicable Not applicable

The content and reasons for changes in accounting policies	approval procedure	Remarks (names and amounts of report items that are significantly affected)
Implement Accounting Standards for Business Enterprises No. 21 - Leases (Cai Kuai [2018] No. 35 Document) issued by the Ministry of Finance Other instructions: The Ministry of	Approved by the management of the company	see other notes

Finance issued the Accounting Standards for Business Enterprises

No. 21 - Leases (2018) on December 7, 2018 (Cai Kuai [2018] No. 35) (hereinafter referred to as the "New Lease Standards"). As passed at the eighth meeting of the eighth session of the Board of Directors of the Company on April 22, 2021, the Company will implement the aforementioned new lease standards from January 1, 2021, and will make changes to relevant accounting policies in accordance with the provisions of the new lease standards. On the first implementation date of the new leasing standards (i.e. January 1, 2021), the company's specific connection processing and its impact are as follows: The company as the lessee: For the financial lease on the first implementation date, the company as the lessee will follow the financial lease. The original book value of the credited assets and the finance lease payables shall be measured separately for the right-of-use asset and lease liability; for the operating lease on the date of initial application, it is regarded as the cash value discounted by the lessee at the incremental borrowing rate on the date of initial application according to the remaining lease payments. The lease liability is measured at the value of the lease; the unpaid rent accrued on an accrual basis under the original lease standards is included in the remaining lease payments.

For operating leases prior to the date of initial application, the Company measures the right-of-use asset at an amount equal to the lease liability and makes necessary adjustments based on prepaid rents. The Company conducts an impairment test on the right-of-use asset on the date of initial application, and does not adjust the book value of the right-of-use asset. The company does not recognize right-of-use assets and lease liabilities for operating leases where the leased assets before the date of initial execution are low-value assets. For operating leases other than low-value leases on the date of initial application, the Company adopts one or more of the following simplified treatments for each lease: leases that will be completed within 12 months after the date of initial application are treated as short-term leases; measurement leases When liabilities are incurred, the same discount rate is used for leases with similar characteristics; the measurement of right-of-use assets does not include initial direct costs; if there is an option to renew or terminate the lease, the company will use the actual exercise of the option before the initial execution date and other The lease term is determined based on the latest situation; as an alternative to the right-of-use asset impairment test, the company evaluates whether a contract containing a lease is a onerous contract before the date of initial execution in accordance with the Accounting Standards for Business Enterprises No. 13 - Contingencies. The amount of the loss provision included in the balance sheet before the adjustment

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the right-of-use asset; if there is a lease change before the date of initial implementation, the company will conduct an accounting process according to the final arrangement of the lease change.
reason.

When the company implements the new lease standards, it chooses to simplify the treatment according to the transition period policy, and there is no need to adjust the retained earnings at the beginning of 2021.

Comparable period information does not need to be adjusted.

For details of the impact of the change in accounting policies of the implementation of the new lease standards on the financial statements on January 1, 2021, please refer to "V. 44. (3)" in this section.

The first implementation of the new lease standards from 2021 to adjust the financial statements at the beginning of the year for the first implementation".

(2). Changes in significant accounting

estimates yApplicable yNot applicable

(3). The first implementation of the new lease standards from 2021 to adjust the financial statements at the beginning of the year for the first

implementation yApplicable yNot applicable

Consolidated Balance Sheet

Unit: Currency: RMB

project	December 31, 2020	January 1, 2021	adjustment
Current assets:			
monetary	1,060,284,566.99	1,060,284,566.99	
capital trading financial assets			
Derivative financial assets			
Notes Receivable	88,700,864.73	88,700,864.73	
Accounts	774,488,234.68	774,488,234.68	
Receivable Accounts	324,714,776.99	324,714,776.99	
Receivable Financing	6,282,284.68	6,282,284.68	
Advances Other	8,099,155.12	8,099,155.12	
Receivables Including: Interest Receivable			
Dividends receivable			
Repurchase of resale financial assets			
Inventory	306,697,349.77	306,697,349.77	
contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	64,814,829.82	63,477,645.55	2,634,082,062.78
Total non-current	2,632,744,878.51		-1,337,184.27
assets:			
Debt investment			
Other debt investments			
Long-term receivables			
long-term equity investment			
Investment in other equity instruments			
Other non-current financial assets			
investment real estate			
Fixed assets	325,306,034.96	325,306,034.96	
Construction in	22,877,604.22	22,877,604.22	
progress productive biological assets			
oil and gas asset			
Right-of-use assets		11,201,565.96	11,201,565.96
Intangible assets	116,341,192.82	116,341,192.82	
development expenditure			

goodwill			
Long-term deferred	8,361,163.00	8,361,163.00	
expenses Deferred tax	38,204,813.75	38,204,813.75	
assets Other non-current assets	19,621,199.10	19,621,199.10	
Total non-current assets	530,712,007.85	541,913,573.81	11,201,565.96
Total assets Current	3,164,794,070.63	3,174,658,452.32	9,864,381.69
liabilities:			
Held-for-trading	40,051,160.70	40,051,160.70	
financial liabilities for short-term borrowings			
Derivative financial liabilities			
Bills Payable	12,131,938.43	12,131,938.43	
Accounts Payable	1,059,927,293.83	1,059,927,293.83	
Advance Receipts			
Contract	3,927,195.35	3,927,195.35	
liabilities Payable	77,611,747.48	77,611,747.48	
employee benefits	25,625,498.31	25,625,498.31	
Taxes payable Other	20,216,343.05	20,216,343.05	
payables Including: Interest payable			
dividends payable			
held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities	171,689,259.58	171,689,259.58	
Total current liabilities	1,411,180,436.73	1,411,180,436.73	
Non-current liabilities:			
Long term loan			
Bonds payable			
Of which: preferred stock			
perpetual bond			
Lease liability		9,864,381.69	9,864,381.69
long-term payables			
Long-term employee compensation payable			
Estimated	16,457,042.27	16,457,042.27	
liabilities	2,809,449.07	2,809,449.07	
Deferred income Deferred tax liabilities			
Other non-current liabilities			
Total non-current	19,266,491.34	29,130,873.03	9,864,381.69
liabilities Total	1,430,446,928.07	1,440,311,309.76	9,864,381.69
liabilities Owner's equity (or shareholders' equity):			
Paid-in capital (or share capital)	401,000,000.00	401,000,000.00	
Other equity instruments			
Of which: preferred stock			
perpetual bond			
Less capital	655,626,535.70	655,626,535.70	
reserve: treasury shares			
Other comprehensive income			
Special reserves			
Undistributed	104,713,483.92	104,713,483.92	
profit of surplus reserve	573,007,122.94	573,007,122.94	

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Attributable to the parent company's owner's equity (or Shareholders' Equity) Total	1,734,347,142.56	1,734,347,142.56	
Minority Shareholders' Equity			
Owner's Equity (or Shareholders' Equity) total	1,734,347,142.56	1,734,347,142.56	
Liabilities and Owner's Equity (or Shares East equity) total	3,164,794,070.63	3,174,658,452.32	9,864,381.69

Description of the adjustment of each item:

ŸApplicable ŸNot applicable

For details, please refer to "V. 44(1) Changes in Significant Accounting Policies" in this section.

Parent Company Balance Sheet

Unit: Currency: RMB

project	December 31, 2020	January 1, 2021	Adjustments
Current Assets:			
Monetary funds	957,050,679.62	957,050,679.62	
for trading financial assets			
Derivative financial assets			
Notes Receivable	88,700,864.73	88,700,864.73	
Accounts	767,876,920.67	767,876,920.67	
Receivable Accounts	324,714,776.99	324,714,776.99	
Receivable Financing	6,281,376.40	6,281,376.40	
Advances Other	58,029,357.19	58,029,357.19	
Receivables Including: Interest Receivable			
Dividends receivable			
Inventory	240,229,650.66	240,229,650.66	
contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	58,599,583.99	57,262,399.72	-1,337,184.27
Total non-current	2,501,483,210.25	2,500,146,025.98	-1,337,184.27
assets:			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investment	180,000,000.00	180,000,000.00	
Other equity instrument investment			
Other non-current financial assets			
investment real estate			
Fixed assets	164,998,489.81	164,998,489.81	
Construction in	21,765,991.90	21,765,991.90	
progress productive biological assets			
oil and gas asset			
Right-of-use assets		11,201,565.96	11,201,565.96
Intangible assets	81,829,777.23	81,829,777.23	
development expenditure			
goodwill			

Long-term deferred	1,630,379.90	1,630,379.90	
expenses Deferred tax	37,698,197.95	37,698,197.95	
assets Other non-current assets	18,342,829.10	18,342,829.10	
Total non-current assets	506,265,665.89	517,467,231.85	11,201,565.96
Total assets Current	3,007,748,876.14	3,017,613,257.83	9,864,381.69
liabilities:			
Held-for-trading	40,051,160.70	40,051,160.70	
financial liabilities for short-term borrowings			
Derivative financial liabilities			
Bills Payable	12,131,938.43	12,131,938.43	
Accounts Payable	948,618,469.94	948,618,469.94	
Advance Receipts			
Contract	3,927,195.35	3,927,195.35	
liabilities Payable	68,837,193.82	68,837,193.82	
employee benefits	21,896,615.28	21,896,615.28	
Taxes payable Other	18,111,027.99	18,111,027.99	
payables Including: Interest payable			
dividends payable			
held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities	171,689,259.58	171,689,259.58	
Total current liabilities	1,285,262,861.09	1,285,262,861.09	
Non-current liabilities:			
Long term loan			
Bonds payable			
Of which: preferred stock			
perpetual bond			
Lease liability		9,864,381.69	9,864,381.69
long-term payables			
Long-term employee compensation payable			
Estimated	16,457,042.27	16,457,042.27	
liabilities	2,809,449.07	2,809,449.07	
Deferred income Deferred tax liabilities			
Other non-current liabilities			
Total non-current	19,266,491.34	29,130,873.03	9,864,381.69
liabilities Total	1,304,529,352.43	1,314,393,734.12	9,864,381.69
liabilities Owner's equity (or shareholders' equity):			
Paid-in capital (or share capital)	401,000,000.00	401,000,000.00	
Other equity instruments			
Of which: preferred stock			
perpetual bond			
Less capital	669,358,125.42	669,358,125.42	
reserve: treasury shares			
Other comprehensive income			
Special reserves			
Owner's Equity	115,567,930.60	115,567,930.60	
(or Shareholders'	517,293,467.69	517,293,467.69	
Equity) of Undistributed Profits of Surplus Reserve	1,703,219,523.71	1,703,219,523.71	
total			

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Total liabilities and owners' equity (or shareholders' equity)	3,007,748,876.14 3,017,613,257.83		9,864,381.69
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Explanation of adjustment of each item:

•Applicable •Not applicable For details,

please refer to "V. 44.(1) Changes in Significant Accounting Policies" in this section.

(4) Explanation on retrospective adjustment of comparative data of the previous period when the new lease standards are implemented

for the first time from 2021 •Applicable •Not applicable For details, please refer to "V. 44.(1) Changes in Significant Accounting Policies" in this

section.

45. Others

•Applicable •Not applicable

Significant accounting judgments and

estimates: In the process of applying accounting policies, due to the inherent uncertainty of operating activities, the company needs to judge, estimate and estimate the book value of statement items that cannot be accurately measured. Suppose. These judgments, estimates and assumptions are made based on the past historical experience of the management of the Company and other relevant factors. These judgments, estimates and assumptions affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the balance sheet date. However, the actual results caused by the uncertainty of these estimates may be different from the current estimates of the management of the Company, which will result in a significant adjustment to the carrying amount of the assets or liabilities affected in the future. The company regularly reviews the aforementioned judgments, estimates and assumptions on a going concern basis. If the change in accounting estimates only affects the current period of the change, the amount of impact will be recognized in the current period of the change; if it affects both the current period of the change and the future period, its impact The number is confirmed in the current period of the change and in the future period.

On the balance sheet date, the important areas where the Company needs to make judgments, estimates and assumptions about the amounts of financial statement items are as follows: (1) Revenue recognition As described in "V. 38. Revenue" in this section, the Company involves in revenue recognition. To the following significant accounting judgments and estimates: identifying customer contracts; estimating the recoverability of the consideration to which the customer is entitled as a result of the transfer of goods to the customer; identifying performance obligations in contracts; It is highly probable that the accumulated recognized revenue will not be reversed significantly when the property is eliminated; whether there is a significant financing component in the contract; estimate the stand-alone selling price of a single performance obligation in the contract; determine whether the performance obligation is performed within a certain period of time or within a certain period of time. Fulfillment at one point in time; determination of the progress of performance, etc.

The company mainly relies on past experience and work to make judgments, and these significant judgments and changes in estimates may affect the current period of change or The operating income, operating costs, and profit and loss of the subsequent period will have an impact and may have a significant impact.

(2) Classification of leases The

following significant accounting judgments and estimates related to leases are applicable to 2021. •Identification of leases When identifying whether a contract is a lease or contains a lease, the company needs to evaluate whether there is an identified asset, and the customer controls the right to use the asset within a certain period. In assessing, it is necessary to consider the nature of the asset, substantive substitution rights, and whether the customer is entitled to substantially all of the economic benefits arising from the use of the asset during that period and can direct the use of the asset.

• Classification of leases

When the Company acts as a lessor, leases are classified into operating leases and financial leases. When classifying, management needs to Whether all risks and rewards related to the ownership of the leased asset have been substantially transferred to the lessee for analysis and judgment.

•Lease liabilities

When the company acts as the lessee, the lease liabilities are initially measured at the present value of the unpaid lease payments on the lease start date. When measuring the present value of lease payments, the Company estimates the discount rate to use and the lease term of lease contracts with options for renewal or termination. When evaluating the lease term, the Company comprehensively considers all relevant facts and circumstances that bring economic benefits to the Company's exercise of the option, including expected changes in facts and circumstances from the commencement date of the lease term to the date on which the option is exercised. Different judgments and estimates may affect the recognition of lease liabilities and right-of-use assets, and will affect profit or loss in subsequent periods.

The following significant accounting judgments and estimates related to leases are applicable in 2020.

The company classifies leases as operating leases and finance leases in accordance with the provisions of Accounting Standards for Business Enterprises No. 21 - Leases. When classifying, the management needs to determine whether all risks related to the ownership of leased assets have been identified. Make analysis and judgment on whether the company has substantially assumed all the risks and rewards related to the ownership of the leased assets.

(3) Impairment of financial assets

The company uses the expected credit loss model to assess the impairment of financial instruments. The application of the expected credit loss model requires significant judgment and estimation, and all reasonable and evidence-based information, including forward-looking information, must be considered. . When making such judgments and estimates, the Company infers the expected changes in the debtor's credit risk based on historical data combined with economic policies, macroeconomic indicators, industry risks, external market environment, technical environment, changes in customer conditions and other factors.

(4) Inventory depreciation reserve

According to the inventory accounting policy, the company measures at the lower of cost and net realizable value. For inventories whose cost is higher than net realizable value and obsolete and slow-moving inventory, provision for inventory depreciation is made. The impairment of inventories to net realisable value is based on an assessment of the marketability of inventories and their net realisable value. Identifying the impairment of inventories requires management to make judgments and estimates on the basis of obtaining conclusive evidence and considering factors such as the purpose of holding inventories and the impact of events after the balance sheet date. The difference between the actual result and the original estimate will affect the book value of inventories and the accrual or reversal of the provision for impairment of inventories in the period in which the estimate is changed. (5) Fair

value of financial instruments For financial instruments that do not have an active trading market, the Company determines their fair value through various valuation methods.

These valuation methods include discounted cash flow model analysis, etc. During valuation, the company needs to estimate future cash flow, credit risk, market volatility and correlation, and select an appropriate discount rate. These relevant assumptions are uncertain, and their changes will have an impact on the fair value of financial instruments. (6) Provision for impairment of long-term assets On the balance sheet date, the company judges whether there is any sign of possible impairment of non-current assets other than financial assets. For intangible assets with indefinite useful lives, in addition to the annual impairment test, when there is an indication of impairment, the impairment test is also performed. Other non-current assets other than financial assets shall be tested for impairment when there is an indication that their carrying amount is unrecoverable.

When the book value of the asset or asset group is higher than the recoverable amount, that is, the net amount after the fair value minus disposal costs and the expected future The higher of the present value of the cash flows indicates an impairment.

The net amount after the fair value minus disposal costs is determined with reference to the sale agreement price or observable market price of similar assets in an arm's length transaction, minus the incremental cost that can be directly attributable to the disposal of the asset. When estimating the present value of future cash flows, it is necessary to make significant judgments on the output, selling price, relevant operating costs and the discount rate used in calculating the present value of the asset (or asset group). When estimating the recoverable amount, the Company will use all relevant information that can be obtained, including the forecast of production, selling price and related operating costs based on reasonable and supportable assumptions.

