Company code: 688777 Company abbreviation: SUPCON

SUPCON Technology Co., Ltd.
2023 Annual Report

Important Hint

1. The company's board of directors, board of supervisors and directors, supervisors and senior managers guarantee the authenticity , accuracy and completeness of the contents of the annual report and that there are no false records, misleading statements or major omissions, and bear individual and joint legal liability.

2. The company was not profitable when it went public and has not yet achieved profitability.

Yes √No

3. Major risk warning

The company has elaborated in this report the various risks and countermeasures that the company may face during its operations. Please refer to "IV. Risk Factors" in Section 3 of this report, "Management Discussion and Analysis".

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

5. Tianjian Accounting Firm (Special General Partnership) issued a standard unqualified audit report for the company.

6. CUI SHAN, the person in charge of the company, Fang Yongsheng, the person in charge of accounting work, and Mao Feibo, the person in charge of the accounting department (accounting supervisor), declare that they guarantee the authenticity, accuracy and completeness of the financial report in the annual report.

7. The profit distribution plan for the reporting period or the plan for converting reserve funds into share capital approved by the board of directors

According to the resolution of the board of directors, the company plans to distribute profits in 2023 based on the total share capital on the equity registration date for equity distribution minus the shares in the company's special securities account for repurchase. The profit distribution plan is as follows:

(1) The company plans to distribute a cash dividend of 7.0 yuan (tax included) to all shareholders for every 10 shares. As of the report disclosure date, the company's total share capital, after deducting the shares in the company's special securities account for repurchase, is 787,653,290 shares. Based on this calculation, a total cash dividend of 551,357,303.00 yuan (tax included) is planned, accounting for 50.04% of the net profit attributable to shareholders of the listed company in 2023.

(2) The company will not convert capital reserve funds into share capital and will not issue bonus shares. If the company's total share capital changes between the date of disclosure of this announcement and the equity registration date for equity distribution, it is planned to maintain the amount of cash dividends distributed per share unchanged and adjust the total distribution amount accordingly. This

profit distribution plan still needs to be submitted to the company's 2023 annual shareholders' meeting for review.

8. Whether there are any important matters such as special arrangements for corporate governance

Yes √No

9. Risk Disclaimer Regarding Forward-Looking Statements

√Yes No

The company's future plans, development strategies and other forward-looking statements involved in this report do not constitute the company's substantive commitment to investors. Investors are advised to pay attention to investment risks.

10. Any non-operating use of funds by controlling shareholders and other related parties

No

11. Whether there is any violation of the prescribed decision-making procedures in providing external guarantees

No

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

No

13. Other

Yes √No

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Document directory for reference	Financial statements signed and stamped by the person in charge of the company, the person in charge of accounting work, and the person in charge of the accounting department (accounting supervisor)
	The original copies of all company documents and announcements publicly disclosed on the website designated by the China Securities Regulatory Commission during the reporting period
	The original audit report containing the seal of the accounting firm and the signature and seal of the certified public accountant

Section 1 Definition

1. Definition

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

Definitions of commonly used words		
Company, our company, Zhongkong Technology	refer to	SUPCON Technology Co., Ltd.
Sinopec	refer to	China Petrochemical Corporation and its subsidiaries
PetroChina	refer to	China National Petroleum Corporation and its subsidiaries
Hangzhou Yuancheng	refer to	Hangzhou Yuancheng Enterprise Management Partnership (Limited Partnership), company shareholder
Chint Electrical Appliances	refer to	Zhejiang Chint Electric Co., Ltd., company shareholder
Sinopec Capital	refer to	Sinopec Group Capital Co., Ltd., shareholder of the company
CNNC Fund	refer to	CNNC (Zhejiang) Emerging Industries Equity Investment Fund (Limited Partnership), company shareholder
Lenovo Beijing	refer to	Lenovo (Beijing) Co., Ltd., shareholder of the company
Shanghai Tan Ying	refer to	Shanghai Tanying Investment Partnership (Limited Partnership), shareholder of the company
Lanxi Yihui	refer to	Lanxi Puhua Yihui Investment Partnership (Limited Partnership) (former name: Lanxi Yihui Investment Partnership (Limited Partnership)), company shareholder
Citibank	refer to	Citibank (China) Co., Ltd., shareholder of the Company
Industry 3.0	refer to	One of the stages of industrial development, which began in the 1970s and continues to this day, refers to the widespread application of electronic and information technology in industry, which has greatly improved the degree of automation and control of the manufacturing process.
Industry 4.0	refer to	The latest stage of industrial development, also known as the fourth industrial revolution, or the era of intelligence
process industry	refer to	Industries that use technical means such as chemical reactions, separation or mixing to create new products, improve existing products or process waste, such as chemical industry, petrochemical industry, electric power, pharmaceuticals, metallurgy, building materials, etc.
Smart manufacturing	refer to	Based on the new generation of information technology, it runs through all aspects of manufacturing activities such as design, production, management, and service. It is a general term for advanced manufacturing processes, systems, and models with functions such as deep information self-awareness, intelligent optimization, self-decision-making, and precise control and self-execution. It has the characteristics of using smart factory as the carrier, taking the intelligence of key manufacturing links as the core, based on end-to-end data flow, and supported by network interconnection. It can effectively shorten the product development cycle, reduce operating costs, improve production efficiency, and improve products. quality, reduce resource and energy consumption
Automation Control System	refer to	Devices that use automation control technology to automatically adjust and control the production process can generally be divided into distributed control systems (DCS, also known as distributed control systems), safety instrumented systems (SIS) and networked hybrid control systems (PLC), etc.
OMC	refer to	Operation Management & Control System, intelligent operation management and control system. It is a new generation system architecture for highly autonomous operation of process industrial equipment proposed by the company based on customer needs and the development of new generation information technology. It surpasses the capabilities of