The Company tests whether goodwill is impaired at least annually. This requires the estimation of the present value of the future cash flows of the asset group or combination of asset groups to which goodwill is allocated. When estimating the present value of future cash flows, the company needs to estimate the cash flows generated by future asset groups or asset group combinations, and at the same time select an appropriate discount rate to determine the present value of future cash flows. (7) Depreciation and amortization The fixed assets and intangible assets shall be depreciated and amortized by the straight-line method within their useful lives after considering their residual value. The Company periodically reviews the useful life to determine the amount of depreciation and amortization that will be charged to each reporting period. The service life is determined by the company based on the past experience of similar assets and the expected technical update. Depreciation and amortization expense is adjusted in future periods if there are material changes from previous estimates. (8) Deferred income tax assets To the extent that it is probable that there will be sufficient taxable profits to offset losses, the Company recognizes deferred income tax assets for all unused tax losses. This requires the management of the company to use a lot of judgments to estimate the time and amount of future taxable profits,

and combine tax planning strategies to determine the amount of deferred tax assets that should be recognized. (9) Income tax In the normal business activities of the

Company, there are certain uncertainties in the final tax treatment and calculation of some transactions. Whether some items can be listed as disbursements before tax requires the approval of the tax authorities. If there is a difference between the final determination result of these tax matters and the initially estimated amount, the difference will have an impact on the current income tax and deferred income tax during the final determination period.

(10) Estimated liabilities

The company estimates product quality assurance and makes corresponding provisions based on contract terms, existing knowledge and historical experience. When such contingencies have formed a present obligation and the performance of such present obligation is likely to result in an outflow of economic benefits from the Company

Under the following conditions, the Company recognizes contingent events as estimated liabilities based on the best estimate of the expenditures required to perform the relevant current obligations. estimated liabilities Recognition and measurement rely heavily on management's judgment. In the process of making judgments, the company needs to assess the relatedness of these contingencies related risks, uncertainties and the time value of money.

Among them, the company will undertake estimated liabilities for the after-sales quality maintenance provided to customers for the sale, maintenance and transformation of the goods sold. pre The company's recent maintenance experience data has been taken into account when calculating liabilities, but the recent maintenance experience may not reflect the future maintenance situation. Any increase or decrease in this provision could affect profit or loss in future years.

(11) Fair value measurement

Certain assets and liabilities of the company are measured at fair value in the financial statements, and the company uses available observable market data according to. If the first level input value cannot be obtained, the company will hire a third-party qualified appraiser to perform the appraisal to determine the appropriate Current valuation techniques and related model inputs.

6. Taxes 1. Main

taxes and tax rates

Main taxes and tax rates

ÿApplicable ÿNot applicable

tax	Tax calculation	tax rate
VAT	basis Product sales taxable income at 13%, interest and service income at 6% Calculate the output tax at the tax rate, and deduct the input tax that is allowed to be deducted in the current period The difference after the amount is calculated as VAT.	13%, 6%
Urban maintenance and construction tax	is based on the turnover tax	7%, 5%
payable. Education surcharge is based on the turnover tax payable. Local education surcharge is based on the turnover tax payable. Enterprise income tax is based on the taxable income.		3%
		2%
		15%, 25%

If there are taxpayers with different corporate income tax rates, an explanation of the disclosure

ÿApplicable ÿNot applicable

Name of taxpayer	Income tax rate (%)
Zhejiang Tianzheng Electric Co., Ltd. Zhejiang	15
Tianzheng Intelligent Electric Co., Ltd. Shanghai	25
Tianyixing Intelligent Electric Co., Ltd.	25

2. Tax benefits

ÿApplicable ÿNot applicable

(1) Corporate income tax incentives and approval documents

According to the "Administrative Measures for the Recognition of High-tech Enterprises" promulgated by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation [2008] No. 172) and the relevant provisions of the "Guidelines for the Management of High-tech Enterprise Recognition" (Guoke Fahuo [2008] No. 362), this company The company obtained the "High-tech Enterprise Certificate" No. GR202133005449 on December 16, 2021, and the validity period is 3 In 2021, the corporate income tax rate in 2021 will be calculated and paid at 15%.

(2) Reduction of urban land use tax and property tax

According to Yueqing Municipal Government's Document No. 27 [2018] (issued on June 13, 2018) "The Yueqing Municipal People's Government Implementing Opinions on Deepening the Reform and Optimizing the Allocation of Resource Elements in the "Heroes per Mu"

According to the comprehensive evaluation results of "Efficiency", the differentiated reduction and exemption of urban land use tax shall be implemented by classification and classification, and the real estate tax for self-use shall refer to urban land use tax. The principle of tax reduction and exemption shall be implemented in different categories. The company meets the preferential terms of 100% reduction of urban land use tax and 30% reduction of self-use real estate tax pieces.

3. Other

ÿApplicable ÿNot Applicable

7. Notes to Consolidated Financial Statements

1. Monetary funds

•Applicable •Not applicable

Unit: Currency: RMB

project	Closing balance	Opening Balance
Cash on hand	18,584.41	22,149.87
bank deposits	805,713,476.47	1,054,740,087.35
Total other monetary	11,082,749.60	5,522,329.77
funds	816,814,810.48	1,060,284,566.99
Including: total amount deposited abroad		

other instructions

As of December 31, 2021, other monetary funds are the guarantee deposit of RMB 11,068,406.50, and the third-party payment platform account

The balance is 14,343.10 yuan. Among them, restricted monetary funds are RMB 11,074,406.50.

2. Trading financial assets

•Applicable •Not applicable

3. Derivative financial assets

•Applicable •Not applicable

4. Notes receivable (1).

Notes receivable are listed by category

•Applicable •Not applicable

Unit: Currency: RMB

Project	Ending balance	Opening Balance
Bank Acceptance Notes		
Total Commercial	83,261,254.73	88,700,864.73
Acceptance Notes	83,261,254.73	88,700,864.73

(2). Notes receivable pledged by the company at the end of the

period •Applicable •Not applicable

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

date •Applicable •Not applicable

(4). At the end of the period, the company transferred the bills to accounts receivable due to the drawer's failure to perform the

contract •Applicable •Not applicable

Unit: Currency: RMB

project	The amount of accounts receivable transferred at the end of the period
Commercial Acceptance Notes	40,722,720.98
total	40,722,720.98

(5). Disclosure by bad debt provision method

☐Applicable ☐Not applicable

Unit: Currency: RMB

category	Ending balance					Opening Balance				
	Book balance		bad debt provision		book value	Book balance		bad debt provision		book value
	amount	Proportion (%)	amount	accrual ratio example(%)		amount	Company example (%)	amount	accrual Proportion (%)	
Provision for bad debts on a single item basis Prepare	20,170,726.13	20.71	10,085,363.07	50.00	10,085,363.06					
to accrue bad debts by combination Prepare	77,224,397.30	79.29	4,048,505.63	5.24	73,175,891.67	94,727,859.54	100	6,026,994.81	6.36	88,700,864.73
which:										
Combination 1: with pre-term credit loss ratio Provision for bad debts Receipt of commercial acceptance notes	77,224,397.30	79.29	4,048,505.63	5.24	73,175,891.67	94,727,859.54	100	6,026,994.81	6.36	88,700,864.73
total	97,395,123.43	/	14,133,868.70	/	83,261,254.73	94,727,859.54	/	6,026,994.81	/	88,700,864.73

Provision for bad debts is made on a single item basis:

☐Applicable ☐Not applicable

Unit: Currency: RMB

name	Ending balance			
	Book balance	bad debt provision	Provision ratio (%)	Reason for accrual
Evergrande Group and Evergrande Group and its controlled subsidiaries Explanation on the provision for bad	20,170,726.13	10,085,363.07	50.00	Estimated part cannot be recovered
debts by	20,170,726.13	10,085,363.07	50.00	/

the Company and its holding subsidiaries in aggregate by single item:

☐Applicable ☐Not applicable

Provision for bad debts by combination:

Applicable Not applicable

Portfolio accrual item: commercial acceptance notes receivable for which bad debt provision is accrued using expected credit loss rate

Unit: Currency: RMB

name	Ending balance		
	Notes	Bad debt	Provision ratio (%)
receivable within 1 year 75,351,539.62 1 to 2 years 872,857.68 Total		provision 3,767,576.98	5.00
77,224,397.30 Recognition standard and description of combination provision		280,928.65	15.00
		4,048,505.63	

Applicable Not applicable

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

Applicable Not applicable

(6). Provisions for bad debts

Applicable Not applicable

Unit: Currency: RMB

category	Opening Balance	The amount of changes in			Ending balance
		the current period is	withdrawn or reversed to be	written off or written off	
Bad debt provision 6,026,994.81 8,106,873.89 Total 6,026,994.81 8,106,873.89					14,133,868.70
					14,133,868.70

Among them, the amount of bad debt provision recovered or reversed in the current period is important:

Applicable Not applicable

other instructions:

none

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

Applicable Not applicable

other instructions

Applicable Not applicable

5. Accounts receivable

(1). Disclosure by ageing

Applicable Not applicable

Unit: Currency: RMB

aging	Closing book balance
Within 1 year Subtotal	864,880,701.11
1 to 2 years 2 to 3	19,878,631.37
years Over 3 years	1,588,662.02
	16,530,785.95
total	902,878,780.45

(2) Disclosure according to bad debt provision

method √Applicable √Not applicable

Unit: Currency: RMB

category	Ending balance					Opening Balance				
	Book balance		bad debt provision		book value	Book balance		bad debt provision		book value
	amount	Proportion(%)	amount	accrual ratio example(%)		amount	Proportion (%)	amount	accrual Proportion (%)	
Withdrawal by single item Provision for bad	66,366,472.83	7.35	33,183,236.41	50.00	33,183,236.42					
debts is accrued on a portfolio basis Provision for bad	836,512,307.62	92.65	59,394,882.88	7.10	777,117,424.74	843,781,260.61	100.69	69,293,025.93	8.21	774,488,234.68
debts includes:										
Combination 1: Take the account age is credit wind risk characteristics receive money	810,162,225.90	89.73	45,277,917.09	5.59	764,884,308.81	828,762,658.10	98.22	56,350,066.44	6.80	772,412,591.66
Combo 2: Low Wind risk combination										
Combination 3: Merge in-scope association party's receivables item										
Combo 4: Involving Litigation Receivables payment	26,350,081.72	2.92	14,116,965.79	53.57	12,233,115.93	15,018,602.51	1.78	12,942,959.49	86.18	2,075,643.02
Total	902,878,780.45	/	92,578,119.29	/	810,300,661.16	843,781,260.61	/	69,293,025.93	/	774,488,234.68

Provision for bad debts is made on a single item basis:

Applicable Not applicable

Unit: Currency: RMB

name	Ending balance			
	Book balance	Bad debt provision	accrual ratio (%)	Reason for accrual
Evergrande Group and its holdings	66,366,472.83	33,183,236.41	50.00	It is expected that some will not be collected
Explanation of				back
the total	66,366,472.83	33,183,236.41	50.00	/

provision for bad debts by the subsidiaries on a single item basis:

Applicable Not applicable

Provision for bad debts by combination:

Applicable Not applicable

Portfolio accrual items: Portfolio 1: Receivables with aging as credit risk characteristics

Unit: Currency: RMB

name	Ending balance		
	Accounts	Bad debt	Provision ratio (%)
Recognition	receivable 797,946,490.71	provision 39,897,324.54	5.00
standards and	7,466,581.41	1,119,987.21	15.00
explanations for	977,096.88	488,548.44	50.00
bad debts	3,772,056.90	3,772,056.90	100.00
accrued by	810,162,225.90	45,277,917.09	

combination within 1 year, 1 to 2 years, 2 to 3 years, and more than 3 years:

Applicable Not applicable

Portfolio Provision: Portfolio 4: Receivables Involving Litigation

Unit: Currency: RMB

name	Ending balance		
	accounts receivable	bad debt provision	Provision ratio (%)
Receivables involved in litigation	26,350,081.72	14,116,965.79	53.57
item			
A total of 26,350,081.72	Recognition standards and descriptions of	14,116,965.79	53.57

bad debt provision by combination:

Applicable Not applicable

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

Applicable Not applicable

(3) Bad debt provision

Applicable Not applicable

Unit: Currency: RMB

Category	Beginning Balance	Amount of change in the current period				Ending balance
		accrual	retract or turn back	write off or write off	other change	
bad debt	69,293,025.93	30,966,290.28	21,057.01	7,702,253.93		92,578,119.29
prepare						
Total	69,293,025.93	30,966,290.28	21,057.01	7,702,253.93		92,578,119.29

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Among them, the amount of bad debt provision recovered or reversed in the current period is important:

ÿApplicable ÿNot applicable

(4) Accounts receivable actually written off in the current

period ÿApplicable ÿNot applicable

Unit: Currency: RMB

Accounts	Write-off amount
receivable actually written off by project	7,702,253.93

Among them, the important accounts receivable write-off situation

ÿApplicable ÿNot applicable

Accounts receivable write-off instructions:

ÿApplicable ÿNot applicable

(5) The accounts receivable of the top five ending balances collected by debtors

ÿApplicable ÿNot applicable

other instructions

The total amount of the top five accounts receivable at the end of the period collected by the company according to the debtor is 243,011,614.90 yuan, accounting for the accounts receivable period.

The proportion of the total ending balance is 26.92%, and the sum total of the ending balance of the corresponding provision for bad debts is 42,015,493.52 yuan.

(6). Accounts receivable derecognized due to transfer of financial assets

ÿApplicable ÿNot applicable

(7) Amount of assets and liabilities formed by transferring accounts receivable and continuing

involvement ÿApplicable ÿNot applicable

other instructions:

ÿApplicable ÿNot applicable

6. Receivables financing

ÿApplicable ÿNot applicable

Unit: Currency: RMB

project	Closing balance	Opening Balance
Bills Receivable	308,180,807.90	324,714,776.99
Accounts Receivable	17,754,568.48	
total	325,935,376.38	324,714,776.99

Increase/decrease changes and fair value changes of receivables financing in the current period:

ÿApplicable ÿNot applicable

Unit: Currency: RMB

project	Beginning balance		Current variable		le cost fair value Cost fair value		Ending balance	
							cost	Fair value
receivable bills	324,714,776.99				-16,533,969.09		308,180,807.90	
receivable Total					18,737,676.69 -983,108.21	18,737,676.69 -983,108.21		
accounts 324,714,776.99					2,203,707.60 -983,108.21	326,918,484.59 -983,108.21		

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

Applicable Not applicable

Portfolio accrual items: Portfolio 1: Receivables with aging as credit risk characteristics

Unit: Currency: RMB

name	Ending balance		
	Accounts	Bad debt	Provision ratio (%)
Within 1 year	receivable 18,275,432.94	provision 913,771.65	5.00
1 to 2 years 2	462,243.75	69,336.56	15.00
to 3 years			
over 3 years			
A total of 18,737,676.69	Recognition standards and descriptions of	983,108.21	

bad debts accrued by combination:

Applicable Not applicable

Provision for bad debts

Applicable Not applicable

Unit: Currency: RMB

category	Opening Balance	Amount of change in the current period				Ending balance
		accrual	take back or turn back	write off or write off	other changes move	
Total bad debt		983,108.21				983,108.21
provision		983,108.21				983,108.21

Among them, the amount of bad debt provision reversed or recovered in the current period is important:

Applicable Not applicable

other instructions:

Applicable Not applicable

7. Advance payment

(1). Prepayments are listed by aging

Applicable Not applicable

Unit: Yuan Currency: RMB Beginning

aging	Ending balance		Balance	
	Amount	Proportion(%)	Amount	Proportion(%)
Within 1 year	5,207,997.89	100	6,282,284.68	100
1 to 2 years				
2 to 3 years				
over 3 years				
total	5,207,997.89	6,282,284.68	Explanation of the reasons for not timely settlement of prepayments	100

with an age of more than 1 year and a significant amount:

none

(2) Prepayments of the top five ending balances collected by prepayment objects Applicable

Not applicable

other instructions

The total amount of the top five prepayments in the closing balance collected by the company according to the prepayment object is 2,059,892.97 yuan, accounting for the prepayment period

The ratio of the total closing balance is 39.55%.

other instructions

✓Applicable ✓Not applicable

8. Other receivables

List of items

✓Applicable ✓Not applicable

Unit: Currency: RMB

project	Ending balance	Opening Balance
Interest receivable		
Dividends receivable		
Other receivables	21,753,950.94 21,753,950.94	8,099,155.12
total		8,099,155.12

other instructions:

✓Applicable ✓Not applicable

Interest receivable

(1). Classification of interest

receivable ✓Applicable ✓Not applicable

(2). Important overdue interest

✓Applicable ✓Not applicable

(3). Provision for bad debts ✓Applicable

✓Not applicable

other instructions:

✓Applicable ✓Not applicable

Dividends

receivable (1). Dividends

receivable ✓Applicable ✓Not applicable

(2). Important dividends receivable aged over 1 year ✓Applicable

✓Not applicable

(3). Provision for bad debts ✓Applicable

✓Not applicable

other instructions:

✓Applicable ✓Not applicable

Other receivables

(1). Disclosure by age

☐Applicable
 ☐Not applicable

Unit: Currency: RMB

aging	Closing book balance
Within 1 year	29,623,821.04
Subtotal 1 to 2 years	2,648,736.01
2 to 3 years Over 3	712,068.00
years	597,000.00
total	33,581,625.05

(2) Classification by nature of payment

☐Applicable
 ☐Not applicable

Unit: Currency: RMB

nature of payment	Ending book balance	Opening book balance
Guaranteed	32,244,634.51	7,626,234.70
reserve fund	605,621.01	331,496.98
Immediately levied value-added tax	77,226.92	690,974.15
refund Others	654,142.61	1,219,020.32
total	33,581,625.05	9,867,726.15

(3) Provision for bad debts

☐Applicable
 ☐Not applicable

Unit: Currency: RMB

bad debt provision	The first stage	Expected letter for	The third phase	total
	Expected credit losses over the next 12 months	the entire duration of the second stage With loss (not occurred letter use impairment)	Lifetime Expectation Letter With loss (occurred letter use impairment)	
More than January 1, 2021 <small>Forehead</small>	1,215,290.86	533,280.17	20,000.00	1,768,571.03
More than January 1, 2021 <small>amount in this issue</small>				
--Transfer to the second stage -6,000.00 --		6,000.00		
Transfer to the third stage				
-- go back to the second stage				
-- go back to the first stage				
This period's accrual is	612,383.25	-72,114.77	10,000,000.00 10,540,268.48	
reversed in this period				
Resale in this period				
Write-off of other		461,165.40	20,000.00	481,165.40
changes in the current period				
December 31, 2021 balance	1,821,674.11	6,000.00	10,000,000.00 11,827,674.11	

Explanation on the significant changes in the book balance of other receivables with changes in loss provision in the current period:

☐Applicable
 ☐Not applicable

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

Applicable Not applicable

(4) Provision for bad debts

Applicable Not applicable

Unit: Currency: RMB

Category	Beginning Balance	Amount of change in the current period				Ending balance
		accrual	take back or turn back	write off or write off	other changes move	
Bad debt provision	1,768,571.03	10,540,268.48	Total 1,768,571.03	481,165.40		11,827,674.11
	10,540,268.48			481,165.40		11,827,674.11

Among them, the amount of bad debt provision reversed or recovered in the current period is important:

Applicable Not applicable

(5) Other receivables actually written off in the current period

Applicable Not applicable

Unit: Currency: RMB

Other	Write-off amount
receivables actually written off by the project	481,165.40

Among them, the write-off of other important receivables:

Applicable Not applicable

Notes on write-off of other receivables:

Applicable Not applicable

(6) Other receivables with the top five ending balances collected by debtors Applicable

Not applicable

Unit: Currency: RMB

company name	sex of payment quality	Ending balance	aging	account for other receivables	bad debt provision
				Total ending balance Proportion of numbers (%)	Ending balance
Shenzhen Evergrande Material equipment is limited company	Margin 20,000,000.00	Within 1 year		59.56 10,000,000.00	
Yueqing Economic Development Development District Management Committee committee	Margin 1,510,000.00		1-2 years	4.50	226,500.00
Lin Qiuhan	Margin 1,644,500.00	Within 1 year		4.90	82,225.00
Vision Energy has Co., Ltd.	Margin 1,500,000.00	Within 1 year		4.47	75,000.00
China Southern Power Grid Total limited	Margin 1,200,000.00	Within 1 year		3.57	60,000.00
company	/	25,854,500.00	/	77.00 10,443,725.00	

(7) Receivables involving government subsidies

ŸApplicable ŸNot applicable

(8) Other receivables derecognized due to transfer of financial assets ŸApplicable

ŸNot applicable

(9) Amount of assets and liabilities formed by transferring other receivables and continuing to be

involved ŸApplicable ŸNot applicable

other instructions:

ŸApplicable ŸNot applicable

9. Inventory

(1). Inventory

classification ỹApplicable ỹNot applicable

Unit: Currency: RMB

project	Ending balance			Opening Balance		
	Book balance	Inventory depreciation reserve/contract Impairment provision for fulfillment costs	Book value	Book balance	Inventory depreciation reserve/combination Same as fulfillment cost impairment prepare	Book value
Raw materials 110,319.85	110,319.85					
Semi-finished products 23,326,179.44	23,326,179.44					
Inventory 210,435,673.87	210,435,673.87					
Low-value consumables 662,913.58	662,913.58					
Shipped goods 343,632.64	343,632.64					
Total 366,088,050.58	366,088,050.58					
		86,057.44	576,856.14	739,720.44	66,659.33	673,061.11
		51,247.86	292,384.78	7,494,866.61	30,135.13	7,464,731.48
		10,537,181.34	355,550,869.24	310,847,549.06	4,150,199.29	306,697,349.77

(2) Provision for depreciation of inventories and provision for impairment of contract performance costs

ỹApplicable ỹNot applicable

Unit: Currency: RMB

project	Opening Balance	The increase in the current		The amount reduced in the		Ending balance
		period is accrued to other		current period is reversed or written off	other	
Raw materials,	1,895,272.46	5,611,514.69		2,534,884.35		4,971,902.80
semi-finished	416,744.95	774,638.37		509,590.55		681,792.77
products, inventory	1,741,387.42	5,439,346.98		2,434,553.93		4,746,180.47
commodities, low-value	66,659.33	26,064.04		6,665.93		86,057.44
consumables, total issued	30,135.13	51,247.86		30,135.13		51,247.86
commodities	4,150,199.29	11,902,811.94		5,515,829.89		10,537,181.34

(3) Explanation that the ending balance of inventory contains the capitalized amount of borrowing

costs ☐Applicable ☐Not applicable

(4) Explanation of the amortization amount of contract performance costs in the

current period ☐Applicable ☐Not applicable

other instructions

☐Applicable ☐Not applicable

10. Contract assets

(1).Condition of contract assets

☐Applicable ☐Not applicable

Unit: Currency: RMB

project	closing balance opening balance					
	Provision for impairment of book balance	Book value of provision for impairment of book balance	Book value of provision for impairment of book balance	Book value of provision for impairment of book balance	Book value of provision for impairment of book balance	Book value of provision for impairment of book balance
Warranty gold 1,819,540.76 included in other	594,618.16	1,224,922.60				
non-						
Total current	-692,149.48 -538,248.60	-153,900.88				
assets 1,127,391.28	56,369.56	1,071,021.72				

(2) Amount and reasons for significant changes in book value during the reporting

period ☐Applicable ☐Not applicable

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

period ☐Applicable ☐Not applicable

Unit: Currency: RMB

Total	Reason for write-off/write-off of current period accrual and current period reversal			
item impairment	56,369.56			
provision	56,369.56			/

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

☐Applicable ☐Not applicable

other instructions:

☐Applicable ☐Not applicable

11. Assets held for sale

☐Applicable ☐Not applicable

12. Non-current assets due within one year

☐Applicable ☐Not applicable

Unit: Currency: RMB

Total	Closing	Opening Balance
debt investment due within one year of	balance 15,000,000.00	
the project	15,000,000.00	

Significant debt investments and other debt investments at the end of the period:

ÿApplicable ÿNot applicable

Unit: Currency: RMB

project	Closing				Opening Balance			
	face value	balance coupon	on actual profit	face value at maturity	coupon rate	actual profit	expiry date	
		Rate	Rate		Rate	Rate		
"Heng An Besson 071805" set financing plan	30,000,000.00	10.00%	10.00%	2022/3/10				
Total	30,000,000.00	/	/	/	/	/	/	

other instructions

Provision for impairment

Unit: Currency: RMB

bad debt provision	The first stage	Expectations for the	The third phase	total
	Expected credit losses over the next 12 months	entire duration of the second stage credit loss (not incurred credit impairment)	lifetime expectation credit loss (issued credit impairment)	
More than January 1, 2021 <small>Forward</small>				
More than January 1, 2021 amount in this issue				
-- transfer to the second stage				
-- transfer to the third stage				
-- go back to the second stage				
-- go back to the first stage				
This period's accrual is			15,000,000.00	15,000,000.00
reversed in this period				
Resale in this period				
Write-off in this period				
other changes				
December 31, 2021 balance			15,000,000.00	15,000,000.00

13. Other current assets

ÿApplicable ÿNot applicable

Unit: Currency: RMB

Input	Closing	Opening Balance
tax to be deducted for the project	balance 71,518,665.54	32,700,309.84
Prepaid income tax contract acquisition	19,870,133.08	911,366.64
costs Deferred expenses Sales rebate	10,414,342.15	7,009,855.36
is expected to be deducted from the	2,980,460.99	3,209,661.97
total output tax	2,598,823.26	19,646,451.74
	107,382,425.02	63,477,645.55

other instructions

none

14. Debt investment

(1) Debt investment ÿApplicable ÿNot

applicable

(2). Important debt investments at the end of the

period ÿApplicable ÿNot applicable

(3). Withdrawal of provision for impairment

ÿApplicable ÿNot applicable

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

ÿApplicable ÿNot applicable

other instructions

ÿApplicable ÿNot applicable

15. Other debt investments

(1) Other debt investment ÿApplicable ÿNot

applicable

(2). Other important debt investments at the end of the period

ÿApplicable ÿNot applicable

(3). Withdrawal of provision for impairment

ÿApplicable ÿNot applicable

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

ÿApplicable ÿNot applicable

other instructions:

ÿApplicable ÿNot applicable

16. Long-term receivables (1).

Long-term receivables ÿApplicable ÿNot

applicable

(2) Provision for bad debts ÿApplicable ÿNot

applicable

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

ÿApplicable ÿNot applicable

(3). Long-term receivables derecognized due to transfer of financial assets ÿApplicable ÿNot

applicable

(4) Amount of assets and liabilities formed by transferring long-term receivables and continuing

involvement ☐Applicable ☐Not applicable

Other instructions

☐Applicable ☐Not applicable

17. Long-term equity investment

☐Applicable ☐Not applicable

Unit: Currency: RMB

investee		Changes in this period								Ending balance	Closing balance of impairment provision
		additional investment	reduce investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	declaring cash dividends or profits	provisions for impairment	other		
1. Subtotal of joint ventures 2. Subtotal of joint venture Suzhou											
Hongyun Intelligent Technology Co., Ltd.		47,647,100.00		-706,545.63						46,940,554.37	
		47,647,100.00		-706,545.63 -706,545.63						46,940,554.37	
		47,647,100.00								46,940,554.37	

No other instructions

18. Investment in other equity instruments

(1). Investment in other equity instruments

☐Applicable ☐Not applicable

(2) Investment in non-trading equity instruments ☐Applicable

☐Not applicable

Other instructions:

☐Applicable ☐Not applicable

19. Other non-current financial assets

☐Applicable ☐Not applicable

Other instructions:

☐Applicable ☐Not applicable

20. Investment real estate

investment real estate measurement model is not applicable

21. List of fixed

assets items

ÿApplicable ÿNot applicable

Unit: Currency: RMB

project	Closing	Opening Balance
Total fixed	balance 359,218,843.11	325,015,796.62
assets liquidation of	223,108.66	290,238.34
fixed assets	359,441,951.77	325,306,034.96

other instructions:

ÿApplicable ÿNot applicable

Fixed assets

(1). Fixed assets

Applicable Not applicable

Unit: Currency: RMB

Item	houses and buildings	Professional setting	Transportation Equipment	Machinery Equipment	Office Equipment and Others	total
1. Original book value:						
1. Opening balance	313,850,941.07 31,928,713.74	11,831,956.17 162,877,856.23	42,564,051.93 563,053,519.14			
2. Increase in current period		9,230,283.88 81,147,904.22	244,149.13	62,831,394.08	6,842,077.09	
(1) Purchase (2)		6,892,131.89 72,823,255.22	244,149.13	56,867,203.56	6,819,771.34	
Transfer in construction in progress		2,338,151.99 8,324,648.26		5,964,190.52	22,305.75	
3. Decrease in current period		2,291,646.60 19,927,938.65	557,665.83	15,010,756.57	1,067,869.68	
(1) Disposal or scrap 4. Closing		2,291,646.60 19,927,938.65	557,665.83	15,010,756.57	1,067,869.68	
balance 2. Accumulated depreciation	313,850,941.07 38,867,351.02	12,518,439.47 210,698,493.74	48,338,259.34 624,273,484.64			
1. Opening balance	107,305,345.64 20,490,599.57	13,243,151.97	9,660,856.81	69,166,251.55 31,414,668.95	238,037,722.52	
2. Increase in current	4,524,347.27 13,243,151.97	2,052,834.02	843,105.58	16,316,077.10 5,639,313.73	40,565,995.65	
period (1) Provision	2,087,881.01 120,548,497.61	22	843,105.58	16,316,077.10 5,639,313.73	40,565,995.65	
3. Decrease in current			1,479,782.54	8,985,504.83 995,908.26	13,549,076.64	
period (1) Disposal or			1,479,782.54	8,985,504.83 995,908.26	13,549,076.64	
scrap 4. Closing balance 3.			9,024,179.85	76,496,823.82 36,058,074.42	265,054,641.53	
Impairment provision						
1. Opening balance						
2. The increase in the current period						
(1) Provision						
3. The amount reduced in the current period						
(1) Disposal or scrap						
4. Closing balance						
4. Book value						
1. Book value at the end of the period 2.	193,302,443.46 15,940,285.19	206,545,595.43	3,494,259.62 134,201,669.92	12,280,184.92 359,218,843.11		
Book value at the beginning of the period	11,438,114.17		2,171,099.36 93,711,604.68	11,149,382.98 325,015,796.62		

(2) Temporarily idle fixed assets

☐Applicable
 ☐Not applicable

Unit: Currency: RMB

Item	Book value	value of accumulated depreciation and impairment provision	Book value	remarks
Special equipment	447,111.71	363,851.26	83,260.45	
Machinery and equipment	35,897.44	21,029.90	14,867.54	
Total	483,009.15	384,881.16	98,127.99	

(3) Fixed assets leased through finance lease

☐Applicable
 ☐Not applicable

(4) Fixed assets leased out through operating lease

☐Applicable
 ☐Not applicable

(5) Fixed assets for which the certificate of title has not been

☐Applicable
 ☐Not applicable

other instructions:

☐Applicable
 ☐Not applicable

Fixed assets liquidation

☐Applicable
 ☐Not applicable

Unit: Currency: RMB

Project-	Ending balance	Opening Balance
specific equipment cleaning,	64,700.99	25,832.89
mechanical equipment	143,422.03	257,066.48
cleaning, transportation	10,599.95	
equipment cleaning, office and other	4,385.69	7,338.97
equipment cleaning, total	223,108.66	290,238.34

other instructions:

The reason for transferring to asset disposal is asset scrapping

22. List of projects

under construction

☐Applicable
 ☐Not applicable

Unit: Currency: RMB

project	Closing	Opening Balance
Construction	balance 111,063,056.92	22,877,604.22
materials in progress		
total	111,063,056.92	22,877,604.22

other instructions:

☐Applicable
 ☐Not applicable

Construction in progress

(1).Construction in progress

ÿApplicable ÿNot applicable

Unit: Currency: RMB

project	Closing balance			Opening Balance		
	Book balance	impairment Prepare	Book value	Book balance	impairment Prepare	Book value
Low-voltage electrical assembly equipment	6,993,226.23	Salt	6,993,226.23	2,863,688.26		2,863,688.26
pan project	25,917,752.67	Intelligent low-voltage electrical	25,917,752.67	515,849.06		515,849.06
Product expansion construction	3,161,845.87		3,161,845.87	162,184.92		162,184.92
project based on Made in China 2025 direction of low-voltage electrical products expansion project	74,093,502.16		74,093,502.16	19,335,881.98		19,335,881.98
R&D Center Construction Project	384,985.14	Sporadic	384,985.14			
Projects	439,422.35	Intelligent R&D Building Decoration	439,422.35			
project	72,322.50		72,322.50			
total	111,063,056.92		111,063,056.92	22,877,604.22		22,877,604.22

(2). Changes of important projects under construction in the current

period √Applicable √Not applicable

Unit: Currency: RMB

project name	Budget number	beginning of the period balance	Increase in this period	This period is transferred to fixed Asset amount	Other reductions in this period small amount	end of period balance	project Grand total put in occupy Calculate the ratio example(%)	project schedule	Interest capital tired gold Forecast	in: current profit interest capital Amount to be converted	This period Interest capital conversion rate (%)	Sources of funds
Low-voltage electrical assembly Equipment		2,863,688.26 11,671,328.81		5,862,207.42 1,679,583.42		6,993,226.23						private capital
salt pan project		515,849.06 25,401,903.61				25,917,752.67						private capital
intelligent low-voltage electricity device product expansion set project	152,890,000.00	162,184.92	5,462,101.79	2,462,440.84		3,161,845.87 13.91 13.91						Fund raising
Made in China 2025 Orientation Low voltage electrical capacity Expansion project	424,183,018.88 19,335,881.98	54,757,620.18				74,093,502.16 37.07 37.07						Fund raising
R & D center construction Project	83,280,000.00		384,985.14			384,985.14 12.60 12.60						Fund raising
total	660,353,018.88 22,877,604.22	97,677,939.53		8,324,648.26 1,679,583.42	110,551,312.07 /			/			/	/

(3) Provision for impairment of construction in progress in the current

period ☐Applicable ☐Not applicable

other instructions

☐Applicable ☐Not applicable

Engineer material

(1).Condition of engineering

materials ☐Applicable ☐Not applicable

23. Productive biological assets (1).

Productive biological assets using the cost measurement model

☐Applicable ☐Not applicable

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

☐Applicable ☐Not applicable

other instructions

☐Applicable ☐Not applicable

24. Oil and gas properties

Applicable ☐ Not applicable

25. Right-of-use assets

☐Applicable ☐Not applicable

Unit: Currency: RMB

Item 1.	houses and buildings	total
Original book value		
1. Beginning balance	11,201,565.96	11,201,565.96
2. Increase in the current period	8,914,814.76	8,914,814.76
3. Decrease in the current period		
4. Closing balance 2.	20,116,380.72	20,116,380.72
Accumulated depreciation		
1. Opening balance		
2. Increase in current period	7,643,452.09	7,643,452.09
(1) Accrual 3. Decrease	7,643,452.09	7,643,452.09
in current period		
(1) Disposal		
4. Closing balance	7,643,452.09	7,643,452.09
III. Provision for impairment		
1. Opening balance		
2. The increase in the current period		
(1) Provision		
3. The amount reduced in the current period		
(1) Disposal		
4. Closing balance		

4. Book value		
1. Book value at the end of the period 2.	12,472,928.63	12,472,928.63
Book value at the beginning of the period	11,201,565.96	11,201,565.96

other instructions:

none

26. Intangible assets

(1). Intangible assets

☐Applicable
 ☒Not applicable

Unit: Currency: RMB

project	Land use rights	software	total
1. Original book value			
1. Opening balance	117,738,799.76	28,936,483.43	146,675,283.19
2. The increase in the current period		3,587,517.51	3,587,517.51
(1) Purchase		3,587,517.51	3,587,517.51
(2) Internal R&D			
3. The amount reduced in the current period			
(1) Disposal			
4. Closing balance	117,738,799.76	32,524,000.94	150,262,800.70
2. Cumulative amortization			
1. Opening balance	19,808,840.53	10,525,249.84	30,334,090.37
2. Increase in current period	2,635,464.68	3,015,061.50	5,650,526.18
(1) Accrual 3.	2,635,464.68	3,015,061.50	5,650,526.18
Decrease in current period			
(1) Disposal			
4. Closing balance	22,444,305.21	13,540,311.34	35,984,616.55
3. Provision for impairment			
1. Opening balance			
2. The increase in the current period			
(1) Provision			
3. The amount reduced in the current period			
(1) Disposal			
4. Closing balance			
4. Book value			
1. Book value at the end of the period 2.	95,294,494.55	18,983,689.60	114,278,184.15
Book value at the beginning of the period	97,929,959.23	18,411,233.59	116,341,192.82

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

(2) Situation of land use right for which the property right certificate has not been

obtained ☐Applicable
 ☒Not applicable

other instructions:

✓Applicable ✓Not applicable

27. Development expenditure

✓Applicable ✓Not applicable

28. Goodwill (1).

Original book value of goodwill

✓Applicable ✓Not applicable

(2) Provision for impairment of

goodwill ✓Applicable ✓Not applicable

(3) Relevant information about the asset group or combination of asset groups where the goodwill

belongs ✓Applicable ✓Not applicable

(4) Explain the goodwill impairment test process, key parameters (such as the forecast period growth rate when the present value of future cash flows is estimated, the stable period

Growth rate, profit rate, discount rate, forecast period, etc., if applicable) and recognition method for impairment loss of goodwill ✓Applicable ✓Not

applicable

(5) Impact of goodwill impairment test ✓Applicable

✓Not applicable

other instructions

✓Applicable ✓Not applicable

29. Long-term deferred expenses

✓Applicable ✓Not applicable

Unit: Currency: RMB

project	Opening balance Amount of	increase in the current period Amortization amount of the current period	other reductions	Ending balance
			Forecast	
Decoration costs 7,850,454.53	3,995,465.82	3,853,453.85	Others 510,708.47 105,283.02	228,962.87 Total
8,361,163.00	4,100,748.84	4,082,416.72		
				8,379,495.12

other instructions:

none

30. Deferred income tax assets/deferred income tax liabilities (1). Deferred

income tax assets that have not been offset ✓Applicable ✓Not applicable

Unit: Currency: RMB

project	Closing balance		Opening Balance	
	deductible temporary difference	Deferred income tax	deductible temporary difference	Deferred income tax
	different	assets	different	assets
Impairment of assets	11,131,799.50 1,933,616.80		4,150,199.29 710,381.69	

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Internal transaction unrealized	373,084.76	82,862.17	148,712.33	30,295.41
profit deductible loss credit	22,276,355.00	5,569,088.75		
impairment provision to be paid	134,522,770.31	20,247,256.44	77,088,591.77	11,665,965.12
sales service fee to be paid	10,851,841.40	1,627,776.21	4,045,171.36	606,775.70
discount rebate total product quality	110,819,896.50	16,622,984.48	151,485,596.62	22,722,839.49
deposit	16,775,297.23	2,516,294.58	16,457,042.27	2,468,556.34
	306,751,044.7	48,599,879.43	253,375,313.64	38,204,813.75

(2) Deferred income tax liabilities that have not been

offset ☐Applicable ☐Not applicable

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

☐Applicable ☐Not applicable

(4) Details of unrecognized deferred tax assets

☐Applicable ☐Not applicable

(5). Deductible losses of unrecognized deferred tax assets will expire in the following years

☐Applicable ☐Not applicable

other instructions:

☐Applicable ☐Not applicable

31. Other non-current assets

☐Applicable ☐Not applicable

Unit: Currency: RMB

project	Ending balance			Opening Balance		
	Book value of provision for impairment of book balance			Book balance	impairment Prepare	Book value
Prepayment for equipment	14,214,620.00		14,214,620.00	18,035,080.00	245,500.00	18,035,080.00
Prepayment for construction	6,933,642.74		6,933,642.74			245,500.00
More than one year or more than one positive Regular business cycle of contract assets	692,149.48	538,248.60	153,900.88			
Prepaid intangible assets				1,340,619.10		1,340,619.10
Total						
production and purchase payments	21,840,412.22	538,248.60	21,302,163.62	19,621,199.10		19,621,199.10

other instructions:

none

32. Short-term loans (1).

Classification of short-term

loans ☐Applicable ☐Not applicable

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Unit: Currency: RMB

project	Ending balance	Opening Balance
Explanation on the		40,000,000.00
classification of short-	90,000,000.00	
term borrowings by total short-	103,583.34	51,160.70
term	90,103,583.34	40,051,160.70

borrowing interest on guaranteed loans and credit loans:

none

(2) Short-term borrowings that have been overdue but not

repaid ÿApplicable ÿNot applicable

Among them, the important overdue and outstanding short-term borrowings are as follows:

ÿApplicable ÿNot applicable

other instructions

ÿApplicable ÿNot applicable

33. Trading financial liabilities

ÿApplicable ÿNot applicable

34. Derivative financial liabilities

ÿApplicable ÿNot applicable

35. Notes payable

(1). List of bills payable

ÿApplicable ÿNot applicable

Unit: Currency: RMB

Types of	Ending balance	Opening Balance
Commercial Acceptance Bills		
Bank acceptance bills 72,648,219.09 Total 72,648,219.09 The total amount of bills payable due		12,131,938.43
but not paid at the end of the period is 0 yuan.		12,131,938.43

36. Accounts Payable

(1). List of accounts payable

ÿApplicable ÿNot applicable

Unit: Currency: RMB

project	Closing balance	Opening Balance
material	1,067,969,989.03	1,059,927,293.83
total	1,067,969,989.03	1,059,927,293.83

(2). Important accounts payable aged over 1 year

ÿApplicable ÿNot applicable

other instructions

ÿApplicable ÿNot applicable

37. Advance receipts

(1). List of advance receipts

ÿApplicable ÿNot applicable

(2). Important advance receipts aged over 1 year

ÿApplicable ÿNot applicable

other instructions

ÿApplicable ÿNot applicable

38. Contract liabilities

(1) Contract liabilities

ÿApplicable ÿNot applicable

Unit: Currency: RMB

project	Closing	Opening Balance
Advance payment	balance 8,529,468.56	3,927,195.35
total	8,529,468.56	3,927,195.35

(2) Amount and reasons for significant changes in book value during the reporting

period ÿApplicable ÿNot applicable

other instructions:

ÿApplicable ÿNot applicable

39. Employee benefits payable

(1). List of employee benefits payable

ÿApplicable ÿNot applicable

Unit: Currency: RMB

Item 1.	Opening Balance	Increase in this period	Decrease the closing balance of the current period	
Short-term compensation	76,425,536.07	461,711,069.31	467,853,112.87	70,283,492.51
2. Post-employment benefits-design				
Fixed withdrawal	1,186,211.41	25,534,273.18	24,404,565.92	2,315,918.67
plan III, dismissal		1,791,013.00	1,791,013.00	
benefit IV, due within one year				
other benefits				
total	77,611,747.48	489,036,355.49	494,048,691.79	72,599,411.18

(2). List of short-term remuneration

ÿApplicable ÿNot applicable

Unit: Currency: RMB

Item	Opening Balance	Increase in this period	Decrease in this period	Ending balance
1. Salary, bonus, allowance				
Subsidies	73,174,662.95	412,749,941.39	418,686,271.49	67,238,332.85
and subsidies 2.		17,039,298.21	17,039,298.21	
Employee benefits 3. Social insurance	1,330,613.17	18,325,172.65	18,139,717.13	17,310,000.79
Including: Medical insurance	1,307,574.32	17,187,672.34	17,919,218.56	856,447.21
insurance 17,950.61				80,721.96

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Maternity insurance	5,088.24	95,953.30	95,597.58	5,443.96
premiums 4. Housing provident fund	303,306.20	8,642,537.40	8,578,916.60	366,927.00
5. Trade union expenses and employment	1,616,953.75	4,954,119.66	5,408,909.44	1,162,163.97
6. Short-term				
paid absences				
7. Short-term profit sharing plan				
total	76,425,536.07	461,711,069.31	467,853,112.87	70,283,492.51

(3). List of defined withdrawal plans

☐Applicable
 ☐Not applicable

Unit: Currency: RMB

Project opening balance	1. Basic	Increase in current period Decrease in current period ending balance	
endowment insurance 1,144,538.79	2. Unemployment	24,668,748.70	23,573,634.43
insurance premium 41,672.62	3. Enterprise annuity payment	865,524.48	830,931.49
total	1,186,211.41	25,534,273.18	24,404,565.92

other instructions:

☐Applicable
 ☐Not applicable

40. Taxes payable

☐Applicable
 ☐Not applicable

Unit: Currency: RMB

project	Closing	Opening Balance
Value-added	balance 412,088.65	13,154,816.22
tax, corporate income		6,502,460.83
tax, individual income	953,608.36	884,273.41
tax, urban maintenance and	32,078.57	700,742.64
construction tax, education	14,305.67	402,892.98
fee plus local education fee,	9,537.11	268,595.32
land use tax, stamp duty, real	901,320.00	180,264.00
estate tax	468,842.04	517,059.24
	3,014,393.36	3,014,393.67
total	5,806,173.76	25,625,498.31

other instructions:

none

41. Other payables

List of items

☐Applicable
 ☐Not applicable

Unit: Currency: RMB

project	Ending balance	Opening Balance
Interest payable		
dividends payable		
Other payables	60,619,175.74	20,216,343.05
total	60,619,175.74	20,216,343.05

other instructions:

☐Applicable ☐Not applicable

Interest payable

(1). Listed by category

☐Applicable ☐Not applicable

Dividends

payable (1). Listed by

category ☐Applicable ☐Not applicable

Other payables (1).

Other payables are listed according to the nature of the

payment ☐Applicable ☐Not applicable

Unit: Currency: RMB

	Closing	Opening Balance
Restricted stock repurchase obligations	balance 20,871,060.00	
of the project Unpaid sales service fees	10,851,841.40	4,045,171.36
Equipment deposit and quality	10,769,483.15	3,071,463.57
assurance fund Unpaid freight,	8,912,964.08	3,163,082.68
advertising fees, construction fees,	5,033,426.87	3,893,288.69
house lease fees, others	413,880.60	388,954.30
	269,572.00	295,503.50
	98,770.00	512,380.00
	3,398,177.64	4,846,498.95
total	60,619,175.74	20,216,343.05

(2). Important other payables aged over 1 year

☐Applicable ☐Not applicable

other instructions:

☐Applicable ☐Not applicable

42. Liabilities held for sale

☐Applicable ☐Not applicable

43. Non-current liabilities due within 1 year

☐Applicable ☐Not applicable

44. Other current liabilities

Other current liabilities

☐Applicable ☐Not applicable

Unit: Currency: RMB

Project	Closing	Opening Balance
has accrued unpaid sales rebates	balance 125,226,483.05	171,178,724.18

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Total output tax to be	1,108,830.93	510,535.40
transferred	126,335,313.98	171,689,259.58

Changes in short-term bonds payable:

ŸApplicable ŸNot applicable

other instructions:

ŸApplicable ŸNot applicable

45. Long-term loans (1).

Classification of long-term loans

ŸApplicable ŸNot applicable

Additional notes, including interest rate ranges:

ŸApplicable ŸNot applicable

46. Bonds payable (1).

Bonds payable ŸApplicable

ŸNot applicable

(2) Increase or decrease in bonds payable: (excluding preferred shares, perpetual bonds and other financial instruments classified as financial liabilities)

ŸApplicable ŸNot Applicable

(3) Explanation on the conversion conditions and conversion time of convertible corporate

bonds ŸApplicable ŸNot applicable

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

Basic information on other financial instruments such as preferred shares and perpetual bonds issued at the end of the period

ŸApplicable ŸNot applicable

Statement of changes in financial instruments such as preferred shares and perpetual bonds issued at the end of the period

ŸApplicable ŸNot applicable

Explanation of the basis for classifying other financial instruments as financial liabilities:

ŸApplicable ŸNot applicable

other instructions:

ŸApplicable ŸNot applicable

47. Lease liabilities

ŸApplicable ŸNot applicable

Unit: Currency: RMB

project	Closing balance	Opening Balance
Total unrecognized	11,047,564.54 -420,905.35	9,930,366.60
financing costs for lease	10,626,659.19	-65,984.91
payments		9,864,381.69

other instructions:

none

48. List of long-term

payables ÿApplicable ÿNot

applicable

other instructions:

ÿApplicable ÿNot applicable

Long-term payables

(1). Long-term payables are listed according to the nature of the

payment ÿApplicable ÿNot applicable

Special payables (1).

List special payables according to the nature of the

payment ÿApplicable ÿNot applicable

49. Long-term employee benefits payable

ÿApplicable ÿNot applicable

50. Estimated liabilities

ÿApplicable ÿNot applicable

Unit: Currency: RMB

Project	Opening	Reasons for the formation of the closing balance
Product Quality	balance 16,457,042.27	16,775,297.23 After-sale quality maintenance commitment
Assurance Total	16,457,042.27 Other	16,775,297.23 /

explanations, including relevant important assumptions and estimates of important estimated liabilities:

none

51. Deferred income

Deferred income

ÿApplicable ÿNot applicable

Unit: Currency: RMB

project	The reason for the increase in the opening balance	in the current period and the	decrease in the current period	in the ending balance
Government grants 2,809,449.07 5,258,000.00 1,312,591.26 6,754,857.81				government grants funds
Total 2,809,449.07 5,258,000.00 1,312,591.26 6,754,857.81				/

Projects involving government subsidies:

•Applicable •Not applicable

Unit: Currency: RMB

Liability items	Opening Balance	New subsidy for this period <small>Forehead</small>	Included in this period non-operating income deposit amount	Included in other Income amount	other change	Ending balance	related to/with the asset income related
The scientific and technological innovation	83,332.42			16,000.20		67,332.22 related to assets	
seed fund project added 10 million smart low-voltage electrical products products and 300,000 smart meter products Reconstruction project	1,760,744.44	3,258,000.00		1,074,229.64		3,944,514.80 related to assets	
Workshop IoT Transformation Project	965,372.21			222,361.42		743,010.79 related to assets	
IoT Smart Micro-interruption Technology Research and Industry Total of		2,000,000.00				2,000,000.00 related to assets	
chemical projects	2,809,449.07	5,258,000.00		1,312,591.26		6,754,857.81	

other instructions:

•Applicable •Not applicable

52. Other non-current liabilities

¥Applicable ¥Not applicable

53. Share capital

¥Applicable ¥Not applicable

Unit: Currency: RMB

	Opening Balance	Increase or decrease in this change (+, -)					Ending balance
		issue new shares	deliver shares	Provident fund Convertible	other	Subtotal	
shares Total	401,000,000.00 3,115,500.00				-77,500.00 3,038,000.00	404,038,000.00	

other notes:

Changes in share capital for the current period:

(1) Restricted shares granted in the current period

According to the company's 2020 restricted stock incentive plan approved by the general meeting of shareholders, a restricted number of incentive objects will be granted for the first time this year 3,115,500 shares, the grant price is 7.17 yuan per share, and the total subscription payment for restricted stocks paid by the incentive objects is 22,338,135.00 yuan, Among them, the increased share capital of RMB 3,115,500.00 was included in the capital reserve (capital premium) of RMB 19,222,635.00.

(2) Repurchase and cancellation of restricted shares

Incentive objects Tan Zhengyan, Huang Yufei, Lv Qingpeng, Zhou Chen, and Han Pengkai were resigned according to the provisions of the incentive plan.

The 77,500 restricted shares that have been granted but have not been released from sales restrictions were repurchased and cancelled, and the total repurchase price paid by the company RMB 532,425.00, of which RMB 77,500.00 in share capital and RMB 454,925.00 in capital reserve (capital premium).

54. Other equity instruments (1).

Basic information on other financial instruments such as preferred shares and perpetual bonds issued at the end of the period ¥Applicable ¥Not applicable

(2). Statement of changes in financial instruments such as preferred shares and perpetual bonds issued at the end of the period ¥Applicable ¥Not applicable

Changes in the increase or decrease of other equity instruments in the current period, explanations for the reasons for the changes, and the basis for relevant accounting treatment:

¥Applicable ¥Not applicable

other instructions:

¥Applicable ¥Not applicable

55. Capital reserve

¥Applicable ¥Not applicable

Unit: Currency: RMB

Project	Opening Balance	Increase in this period	Decrease in this period	Ending balance
capital premium (shares this premium)	655,626,535.70	19,222,635.00	454,925.00 674,394,245.70	
Other capital reserves				
total	655,626,535.70	19,222,635.00	454,925.00 674,394,245.70	

Other explanations, including the increase or decrease in the current period, and explanation of the reasons for the changes:

Please refer to "VII. 53. Share capital" in this section for the changes in the current period.

56. Treasury stock

☐Applicable ☐Not applicable

Unit: Currency: RMB

Items increased restricted stock	Opening balance	Decrease of	Ending balance
22,338,135.00	Other explanations, including the changes in the current period	1,467,075.00	20,871,060.00
changes:		current period 1,467,075.00	20,871,060.00

(1) The amount of treasury shares increased by the repurchase obligation due to the issuance of restricted shares in the current period is RMB 22,338,135.00. Please refer to this section for details.

"VII. 53. Share capital";

(2) The amount of decrease in treasury shares in the current period is RMB 1,467,075.00, of which: cash dividends issued for restricted shares in the current period offset treasury shares

The amount of 934,650.00 yuan, the treasury stock repurchase amount paid in this period is 532,425.00 yuan.

57. Other comprehensive income

☐Applicable ☐Not applicable

58. Special reserve

☐Applicable ☐Not applicable

59. Surplus reserve

☐Applicable ☐Not applicable

Unit: Currency: RMB

Statutory surplus reserve at the beginning of	This period	Decrease in this period	Ending balance
the project period 104,713,483.92	Discretionary surplus increased by 10,882,493.03		115,595,976.95
reserve			
A total of 104,713,483.92	Explanation of the	10,882,493.03	115,595,976.95

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

According to the "Company Law" and the company's articles of association, the Company appropriates 10% of the net profit to the statutory surplus reserve. statutory surplus reserve

If the calculated amount reaches more than 50% of the company's registered capital, it will not be withdrawn.

60. Undistributed profits

☐Applicable ☐Not applicable

Unit: Currency: RMB

Total		Previous period
undistributed profits at the end of the	573,007,122.94	349,113,580.31
previous period before adjustment		
+, decrease -)		
Undistributed profit at the beginning of the adjustment	573,007,122.94	349,113,580.31
period plus: net attributable to owners of the parent company in the current period	108,941,777.10	246,828,267.77
Profit		
minus: withdraw statutory surplus reserve	10,882,493.03	22,934,725.14
and withdraw discretionary surplus reserve		
Extract general risk provision		
Ordinary stock dividends payable	121,234,650.00	
ordinary stock dividends converted into share capital		
Undistributed profit at the end of the period	549,831,757.01	573,007,122.94

Adjustment of undistributed profits at the beginning of the period:

1. Due to the retrospective adjustment of "Accounting Standards for Business Enterprises" and related new regulations, the undistributed profit at the beginning of the period is affected by 0 yuan.

2. Due to the change of accounting policy, the undistributed profit at the beginning of the period is affected by 0 yuan.

3. Due to the correction of major accounting errors, the undistributed profit at the beginning of the period is affected by 0 yuan.

4. The change in the scope of consolidation due to the same control will affect the undistributed profit at the beginning of the period of 0 yuan.

5. Other adjustments will affect the undistributed profit of RMB 0 at the beginning of the period in total.

61. Operating income and operating costs

(1) Operating income and operating costs

ApplicableNot applicable

Unit: Currency: RMB

project	Amount for this period		Amount in the previous period	
	Revenue	cost	Main business income	business cost
2,911,776,642.17	2,223,849,134.91	2,464,903,228.92	1,783,463,717.58	
Other business	10,134,918.76	3,189,949.10	2,359,787.71	8,330,312.92
Total	2,921,911,560.93	2,227,039,084.01	2,473,233,541.84	1,785,823,505.29

(2) Income from contractsApplicableNot

applicable

Description of revenue generated by the contract:

ApplicableNot applicable

(3). Explanation of performance

obligationsApplicableNot applicable

(4) Explanation of apportionment to remaining performance

obligationsApplicableNot applicable

other instructions:

none

62. Taxes and surcharges

ApplicableNot applicable

Unit: Yuan Currency: RMB Amount incurred

Project	Amount for this period	in the previous period
city maintenance and	5,570,294.16	5,491,603.67
construction taxEducation	2,978,781.06	3,140,580.76
feeAdditional local education	2,049,910.20	2,093,720.51
feeAdditional property	3,067,545.23	3,076,107.96
taxLand use taxVehicle use	1,622,376.00	180,264.00
taxStamp tax	31,623.40	29,907.32
	1,113,198.67	1,240,964.23
total	16,433,728.72	15,253,148.45

other instructions:

none

63. Sales expenses

☐Applicable
 ☐Not applicable

Unit: Currency: RMB

project	Current	Amount in the previous period
Employee compensation,	amount	93,651,794.88
sales and service fees,	125,090,925.26	14,823,335.05
advertising and publicity	29,756,470.17	18,293,149.31
expenses, travel expenses,	26,239,686.37	16,140,284.53
business entertainment	23,216,826.32	13,612,962.34
expenses, after-sale loss	19,713,189.18	15,328,660.28
expenses, office expenses,	17,493,740.84	7,115,149.62
depreciation of right-of-use assets, lease	10,529,201.55	10,442,097.92
expenses, transportation expenses,		6,026,335.22
consulting fees, conference expenses,	6,264,901.86	5,517,172.10
depreciation, and others	4,384,307.30	1,344,975.94
	2,546,148.61	3,784,600.66
	2,161,160.06	2,040,551.45
	4,618,776.87	1,107,653.34
total	282,457,432.31	198,786,624.72

other instructions:

none

64. Administrative expenses

☐Applicable
 ☐Not applicable

Unit: Currency: RMB

project	Amount	Amount in the previous period
Employee	incurred in the	61,414,704.70
	current period	11,970,983.53
compensation	72,654,184.04	8,292,822.46
depreciation	12,163,250.74	3,271,953.43
Decoration and	8,414,668.03	3,021,584.80
maintenance fees	6,070,542.44	4,765,380.73
Intermediary agency	5,510,467.33	4,042,757.07
service fees Testing	5,145,528.32	4,658,671.14
and inspection fees		2,702,511.65
Amortization of	2,641,415.52	2,275,998.65
intangible assets	2,286,529.10	2,347,795.69
	1,806,810.51	2,050,249.38
	1,214,610.10	1,553,561.08
	6,456,213.28	1,187,765.20
total	131,725,402.20	6,704,699.69
		112,900,256.41

other instructions:

none

65. Research and development expenses

☐Applicable
 ☐Not applicable

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Unit: Currency: RMB

project	Amount incurred	Amount in the previous period
Labor costs	in the current period	55,175,420.13
are directly	72,126,162.26	26,754,335.77
invested in other costs	42,349,827.74	12,279,765.93
total	17,317,167.71 131,793,157.71	94,209,521.83

other instructions:

none

66. Financial expenses

☐Applicable ☐Not applicable

Unit: Currency: RMB

project	The current period	Amount in the previous period
Interest Expenses	3,508,242.22	4,044,822.88
Interest Income	-18,029,187.96 14,813.10	-8,141,057.85
Foreign Exchange	200,966.26	5,012.15
Gains and Losses Bank Fees	-14,305,166.38	356,288.05
total		-3,734,934.77

other instructions:

none

67. Other income

☐Applicable ☐Not applicable

Unit: Currency: RMB

	Amount for this period	Amount in the previous period
Governments whose projects are related to the day-to-day activities of enterprises	36,427,221.77	34,123,374.97
The total		
amount of personal income tax refunds for subsidized	1,745,513.75	
value-added tax refunds immediately after collection	274,364.27	
	38,447,099.79	34,123,374.97

other instructions:

For details of government subsidies, please refer to "VII. 84. Government subsidies" in this section.

68. Investment income

☐Applicable ☐Not applicable

Unit: Yuan Currency: RMB Amount incurred

Long-	Amount in the	in the previous period
term equity investment income factoring fee accounted for by	current period -706,545.63	
the project equity method	-194,294.88	
total	-900,840.51	

other instructions:

none

69. Net exposure hedging gains

☐Applicable ☐Not applicable

70. Income from changes in fair value

Applicable Not applicable

71. Credit impairment losses

Applicable Not applicable

Unit: Currency: RMB

Project	Amount for the	Amount in the previous period
bills receivable Bad debt loss	current period	-946,249.52
Accounts receivable bad debt	-8,106,873.89	-9,304,347.56
loss Other receivables bad debt	-30,966,290.28	297,813.30
loss Debt investment impairment	-10,540,268.48 -15,000,000.00	
loss Accounts receivable financing	-983,108.21	
	-65,596,540.86	-9,952,783.78

other instructions:

none

72. Asset impairment loss

Applicable Not applicable

Unit: Currency: RMB

Item	Amount for this period	Amount in the previous period
1. Bad debt losses		
2. Inventory depreciation losses and contract performance costs	-11,902,811.92	-4,583,819.16
This impairment loss		
III. Impairment loss of long-term equity investment		
4. Impairment loss of investment real estate		
V. Impairment loss of fixed assets		
6. Impairment loss of engineering materials		
7. Impairment losses of construction in progress		
8. Impairment loss of productive biological assets		
9. Impairment losses of oil and gas properties		
X. Impairment loss of intangible assets		
11. Goodwill impairment loss		
12. Others		
XIII. Impairment losses of contract assets	-56,369.56	
XIV. Total impairment losses of other non-current	-538,248.60	
assets	-12,497,430.08	-4,583,819.16

other instructions:

none

73. Income from asset disposal

Applicable Not applicable

Unit: Currency: RMB

Total	Amount incurred in	Amount in the previous period
gains or losses on disposal of fixed assets of	the current period	-216,215.74
the project	391,493.11 391,493.11	-216,215.74

other instructions:

none

74. Non-operating income

Non-operating income

√Applicable √Not applicable

Unit: Currency: RMB

project	Amount for this period	Amount in the previous period	Include current non-recurring losses amount of benefit
Profit on disposal of non-current assets Including:	160,044.97	40,549.45	160,044.97
Fixed assets Disposal	160,044.97	40,549.45	160,044.97
of Intangible Assets buy profit			
non-monetary asset exchange gain			
accept donations			
Government subsidy	148,960.00	143,718.04	148,960.00
contract liquidated damages income	1,497,234.70	422,431.41	1,497,234.70
Others	474,042.64	18,131.73	474,042.64
total	2,280,282.31	624,830.63	2,280,282.31

Government subsidies included in current profit and loss

√Applicable √Not applicable

Unit: Currency: RMB

Subsidy Program	Amount incurred in the current period	Amount incurred in the previous period	asset-related/income-related close
Other and daily business activities Motion-independent small grants	148,960.00	143,718.04 related to income	

other instructions:

√Applicable √Not applicable

75. Non-operating expenses

√Applicable √Not applicable

Unit: Currency: RMB

project	Amount for this period	Amount in the previous period	Include current non-recurring losses amount of benefit
Loss on disposal of non-current assets Including:	1,523,426.08	772,891.90	1,523,426.08
Fixed assets Disposal of	1,523,426.08	772,891.90	1,523,426.08
lost intangible assets set loss			
non-monetary asset exchange loss			
Expenses for fines and	120,000.00	60,000.00	120,000.00
confiscation of external donations	117,026.57	89,634.96	117,026.57

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Sponsorship		41,969.36	
Expenses Late		16,508.24	
Fees Downtime		7,393,344.28	
Losses Others	165,453.94	126,313.34	165,453.94
total	1,925,906.59	8,500,662.08	1,925,906.59

other instructions:

The loss of work stoppage is the depreciation, employee compensation, rent, water and electricity expenses related to production activities incurred during the work stoppage due to the new crown epidemic.

Wait

76. Income tax expense

(1). Income tax expense

table ỹApplicable ỹNot applicable

Unit: Currency: RMB

Total	Amount for this period	Amount in the previous period
deferred income tax expenses of	8,419,855.11	38,573,822.60
current income tax expenses of the	-10,395,065.68	-3,911,945.62
project	-1,975,210.57	34,661,876.98

(2) Adjustment process of accounting profits and income tax

expenses ỹApplicable ỹNot applicable

Unit: Currency: RMB

project	Amount for this period
Income tax	106,966,079.53
expense on total profit at statutory/applicable tax rate	16,044,911.93
Effect of applying different tax rates to subsidiaries	-561,657.92
Adjustment effect of prior period income tax Effect of non-	232,249.05
taxable income	
Impact of non-deductible costs, expenses and losses Use	1,526,630.34
of deductible losses for deferred tax assets not recognised in prior periods	
impact of damage	
Deductible temporary deferred tax assets not recognized in the current period	
Effect of differences or deductible losses	
Additional deductions	-19,217,343.97
affect income tax expense	-1,975,210.57

other instructions:

ỹApplicable ỹNot applicable

77. Other comprehensive income

ỹApplicable ỹNot applicable

78. Items of cash flow statement

(1). Other cash received related to operating activities

ỹApplicable ỹNot applicable

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Unit: Currency: RMB

project	Amount incurred	Amount in the previous period
Non-operating	in the current period	440,563.14
income, financial	1,971,277.34	36,977,209.46
subsidy, bank	40,521,590.51	4,996,682.85
deposit interest,	20,063,012.97	26,417,303.70
company's current	36,546,239.29	1,877,926.17
account recovery	1,019,936.27	22,523,538.52
reserve fund	74,096,683.68	28,276,599.53
	13,293,874.37 187,512,614.43	121,509,823.37

Description of other cash received related to operating activities:

none

(2) Other cash paid related to operating activities

ŸApplicable ŸNot applicable

Unit: Currency: RMB

Project	Current amount	Amount in the previous period
payment, sales expense,	174,422,235.25	100,807,208.55
management fee, research	36,259,388.37	30,153,038.33
and development fee, bank	53,914,394.39	36,547,834.61
fee, non-operating expense,	200,966.26	356,288.05
company current account,	402,480.51	5,017,626.36
reserve fund, security	45,059,764.82	9,239,279.79
deposit, restricted security	1,294,060.30	2,159,201.63
deposit, other cash	98,715,083.49	22,044,810.41
descriptions related to	18,860,341.31 42	28,498,888.17
		234,824,175.90

operating activities:

none

(3). Other cash received related to investment activities

ŸApplicable ŸNot applicable

Unit: Currency: RMB

project	The current period	Amount in the previous period
fixed deposit	amounted to 361,423,472.22	
	361,423,472.22	

Statement of other cash received related to investing activities in aggregate:

none

(4) Other cash paid related to investment activities

ŸApplicable ŸNot applicable

Unit: Currency: RMB

project	Amount incurred	Amount in the previous period
fixed deposit	in the current period	350,000,000.00
Other	305,423,472.22 305,423,472.22	350,000,000.00

cash descriptions related to investing activities paid in aggregate:

none

(5) Other cash received related to financing activities

¥Applicable ¥Not applicable

Unit: Currency: RMB

The	Amount for this period	Amount in the previous period
project receives the pending payment included in the IPO fundraising pay the distribution fee		12,859,433.95
Total		12,859,433.95

other cash receipts related to fundraising activities:

none

(6) Other cash paid related to financing activities

¥Applicable ¥Not applicable

Unit: Currency: RMB

IPO	Amount for this period	Amount in the previous period
issuance intermediary fees paid by the project		8,821,698.12
to pay rent to repurchase restricted shares	8,152,537.26	
	532,425.00	
Other	8,684,962.26	8,821,698.12

cash descriptions related to financing activities paid in aggregate:

none

79. Supplementary information on cash flow statement

(1). Supplementary information on cash flow

statement ¥Applicable ¥Not applicable

Unit: Currency: RMB

Supplementary	Current Amount	Amount of the previous period
information 1 . Adjust net profit to cash flow from operating activities:		
Net profit plus: asset impairment provision, credit impairment loss,	108,941,290.10	246,828,267.77
depreciation of fixed assets, depletion of oil and gas properties, production	6,981,600.21	756,012.08
	57,434,178.54	8,945,909.77
Depreciation of productive biological assets	40,565,995.65	35,971,166.56
Amortization of right-of-use assets	7,643,452.09	
Amortization of intangible assets	5,650,526.18	5,218,051.81
Amortization of long-term deferred expenses	4,082,416.72	5,116,716.68
Amortization of disposal of fixed assets, intangible assets and other long-term assets		
Losses of assets in the period (incomes are filled in with "-" List)	-391,493.11	216,215.74
Loss on retirement of fixed assets (income with "-" number)	1,363,381.11	732,342.45
Losses from changes in fair value (incomes are marked with "-" number)		
Financial expenses (revenues are listed with "-")	3,523,055.32	648,447.08
Investment losses (incomes are listed with "-")	900,840.51	

Decrease in deferred tax assets (increase by Fill in with "-")	-10,395,065.68	-3,911,945.62
Increase in deferred tax liabilities (decrease by Fill in with "-")		
Decrease in inventories (increase with "-")	-55,240,501.52	-90,304,746.58
Decrease in operating receivables (increase with "-") Fill in with "-")	-136,067,639.20	-315,677,107.69
Increase in operating payable items (decrease by Fill in with "-") Others	12,790,841.71	281,260,784.12
Net cash flow from operating activities 2. Significant	47,782,878.63	175,800,114.17
investing and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Financing leased fixed assets		
3. Net change in cash and cash equivalents:		
Closing balance of cash	510,629,853.99	701,632,252.43
minus: Opening balance of cash	701,632,252.43	376,504,094.52
plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-191,002,398.44	325,128,157.91

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

ŸApplicable ŸNot applicable

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

period ŸApplicable ŸNot applicable

(4) Composition of cash and cash equivalents

ŸApplicable ŸNot applicable

Unit: Yuan Currency: RMB

project	Ending balance	Beginning Balance
1. Cash Among	510,629,853.99	701,632,252.43
them: cash on hand, bank	18,584.41	22,149.87
deposits that can be used for payment at any time,	510,596,926.48	701,595,712.35
and other currencies that can be used for payment at any time	14,343.10	14,390.21
Funds		
2. Cash Equivalents		
Of which: Bond investments due within three months		
3. Balance of cash and cash equivalents at the end of the period	510,629,853.99	701,632,252.43
Including: used by the parent company or subsidiaries within the group		
Restricted cash and cash equivalents		

other instructions:

ŸApplicable ŸNot applicable

80. Notes to items in the Statement of Changes in

Owner's Equity Explain the "other" item names and adjusted amounts for adjusting the closing balance of the previous year:

¥Applicable ¥Not applicable

81. Assets with restricted ownership or right to use ¥Applicable

¥Not applicable

Unit: Currency: RMB

project	Ending book value	Restricted Reason
Money funds	11,074,406.50	Margin
total	11,074,406.50	/

other instructions:

none

82. Foreign currency monetary items

(1). Foreign currency monetary items

¥Applicable ¥Not applicable

(2) Explanation of overseas business entities, including for important overseas business entities, their main overseas business locations and functional currency of bookkeeping should be disclosed

and selection basis, and the reasons for changes in the functional currency of bookkeeping should also be

disclosed ¥Applicable ¥Not Applicable

83. Hedging

¥Applicable ¥Not applicable

84. Government subsidies

(1) Basic information on government

subsidies ¥Applicable ¥Not applicable

Unit: Currency: RMB

Special	amount	presentation items	Amount included in current profit and loss
funds for listing incentives for various types of enterprises The transfer of gold and restricted shares is lifted Incentive funds	24,730,000.00 Other income		24,730,000.00
Smart low-voltage electrical products and 300,000 smart meter products Technological Transformation Project	3,258,000.00 Deferred income		1,074,229.64
Special funds for corporate listing awards gold	3,000,000.00	other income	3,000,000.00
After high-tech enterprise research and development Subsidy funds	2,188,500.00 Other income		2,188,500.00
IoT smart micro-disconnection technology "38 Items" Award for Talent Policy	2,000,000.00 Deferred income		
for Research and Industrialization Projects Supplementary	1,890,000.00 Other income		1,890,000.00
funds for the 2021 Wenzhou Municipal Section Research project (special for self-created area) grant	600,000.00 Other income		600,000.00
Work-for-training subsidy	508,500.00 Other income	161 / 186	508,500.00

The integration of industrialization and industrialization enterprises	500,000.00	Other income	500,000.00
rewards and stabilizes jobs and promotes production skills training supplements paste	354,161.50	Other income	354,161.50
In 2021, the subsidies for stable employment of enterprises	233,084.80	Other income	233,084.80
will reduce the financing of scientific and technological enterprises Cost loan discount funds for	200,000.00	Other income	200,000.00
college graduates in Xiuzhou District Industry apprenticeship (practice)	197,400.00	Other income	197,400.00
subsidizes manufacturing 5G integration applications Fiscal subsidies for	184,500.00	Other income	184,500.00
industrial enterprises to deal with the epidemic Incentives for high-quality development gold	100,000.00	Other income	100,000.00
China Postdoctoral Science Foundation The 69th batch of funding funds for	80,000.00	other income	80,000.00
scientific and technological achievements	80,000.00	Other income	80,000.00
award funds for online vocational skills training supplements paste	71,700.00	Other income	71,700.00
High-tech product awards gold	60,000.00	Other income	60,000.00
Digital Economy Demonstration Pilot Enterprise Industry Incentive Funds	50,000.00	Other income	50,000.00
Zhejiang Province Market Supervision and Administration Special Funds for	20,820.00	other income	20,820.00
Organic Waste Gas Pollution Remediation 2021	19,000.00	Other income	19,000.00
Epidemic Stabilization	15,000.00	Other income	15,000.00
Subsidy paste	14,484.21	Other income	14,484.21
Overseas recruitment subsidizes	7,260.00	Other income	7,260.00
domestic effective invention patent maintenance Subsidized	4,500.00	Other income	4,500.00
subsidies for stable	3,000.00	Other income 2,000.00	3,000.00
employment subsidies		Other income Other income	2,000.00
for trash can production	720.00		720.00
subsidies	40,372,630.51		36,188,860.15
provincial subsidies for	100,000.00	Non-operating income	100,000.00
patent maintenance fees (Practice) Subtotal Subtotal of	45,360.00	Non-operating income	45,360.00
Subsidized Production-Education	3,600.00	Non-operating income	3,600.00
Integration	148,960.00	40,521,590.51	148,960.00
			36,337,820.15

(2) Refund of government subsidy

ÿApplicable ÿNot applicable

other instructions:

none

85. Other

☐Applicable
 ☐Not applicable

8. Changes in the scope of consolidation

1. Business combination not under the same control

☐Applicable
 ☐Not applicable

2. Business combination under the same control

☐Applicable
 ☐Not applicable

3. Reverse purchase

☐Applicable
 ☐Not applicable

4. Whether there is a situation

in which a single disposal of a subsidiary will result in the loss of control over the investment in the subsidiary

☐Applicable
 ☐Not applicable

other instructions:

☐Applicable
 ☐Not applicable

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

Explain the changes in the scope of consolidation caused by other reasons (such as the establishment of new subsidiaries, liquidation of subsidiaries, etc.) and related circumstances:

☐Applicable
 ☐Not applicable

The company, Mr. Zhao Tianwei and Mr. Yi Zhengchao jointly invested in the establishment of Shanghai Tianyixing Intelligent Electric Co., Ltd., the date of establishment of the company

On August 30, 2021, the registered capital was RMB 50 million. The company invested 47 million yuan, accounting for the registered capital of Tian Yixing

94%. Tianyi is the holding subsidiary of the company, and the company has been included in the scope of the company's consolidated statements since its establishment.

6. Other

☐Applicable
 ☐Not applicable

IX. Interests in other entities 1. Interests in

subsidiaries

(1) Composition of enterprise group

☐Applicable
 ☐Not applicable

Subsidiary name	Main business land	The business nature of the place of registration	Shareholding ratio (%)		get Way
			Direct and indirect		
Zhejiang Tianzheng smart appliances limited company	Zhejiang Jiaxing Zhejiang	Jiaxing Manufacturing 100			set up
Shanghai Tianyi line of smart electricity gas limited company	Shanghai Shanghai	Manufacturing 94.00			set up

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

none

Those who hold half or less of the voting rights but still control the investee, and those who hold more than half of the voting rights but do not control the investee.

according to:

none

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

none

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

none

other instructions:

none

(2). Important non-wholly owned subsidiaries

✓Applicable ✓Not applicable

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

✓Applicable ✓Not applicable

(4) Significant restrictions on using the assets of the enterprise group and paying off the debts of the enterprise

group ✓Applicable ✓Not applicable

(5) Financial support or other support provided to structured entities included in the scope of consolidated financial statements ✓Applicable ✓Not

applicable

other instructions:

✓Applicable ✓Not applicable

2. Transactions in which the share of the owner's equity in the subsidiary has changed and the subsidiary is still controlled ✓Applicable

✓Not Applicable

3. Equity in joint ventures or associates ✓Applicable ✓Not applicable

(1). Important joint ventures or associates ✓Applicable ✓Not

applicable

Unit: Currency: RMB

Joint ventures or associates Business name	The nature of the business	in the place where the main business is registered	Shareholding ratio (%) In joint ventures or joint ventures		business investment meeting
			Direct and indirect	calculation method	
Suzhou Hongyun Intelligent Technology limited company	Suzhou Suzhou Manufacturing 15.00				Equity method

Explanation of the shareholding ratio in the joint venture or associate company being different from the voting rights ratio:

none

Basis for holding less than 20% of the voting rights but having significant influence, or holding 20% or more of the voting rights but not having significant influence:

On September 5, 2021, the company signed a "capital increase agreement" with Suzhou Hongyun Intelligent Technology Co., Ltd. and its existing shareholders. company with The total subscription consideration of RMB 47.6471 million will increase the capital of Hongyun Intelligent. After the capital increase is completed, the company will hold 15% of the equity of Hongyun Intelligent.

According to the capital increase agreement, after the capital increase, the board of directors of the company will be composed of three directors, of which the company has the right to appoint one director to increase the capital.

After completion, the Company will have a significant influence on Hongyun Intelligence.

(2). Main financial information of important joint ventures

¥Applicable ¥Not applicable

(3). Main financial information of important associates

¥Applicable ¥Not applicable

Unit: Currency: RMB

	Closing balance / current period	Beginning Balance / Occurred in the Previous Period
	Hongyun	Hongyun Intelligence
Current Assets	Intelligent 90,986,558.07	
Non-Current Assets	11,837,797.62	
Total Assets	102,824,355.69	
Current Liabilities	73,724,314.62	
Non-current Liabilities	1,076,310.79	
Total Liabilities	74,800,625.41	
Minority interests		
Equity attributable to parent company shareholders	28,023,730.28	
Adjustments to the share of net assets calculated according	4,203,559.54	
to the shareholding ratio -- goodwill -- unrealized profits from	42,736,994.83	
internal transactions	42,736,994.83	
--other		
The fair value of equity investments in associates with	46,940,554.37	
publicly quoted prices for the book value of equity investments in associates		
value		
Operating income	9,382,564.67	
Net profit Net	-4,710,304.19	
profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	-4,710,304.19	
Dividends received from associates during the year		

other instructions

Operating income and net profit are the data from October to December 2021.

(4) Summary financial information of unimportant joint ventures and associates

¥Applicable ¥Not applicable

(5) Explanation on significant restrictions on the ability of joint ventures or associates to transfer funds to the Company ☐Applicable ☐Not

Applicable

(6) Excessive losses of joint ventures or associates ☐Applicable ☐Not applicable

(7) Unrecognized commitments related to investment in joint ventures

☐Applicable ☐Not applicable

(8) Contingent liabilities related to investment in joint ventures or associates ☐Applicable ☐Not

applicable

4. Important joint operation ☐Applicable

☐Not applicable

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

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

☐Applicable ☐Not applicable

6. Other

☐Applicable ☐Not applicable

X. Risks associated with financial instruments

☐Applicable ☐Not applicable

The company has a variety of other financial assets and liabilities directly arising from operations, such as accounts receivable and accounts payable. For the detailed description of each financial instrument, please refer to "VII. Notes to Consolidated Financial Statements" in this section. The company faces various financial risks in the course of operation: credit risk, market risk and liquidity risk. 1. Various risk management objectives and policies The company's management is fully responsible for the determination of risk management objectives and policies, and assumes ultimate responsibility for risk management objectives and policies. The overall goal of corporate risk management is to develop risk management policies that minimize risk without unduly affecting the company's competitiveness and resilience. 2. Risk management (1) Credit risk Credit risk refers to the risk that one party of a financial instrument fails to perform its obligations, resulting in financial loss to the other party. The company manages credit risk by portfolio classification. Credit risk mainly arises from bank deposits, receivables accounts and other receivables. The Company's working capital is deposited in banks with higher credit rating, so the credit risk of working capital is low. For accounts receivable, the company has adopted the necessary policies to ensure that all sales customers have a good credit history. The company evaluates the customer's credit qualification and sets the corresponding credit period based on the customer's financial status, the possibility of obtaining guarantees from third parties, credit history and other factors such as current market conditions. The company's other receivables, mainly deposits, deposits and reserve funds, etc., are expected to be recovered, which provides a reasonable guarantee for preventing the risk of bad debts in other receivables. Bad debt situation.

At the same time, the company conducts a separate impairment test for the receivables with a significant single amount, and for the receivables with a single significant amount and a single insignificant amount, but no impairment occurs after the separate test, the aging is used as the similar credit risk. According to the current situation, the combination of similar credit risk characteristics is determined and the provision for bad debts is made through aging analysis. Therefore, the management of the company believes that the credit risk borne by the company has been greatly reduced.

(2) Liquidity risk

Liquidity risk refers to the risk that the company cannot perform its financial obligations on the due date. It is the Company's policy to ensure that sufficient cash is available to meet debt obligations as they fall due. Liquidity risk is centrally controlled by the Company's financial department. The finance department ensures that the company has sufficient funds to repay debts under all reasonable forecasts by monitoring cash balances and rolling forecasts of cash flows for the next 12 months. (3) Market risk Market risk of financial instruments refers to the risk that the fair value or future cash flow of financial

instruments will fluctuate due to changes in market prices, including interest rate risk, foreign exchange risk and other price risks. • Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in market interest rates. The company's bank loans are all fixed interest rate, there is no interest rate risk. • Foreign exchange risk Foreign exchange risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in foreign exchange rates. Book

The Company's foreign currency financial assets and liabilities account for a very small proportion of total assets.

XI. Disclosure of fair value 1.

Closing fair value of assets and liabilities measured at fair value

• Applicable • Not applicable

Unit: Currency: RMB

project	End-of-period fair			
	Level 1 fair value measurement	value Level 2 fair value measurement	Level 3 fair value measurement	total
1. Continuous fair value measurement (1) Financial				
assets held for trading				
Financial assets at fair value				
through profit or loss (1)				
Debt instrument investment				
(2) Equity instrument				
investment (2) Receivable				
financing (3) Other debt				
investment (4) Other equity				
instrument investment (5)				
Investment real estate 1.				
Land use rights for lease 2.				
Buildings for lease 3. Land				
use rights held and ready				
to be transferred after			325,935,376.38	325,935,376.38
appreciation (VI) Biological				
assets 1. Consumable				
biological assets				

2. Productive biological assets				
(7) Receivables financing Total				
assets continuously measured at fair value (8) Trading financial			325,935,376.38	325,935,376.38
liabilities 1. Financial liabilities measured at fair value and changes				
included in current profit and loss Among them: issued trading bond				
Other derivative				
financial liabilities Total				
assets measured Discontinuous total liabilities measured at fair value				

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

items ☐Applicable ☐Not applicable

3. For continuous and non-continuous second-level fair value measurement items, valuation techniques used and qualitative and quantitative information on important parameters ☐Applicable ☐Not applicable

4. For continuous and non-continuous third-level fair value measurement items, the valuation techniques used and qualitative and quantitative information of important parameters ☐Applicable ☐Not applicable Receivables financing is discounted as fair value based on future cash flows. If the period is shorter, the cash flow within 12 months will not be discounted, and the book value of the receivables will be regarded as the fair value.

5. For the continuous third-level fair value measurement items, the adjustment information between the book value at the beginning and the end of the period and the unobservable parameters are sensitive
Sexuality

Analysis ☐Applicable ☐Not Applicable

6. Continued fair value measurement items, if there is a transfer between different levels in the current period, the reason for the transfer and the policy for determining the time of the transfer.

Policy ☐Applicable ☐ Not applicable

7. Changes in valuation techniques and reasons for the changes during the current
period ☐Applicable ☐Not applicable

8. Fair value of financial assets and financial liabilities not measured at fair value ☐Applicable ☐Not applicable

9. Other

☐Applicable ☐Not applicable

XII. Related parties and related transactions 1. The

parent company of the company ☐Applicable ☐Not

applicable

Unit: 10,000 Yuan Currency: RMB parent

Parent company name	registered place business nature	registered capital	company's voting rights ratio to the parent company (%)	the parent company's shareholding
Tianzheng Group Co., Ltd.	Zhejiang Wenzhou	Investment Management 40,000	24.72	24.72

Description of the parent company of the company

Tianzheng Group Co., Ltd. was established on July 7, 1997. It was approved and registered by the Yueqing Administration for Industry and Commerce, and issued a business license with the registration number of 330382000049073. The legal representative is Gao Tianle, and the registered capital is 4 100 million yuan, and the industry belongs to the wholesale industry of mechanical equipment and electronic products.

The ultimate controller of this enterprise is Gao Tianle.

Other instructions:

none

2. Subsidiaries of the Company For details of

the subsidiaries of the Company, please refer to Note

☐Applicable ☐Not applicable For details of the

Company's subsidiaries, please refer to "IX. 1. Equity in Subsidiaries" in this section.

3. Information on the joint ventures and associates of the

company For details of the important joint ventures or associates of the

company, please refer to the Note ☐Applicable ☐Not applicable For

details of the important joint ventures or associates of the company rights and interests".

Other joint ventures or associates that have related party transactions with the company in the current period, or related party transactions with the company in the previous period and formed a balance are as follows ☐Applicable ☐Not applicable Other explanations ☐Applicable ☐Not applicable

4. Other related parties

☐Applicable ☐Not applicable to

other related parties Shanghai	Relationship between other related parties and the company
Tianzheng Electromechanical (Group) Co., Ltd.	Controlling subsidiary of controlling shareholder

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Tianzheng Group Panzihua Sales Co., Ltd.	Enterprises controlled by controlling shareholder supervisor Zheng Songlin and his spouse Chen Acui
Trina Solar Co., Ltd.	Huang Hongbin, director of the company, has served as the company since December 24, 2020 independent director
Jiangsu Trina Smart Distributed Energy Co., Ltd., a holding subsidiary of Trina Solar Co., Ltd.	
Changzhou Trina Smart Energy Engineering Co., Ltd. A holding subsidiary of Trina Solar Co., Ltd.	
Zhao Tianwei Deputy General Manager	

other instructions

none

5. Related party transactions

(1) Affiliated Transactions of Purchase and Sale of Commodities, Provision and Acceptance of Labor

Services Purchase of Commodities/Acceptance of Labor Services

✓Applicable ✗Not applicable

Sales of goods / provision of labor services

✓Applicable ✗Not applicable

Unit: Currency: RMB

Related Party	Related party transaction content	Amount for this period	Amount in the previous period
Jiangsu Tianhe Smart Distributed Energy Source Co., Ltd.	Sales Products	51,865,746.15	507,690.25
Changzhou Tianhe Smart Energy Project Co., Ltd.	Sales Products	91,071.11	
Tianzheng Group Panzihua Sales have limited company	Sales Products		450,989.09

Description of related transactions for purchasing and selling commodities, providing and receiving labor services

✓Applicable ✗Not applicable

(2) Affiliated entrusted management/contracting and entrusted management/outsourcing The

company's entrusted management/contracting situation table:

✓Applicable ✗Not applicable

Description of related hosting/contracting

✓Applicable ✗Not applicable

The company's entrusted management / outsourcing situation table

✓Applicable ✗Not applicable

Description of Association Management/Outsourcing

✓Applicable ✗Not applicable

(3) Related leases The company

as the lessor:

✓Applicable ✗Not applicable

The company as a lessee:

✓Applicable ✗Not applicable

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Unit: Currency: RMB

The name of the lessor The type of leased assets The lease fee confirmed in the current period Shanghai	Rental fee confirmed in the previous period
Tianzheng Electromechanical (set Mission) Co., Ltd.	houses 2,207,514.27 2,008,417.20

Description of related leases

ÿApplicable ÿNot applicable

(4) Related-party guarantees

The company is the guarantor

ÿApplicable ÿNot applicable

The company as the guaranteed party

ÿApplicable ÿNot applicable

Description of related guarantees

ÿApplicable ÿNot applicable

(5). Fund borrowing from related

parties ÿApplicable ÿNot applicable

(6).Asset transfer and debt restructuring of related parties

ÿApplicable ÿNot applicable

(7). Remuneration of key management

personnel ÿApplicable ÿNot applicable

Unit: Currency: RMB

	The current period	Amount in the previous period
Remuneration of key project management personnel	amounted to 10,472,433.16	10,733,658.00

(8).Other related transactions

ÿApplicable ÿNot applicable

ÿ Joint investment with related parties

The company held the 11th meeting of the 8th Board of Directors on August 26, 2021

Proposal for Investment and Establishment of Holding Subsidiaries and Related Transactions", the company and related natural person Zhao Tianwei jointly funded the establishment of Shanghai Tianyi Xingzhi Neng Electric Co., Ltd. For details of investment, please refer to "VIII. 5. Changes in Consolidation Scope for Other Reasons" in this section.

ÿ Others

Unit: 10,000 Yuan Currency: RMB

Related party	Related party transaction content	Current Amount	Amount of the previous period
Shanghai Tianzheng Electromechanical (Group) limited company	Pay utility bills	462,147.05	336,599.55

6. Accounts receivable and payable from related

parties (1). Receivable items ÿApplicable ÿNot

applicable

Unit: Currency: RMB

Project name	Affiliate	Closing balance	Opening balance	Book balance	Bad debt
		provision	Book balance	Bad debt provision	
accounts receivable	Jiangsu Tianhe Smart Distributed Energy Co., Ltd. Changzhou	21,897,324.97	1,094,866.25	4,059,680.21	202,984.01
accounts receivable	Tianhe Smart Energy Engineering Co., Ltd. Tianzheng Group	102,910.36		5,145.52	
accounts receivable	Panzhuhua Sales Co., Ltd.			49,383.08	2,469.15

(2). Items payable

☐Applicable
 ☐Not applicable

7. Related party commitment

☐Applicable
 ☐Not applicable

8. Other

☐Applicable
 ☐Not applicable

XIII. Share-based payment 1.

General situation of share-based

payment
 ☐Applicable
 ☐Not applicable

Unit: Share Currency: RMB

The total amount of various equity instruments	3,115,500
granted by the company in the current period	The
total amount of various equity instruments exercised	77,500
by the company in the current period	The scope of the exercise price of other equity instruments outside the scope of the remaining contract
period and other explanations	This Incentive Plan") and authorized by the company's first extraordinary general meeting in 2021, the
	See other instructions for details

company held the sixth meeting of the eighth board of directors on

January 18, 2021 to consider and approve the "Regulations on

Adjusting the Company's 2020 Restricted Stock Incentive Plan" The Proposal on Granting the List and Quantity of Incentive Objects for the First Time and the Proposal on Granting Restricted Stocks to Incentive Objects for the First Time. According to the actual subscription situation of each incentive object, the total number of restricted shares to be granted in this incentive plan is adjusted to 3,900,500 shares, the first grant date is January 18, 2021, the first grant number is 3,115,500 shares, and the total number of incentive objects granted for the first time is 152. person, the grant price is 7.17 yuan/share.

On January 15, 2022, the incentive plan reserved 785,000 ungranted restricted shares, which has exceeded 12

The incentive object has not been specified within a month, and the reserved rights

have expired. (2) Repurchase and cancellation of restricted shares this

year On July 23, 2021, the company held the tenth meeting of the eighth board of directors and the eighth meeting of the eighth board of supervisors, and reviewed and approved the "Zhejiang Tianzheng Electric Co., Ltd. Proposal on the Purchase and Cancellation of Some Restricted Shares Granted But Not Released from Restricted Shares", the company has granted incentive targets Tan Zhengyan, Huang Yufei, Lv Qingpeng, Zhou Chen, and Han Pengkai for the restricted shares that have been granted but have not yet been released.

A total of 77,500 shares were repurchased and cancelled. As of December 31, 2021, the company has granted 3,038,000 restricted shares that have not yet been released from restrictions.

(3) Arrangements for Unlocking Restricted Stocks After 12

months have elapsed since the registration date of the granting of the restricted stocks granted by this incentive plan, the incentive objects can be released from the sales restrictions in three phases, respectively. 40%, 30%, 30%, 30%, 30%. The unlocking conditions for each period stipulated in the incentive plan are as follows:

Unlock period		performance appraisal goals
Restricted stock granted for the first time	The first release period	The company needs to meet the following two conditions at the same time: (1) Based on the operating income in 2020, the growth rate of operating income in 2021 is not less than 20%; (2) Based on the net profit in 2020, the growth rate of net profit in 2021 is not less than 20%. Below 15%, the company needs to meet the following two conditions at the same time:
	The second release period	(1) Based on the operating income in 2020, the growth rate of operating income in 2022 is not less than 44%; (2) Based on the net profit in 2020, the net profit in 2022 Profit growth rate of not less than 32% The company needs to meet the following two conditions at the same time: (1) Based on the operating income in 2020, the operating income growth rate in 2023 is
	The third release period	not less than 72%; (2) Based on the net profit in 2020 , the net profit growth rate in 2023 is not less than 52%

2. Equity-settled share-based payment ̢Applicable ̢Not

applicable

Unit: Yuan Currency: RMB The cost of the

Determination method of fair value of equity instruments on grant date	company's restricted stock is determined by the fair value of the restricted stock minus the grant price of the restricted stock. The fair value of the restricted stock is determined by the closing price of the stock on the grant date minus the value of the put option [Note 1], and the value of the put option is determined by using the Black-Scholes valuation model and deducting the cost caused by restrictive factors. The company adopts the product of the granted restricted stock quota base and the
Determination basis for the number of vesting equity instruments	corresponding annual individual performance appraisal coefficient. The reason for the significant difference between the current period's estimate and the previous period's estimate is not applicable
to equity-settled share-based payment Accumulated amount included in capital reserve	Total expenses recognized by equity-settled share-based payment for the current period
	18,767,710.00
	0.00

other instructions

Note 1: The fair value of the put option is calculated using the Black-Scholes model, and the data input to the model is as follows:

The current parameters of the project	The closing price	Parameter Description
of the stock on the grant date is 12.51 yuan/share	The closing price of the stock is 7.17 yuan/share	The historical
volatility rate is 42.07% The company's	stock price fluctuation from the date of listing to the first grant date is	
valid for 0.5 years each Risk-free interest	rate for another 0.5 years period interest rate based on the lock-up period	of financial institutions
	1.3%	

Note 2: Since the company's 2021 annual performance level has not reached the performance assessment target conditions for the first release of restricted stocks, all incentive objects corresponding to the restricted stocks that can be released in the current year shall not be released, and the company will use The grant price plus the sum of the deposit interest of the People's Bank of China for the same period is repurchased and cancelled. As of April 28, 2022, the Company has repurchased and cancelled 253,500 restricted shares corresponding to the first unlocking period, and the remaining number of restricted shares in this incentive plan is 2,862,000 shares.

3. Cash-settled share-based payment ☐Applicable☐Not applicable

4. Modification and termination of share-based

payment ☐Applicable ☐Not applicable

5. Other

☐Applicable ☐Not applicable

XIV. Commitments and Contingencies 1.

Important Commitments ☐Applicable ☐Not

Applicable

2. Contingencies (1).

Important contingencies existing on the balance sheet date

☐Applicable ☐Not applicable

(2) The company has no important contingencies that need to be disclosed, which should also be

explained: ☐Applicable ☐Not applicable

3. Other

☐Applicable ☐Not applicable

XV. Events after the balance sheet date 1.

Important non-adjusting events ☐Applicable ☐Not

applicable

2. Profit distribution ☐Applicable☐Not applicable

3. Sales return

☐Applicable ☐Not applicable

4. Description of other events after the balance sheet date

☐Applicable ☐Not applicable (1) Share repurchase and

cancellation Proposal on Restricted Shares

Granted But Not Released from Restricted Shares", the board of directors unanimously agreed to repurchase and cancel 176,000 restricted shares, reducing the registered capital by RMB 176,000.00 in total, accounting for 0.0436% of the company's total share capital. The changed registered capital is RMB 403,862,000.00 yuan.

(2) Termination of the 2020 Restricted Stock Incentive Plan

Affected by various internal and external factors, the company's 2021 operating income and net profit did not reach the first level set by the Company's 2020 Restricted Stock Incentive Plan (hereinafter referred to as the "Incentive Plan"). In view of the current market environment, there is also a certain uncertainty in the company's achievement of the follow-up performance assessment targets set by the incentive plan, and the company will continue to implement this incentive plan.

It is difficult to achieve the expected incentive purpose and effect. The company plans to decide to terminate this incentive plan and repurchase and cancel the remaining 138 incentive objects 2,862,000 restricted shares held.

The grant price of restricted shares in 2020 is RMB 7.17 per share. According to the "2020 Restricted Stock Incentive Plan of the Company"

It is stipulated that, considering the profit distribution that has been implemented, the price of this restricted stock repurchase is the adjusted grant price plus the People's Bank of China

The sum of the deposit interest in the same period is 6.87 yuan/share plus the sum of the deposit interest of the People's Bank of China in the same period. The above proposal has been considered by the board of directors

Passed, yet to be submitted to the general meeting of shareholders for deliberation.

16. Other important matters

1. Correction of previous accounting errors

(1). Retrospective restatement

✓Applicable ✓Not applicable

(2). Future Applicable Law

✓Applicable ✓Not Applicable

2. Debt restructuring

✓Applicable ✓Not applicable

3. Asset replacement

(1). Non-monetary asset exchange

✓Applicable ✓Not applicable

(2). Replacement of other assets

✓Applicable ✓Not applicable

4. Annuity plan

✓Applicable ✓Not applicable

5. Termination of operation

✓Applicable ✓Not applicable

6. Branch information

(1) Determination basis and accounting policies of reportable segments

✓Applicable ✓Not applicable

(2). Financial information of reportable segments

✓Applicable ✓Not applicable

(3) If the company has no reporting segment, or cannot disclose the total assets and liabilities of each reporting segment, the reasons shall be explained ✓Applicable ✓Not

Applicable

(4). Other instructions

✓Applicable ✓Not applicable

7. Other important transactions and matters affecting investors' decision-making

•Applicable •Not applicable

8. Other

•Applicable •Not applicable

Since 2021, Evergrande Group has defaulted on huge debts. As a supplier of Evergrande Group, the company has owed debts to Evergrande Group. There is a situation in which the right has not been paid off within the time limit. As of the end of 2021, the company's debts receivable from Evergrande Group totaled 136,537,198.96 RMB 66,366,472.83 for accounts receivable, RMB 20,170,726.13 for notes receivable, and RMB 20,170,726.13 for other receivables 20,000,000.00 yuan, and the bond investment amount is 30,000,000.00 yuan. The company is comprehensively considering the operating conditions of Evergrande Group, After taking into account factors such as the recoverability of creditor's rights, the provision for bad debts will be made individually for the creditor's rights receivable from Evergrande Group, and the provision ratio will be 50% at the end of 2021.

Except for the aforementioned matters, as of the date of approval of the financial statements, the Company has no other important matters that need to be disclosed.

XVII. Notes to the main items of the parent company's financial

statements 1. Accounts receivable

(1). Disclosure by ageing

•Applicable •Not applicable

Unit: Currency: RMB

aging	Closing book balance
Within 1 year Subtotal	881,909,003.08
1 to 2 years 2 to 3	19,878,631.37
years Over 3 years	1,588,662.02
	16,530,785.95
total	919,907,082.42

(2) Disclosure according to bad debt provision

method √Applicable √Not applicable

Unit: Currency: RMB

category	Ending balance					Opening Balance				
	Book balance		bad debt provision		book value	Book balance		bad debt provision		book value
	amount	Proportion (%)	amount	accrual ratio example(%)		amount	Proportion (%)	amount	accrual Proportion (%)	
Provision for bad debts on a single item basis Prepare	66,366,472.83	7.21 33,183,236.41	50.00 33,183,236.42							
to accrue bad debts by combination	853,540,609.59 92.79 58,712,474.07			6.88 794,828,135.52	836,148,795.50		100 68,271,874.83		8.17 767,876,920.67	
Prepare which:										
Combination 1: by aging characteristic of credit risk receivables	796,514,049.80 86.59 44,595,508.28			5.60 751,918,541.52	808,339,636.06	96.67 55,328,915.34	6.84 753,010,720.72			
Combination 2: Low Risk combination										
Combination 3: Combined Van Responses of related parties within the scope receive money	30,676,478.07	3.33			30,676,478.07 12,790,556.93		1.53			12,790,556.93
Combination 4: Involving a lawsuit	26,350,081.72 2.86 14,116,965.79	53.57 12,233,115.93	15,018,602.51				1.80 12,942,959.49	86.18		2,075,643.02
Total receivables from litigation 919,907,082.42	/		91,895,710.48	/	828,011,371.94 836,148,795.50	/	68,271,874.83	/		767,876,920.67

Provision for bad debts is made on a single item basis:

☐Applicable
 ☐Not applicable

Bit: Yuan Currency: RMB

name	Ending balance			
	Book balance	Bad debt provision	accrual ratio (%)	Reason for accrual
Evergrande Group and its holdings Subsidiary	66,366,472.83	33,183,236.41	50.00	It is expected that some will not be collected back
The	66,366,472.83	33,183,236.41	50.00	/

description of the total provision for bad debts by individual items:

☐Applicable
 ☐Not applicable

Provision for bad debts by combination:

☐Applicable
 ☐Not applicable

Portfolio accrual items: Portfolio 1: Receivables with aging as credit risk characteristics

Unit: Currency: RMB

name	Ending balance		
	Accounts	Bad debt	Provision ratio (%)
Subtotal within 1 year 1 to	receivable 784,298,314.61	provision 39,214,915.73	5.00
2 years 2 to 3 years and	7,466,581.41	1,119,987.21	15.00
more than 3 years in	977,096.88	488,548.44	50.00
aggregate Recognition	3,772,056.90	3,772,056.90	100.00
standards	796,514,049.80	44,595,508.28	

and explanations for bad debts withdrawn by combination:

☐Applicable
 ☐Not applicable

Portfolio Provision: Portfolio 4: Receivables Involving Litigation

Unit: Currency: RMB

name	Ending balance		
	accounts receivable	bad debt provision	Provision ratio (%)
Receivables involved in litigation item	26,350,081.72	14,116,965.79	53.57
A total of 26,350,081.72	Recognition standards and descriptions of	14,116,965.79	

bad debt provision by combination:

☐Applicable
 ☐Not applicable

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

☐Applicable
 ☐Not applicable

(3) Bad debt provision ☐Applicable

☐Not applicable

Unit: Currency: RMB

		Gulf Currency Fund						
Category	Beginning Balance	Amount of change in the current period				Ending balance		
		accrual	retract or turn back	write off or write off	other change			
Bad debt provision	68,271,874.83	31,305,032.57	21,057.01	7,702,253.93	Total 68,271,874.83	31,305,032.57	21,057.01	91,895,710.48
7,702,253.93								91,895,710.48

Among them, the amount of bad debt provision recovered or reversed in the current period is important:

ŸApplicable ŸNot applicable

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

ŸApplicable ŸNot applicable

Unit: Currency: RMB

Accounts	Write-off amount
receivable actually written off by project	7,702,253.93

Among them, the important accounts receivable write-off situation

ŸApplicable ŸNot applicable

(5) The accounts receivable of the top five ending balances collected by debtors ŸApplicable

ŸNot applicable

other instructions

The total amount of the top five accounts receivable at the end of the period collected by the company according to the debtor is 229,848,901.86 yuan, accounting for the accounts receivable period.

The proportion of the total ending balance is 24.99%, and the sum total of the ending balance of the corresponding provision for bad debts is 41,357,357.87 yuan.

(6). Accounts receivable derecognized due to transfer of financial assets

ŸApplicable ŸNot applicable

(7) Amount of assets and liabilities formed by transferring accounts receivable and continuing

involvement ŸApplicable ŸNot applicable

other instructions:

ŸApplicable ŸNot applicable

2. List of other receivables

ŸApplicable ŸNot applicable

Unit: Currency: RMB

project	Ending balance	Opening Balance
Interest receivable		
Dividends receivable		
Other receivables	21,817,390.11 21,817,390.11	58,029,357.19
total		58,029,357.19

other instructions:

ŸApplicable ŸNot applicable

Interest receivable

(1). Classification of interest

receivable ŸApplicable ŸNot applicable

(2). Important overdue interest

ŸApplicable ŸNot applicable

(3). Provision for bad debts

ÿApplicable ÿNot applicable

other instructions:

ÿApplicable ÿNot applicable

Dividends

receivable (1). Dividends

receivable ÿApplicable ÿNot applicable

(2). Important dividends receivable aged over 1 year

ÿApplicable ÿNot applicable

(3). Provision for bad debts

ÿApplicable ÿNot applicable

other instructions:

ÿApplicable ÿNot applicable

Other receivables

(1). Disclosed by age

ÿApplicable ÿNot applicable

Unit: Currency: RMB

aging	Closing book balance
Within 1 year	29,687,260.21
Subtotal 1 to 2 years	2,648,736.01
2 to 3 years Over 3	712,068.00
years	591,000.00
total	33,639,064.22

(2). Classification by nature of payment

ÿApplicable ÿNot applicable

Unit: Currency: RMB

nature of payment	Ending book	Opening book balance
Deposit	balance	7,620,234.70
reserve	32,238,634.51	331,496.98
fund Immediately levied	605,621.01	623,813.24
and refundable value-	50,634.73	50,000,000.00
added tax	90,031.36	1,216,770.83
total	654,142.61 33,639,064.22	59,792,315.75

(3). Provision for bad debts

ÿApplicable ÿNot applicable

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Unit: Currency: RMB

bad debt provision	The first stage	second stage	The third phase	total
	Expected credit losses over the next 12 months	Lifetime Expectation Letter With loss (not occurred letter use impairment)	Lifetime Expectation Letter With loss (occurred letter use impairment)	
More than January 1, 2021	1,209,678.39	533,280.17	20,000.00	1,762,958.56
More than January 1, 2021 amount in this issue				
--Transfer to the second stage	-6,000.00	--Transfer to	6,000.00	
the third stage				
-- go back to the second stage				
-- go back to the first stage				
This period's accrual is	611,995.72	-72,114.77	1,000,000.00 10,539,880.95	
reversed in this period				
Resale in this period				
Write-off of other		461,165.40	20,000.00	481,165.40
changes in the current period				
December 31, 2021 balance	1,815,674.11	6,000.00	10,000,000.00 11,821,674.11	

Explanation on the significant changes in the book balance of other receivables with changes in loss provision in the current period:

☐Applicable
 ☐Not applicable

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

☐Applicable
 ☐Not applicable

(4). Provision for bad debts

☐Applicable
 ☐Not applicable

Unit: Currency: RMB

Category	Beginning Balance	Amount of change in the current period				Ending balance
		accrual	withdraw or turn back	write off or write off	other change	
Bad debt provision	1,762,958.56	10,539,880.95	Total 1,762,958.56		481,165.40	11,821,674.11
10,539,880.95				481,165.40		11,821,674.11

Among them, the amount of bad debt provision reversed or recovered in the current period is important:

☐Applicable
 ☐Not applicable

(5) Other receivables actually written off in the current period

☐Applicable
 ☐Not applicable

Unit: Currency: RMB

Other	Write-off amount
receivables actually written off by the project	481,165.40

Among them, the write-off of other important receivables:

☐Applicable
 ☐Not applicable

Notes on write-off of other receivables:

•Applicable •Not applicable

(6) Other receivables with top five closing balances collected by debtors •Applicable •Not

applicable

Unit: Currency: RMB

company name	sex of payment quality	Closing balance aging		account for other receivables Total ending balance Proportion of numbers (%)	bad debt provision Ending balance
Shenzhen Evergrande Material equipment is limited company	Margin 20,000,000.00 Within 1 year			59.45 10,000,000.00	
Yueqing Economic Development Development District Management Committee committee	Margin 1,510,000.00		1-2 years	4.49	226,500.00
Lin Qiuhan	Margin 1,644,500.00 Within 1 year			4.89	82,225.00
Vision Energy has Co., Ltd.	Margin 1,500,000.00 Within 1 year			4.46	75,000.00
China Southern Power Grid Total limited	Margin 1,200,000.00 Within 1 year			3.57	60,000.00
company	/	25,854,500.00	/	76.86 10,443,725.00	

(7) Receivables involving government subsidies

•Applicable •Not applicable

(8) Other receivables derecognized due to transfer of financial assets

•Applicable •Not applicable

(9) Amount of assets and liabilities formed by transferring other receivables and continuing to be

involved •Applicable •Not applicable

other instructions:

•Applicable •Not applicable

3. Long-term equity investment

•Applicable •Not applicable

Unit: Currency: RMB

project	Closing balance			Opening Balance		
	Book balance	minus value allow prepare	Book value	Book balance	reduce value allow prepare	Book value
For subsidiaries Investment	227,000,000.00		227,000,000.00 180,000,000.00			180,000,000.00
in associates, joint ventures business investment capital	46,940,554.37		46,940,554.37			
Total 273,940,554.37			273,940,554.37 180,000,000.00			180,000,000.00

(1). Investment in subsidiaries

Applicable Not applicable

Unit: Currency: RMB

The opening balance of the investee increased in the current period		Less in this period few	Ending balance	this period Impairment Prepare	Impairment criteria end of preparation period balance
Zhejiang Tianzheng Intelligent Electrical Co., Ltd.	180,000,000.00		180,000,000.00		
Shanghai Tianyi Xingzhi Neng Electric Co., Ltd.		47,000,000.00	47,000,000.00		
Total 180,000,000.00	47,000,000.00		227,000,000.00		

(2). Investment in associates and joint ventures

Applicable Not applicable

Unit: Currency: RMB

invest unit	Expect early Remain Forward	Changes in this period								end of period balance	impairment Prepare end of period balance
		additional investment	reduce	Equity method recognized investment loss beneficial	other	That	declare	count	That he		
			few		comprehensive	he	issue	carry			
			cast		income	right	cash	reduce			
			capital		Adjustment	beneficial	dividend	value			
						or profit <th>allow</th> <td></td> <td></td> <td></td>	allow				
						Run <th>prepare</th> <td></td> <td></td> <td></td>	prepare				
1. Joint ventures											
Subtotal											
2. Joint ventures											
Suzhou Macro cloud intelligence Technology has limited company		47,647,100.00		-706,545.63						46,940,554.37	
Subtotal		47,647,100.00 47,647,100.00		-706,545.63 -706,545.63						46,940,554.37	
total										46,940,554.37	

other instructions:

none

4. Operating income and operating costs

(1). Operating income and operating costs Applicable Not

applicable

Unit: Currency: RMB

project	Amount for this period		Amount in the previous period	
	Revenue	cost	income	cost
2,207,685,432.09	2,367,194,217.74	1,750,453,156.50		
Other business 10,927,080.07	1,408,618.73	7,692,586.99	1,439,134.07	
Total 2,850,136,163.30	2,209,094,050.82	2,374,886,804.73	1,751,892,290.57	

(2). Income from contracts ☐Applicable ☐Not applicable

(3). Description of performance obligations

☐Applicable ☐Not applicable

(4). Explanation of apportionment to remaining performance

obligations ☐Applicable ☐Not applicable

other instructions:

none

5. Investment income

☐Applicable ☐Not applicable

Unit: Currency: RMB

Long-	Amount for this period	Amount in the previous period
term equity investment income accounted for by the project cost method		
Long-term equity investment income accounted for by equity	-706,545.63	
method Investment income from disposal of long-term equity investment		
Investment in held-for-trading financial assets		
income		
Other equity instrument investments are acquired during the holding period		
dividend income		
Interest income from debt investments during the holding period		
enter		
Profits obtained from other debt investments during the holding period		
interest income		
Investment income from disposal of financial assets held for trading		
beneficial		
Investments obtained from disposal of investments in other equity instruments		
income		
Investment income from disposal of debt investment		
Investment income from disposal of other debt investments		
Debt Restructuring Proceeds		
Factoring fee	-194,294.88	
total	-900,840.51	

other instructions:

none

6. Other

☐Applicable ☐Not applicable

XVIII. Supplementary information 1.

Details of non-recurring profit and loss for the current

period ☐Applicable ☐Not applicable

Unit: Yuan Currency: RMB

		Description
Unauthorized approval of the project's non-	Amount - 971,888.00	
current assets disposal gains and losses or tax refunds without formal approval documents, government subsidies that are included in the current profit and	1,778,829.41	
loss (closely related to the business of the enterprise, except for government subsidies enjoyed in a fixed or quantitative manner according to the unified national standards) included in the current profit and loss The capital occupation	36,576,181.77	
fee charged to non-financial enterprises The investment cost of the enterprise to obtain subsidiaries, associates and joint ventures is less than the income	3,137,146.72	
generated by the fair value of the identifiable net assets of the investee when the investment is obtained. Non-monetary assets exchange gains and losses entrust others to invest or Profits and losses of managed assets due to force majeure		
factors, such as various asset impairment provisions accrued due to natural		
disasters Debt restructuring profits and losses Enterprise restructuring expenses,		
such as expenses for employee resettlement, integration costs, etc. Transactions whose transaction prices are obviously unfair exceeds the fair value Partial profit		
and loss The net profit and loss of the current period from the beginning of the		
period to the date of merger of subsidiaries arising from business combination under the same control Profits and losses arising from contingencies unrelated		
to the company's normal operations, except for the effective hedging business related to the company's normal operations, are held. Held-for-trading financial		
assets, derivative financial assets, held-for-trading financial liabilities, gains and losses from changes in fair value from derivative financial liabilities, and		
investments obtained from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities		
and other debt investments Receivables for which incomes are individually tested for impairment, and contract asset impairment reserves are transferred back to external entrusted loans Gains and losses from changes in the fair value of investment properties that are subsequently measured using the fair value model A one-time adjustment to the current profit and loss is required to make a one-time adjustment to the current profit and loss The effect on the current profit and loss The trustee fee income obtained from the entrusted operation Other		
non-operating income and expenses other than the above items Other profit and loss items that meet the definition of non-recurring profit and loss Less: a small		
amount of income tax impact Total Amount of Impact on Shareholders' Equity		
	1,568,796.83	
	6,515,108.69	
	35,573,958.04	

For the non-recurring profit and loss defined by the company in accordance with the definition of "Explanatory Announcement No.

Recurring profit and loss items, and the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public - Non-recurring Profits and Losses"

The non-recurring profit and loss items listed in the item are defined as recurring profit and loss items, and the reasons shall be explained.

Applicable Not applicable

2. Return on Equity and Earnings per Share

Applicable Not applicable

Profit during the reporting period	weighted average net worth rate of return(%)	EPS	
		Basic EPS	Diluted EPS
Net attributable to common stockholders of the company	6.02	0.27	0.27
Profits			
after deducting non-recurring gains and losses are attributable to	4.05	0.18	0.18
Net profit for common stockholders of the company			

3. Differences in accounting data under domestic and foreign accounting

standards Applicable Not applicable

4. Other

Applicable Not applicable

Chairman: Gao Tianle

Board approval filing date: April 29, 2022

Revision

information Applicable Not applicable