		traditional distributed control systems and realizes the integration of production operation management and control. At the same time, it uses an open The architecture more conveniently and effectively integrates the massive industry knowledge and experience of manufacturers, users, etc., and realizes major innovation and upgrades in the process industry from traditional automation to intelligent autonomous operation.
DCS	refer to	Distributed Control System, distributed control system, also known as distributed control system. An industrial automation control system based on controllers and field equipment, which collects relevant process signals into the system, and monitors or other control operations are carried out by the operating station. It is an industrial automation control system with decentralized control, centralized operation, and hierarchical management as its main features.
SIS	refer to	Safety Instrumented System, safety instrumented system. A system consisting of a combination of sensors, logic controllers and final components that can implement one or more safety functions. It is mainly the alarm and interlock part of the factory control system. It implements alarm actions or adjustments to the results detected in the control system. or shutdown control
Networked hybrid control system	refer to	The architecture is based on the Universal Communication Protocol (UCP) network, allowing the product to adapt to scattered use occasions on site, and is a control system that meets the control needs of continuous or semi-continuous industrial processes and large infrastructure sites. It integrates multiple control functions, visualization, network and information technology to provide fully integrated solutions for a wide range of applications
CCS	refer to	Compressor Control System, compressor unit control system. It consists of a stable and reliable hardware platform and a dedicated optimized control software package, which is used to complete the parameter display, alarm, control, adjustment and interlocking logic protection of the compressor unit, and realize anti-surge control, performance adjustment and speed adjustment of the compressor. , to ensure the safe and stable operation of the compressor unit
SCADA	refer to	Supervisory Control And Data Acquisition, data acquisition and supervisory control system. Computer-based production process control and scheduling automation system can monitor and control on-site operating equipment
Industrial software	refer to	A series of software based on automated control systems that solve coordination and optimization problems in production plan management and actual production control.
APEX	refer to	Advanced Process Engineering Expert, a process simulation and design platform for process industries. It is a general process simulation software that plays the role of process simulation and prediction by calculating and describing the process, thereby providing guidance for engineering design, production operation, and device modification, so as to achieve the goals of safe production, cost reduction and efficiency improvement. Based on APEX, the actual production process of the factory can be accurately described and future production operations can be predicted, assisting in the decision-making optimization of the whole life cycle of the factory.
APC	refer to	Advanced Process Control, advanced process control. A system that assists the automated control system in handling complex production process control to achieve smoothness improvement and card edge optimization of complex processes that conventional control cannot effectively handle.
MES	refer to	Manufacturing Execution System, manufacturing execution system. An information management system for the entire process from production planning to production scheduling, organization, execution, control, and production of qualified products.
Instrumentation	refer to	Instruments installed at industrial production sites for measuring or controlling process parameters such as pressure, flow, temperature,

		material/liquid level, etc., including transmitters, actuators and other detection instruments, etc.
Control valve	refer to	A control device that regulates fluid flow in an industrial process control system, also known as a regulating valve. Process parameters such as fluid pressure, temperature, flow rate, and liquid level can be adjusted by controlling the fluid flow.
Pressure Transmitters	refer to	A device that uses pressure sensing elements to convert physical pressure parameters such as gases and liquids into standard electrical signals (such as 4~20mA) or digital communication methods (such as Modbus-RTU protocol) to provide instructions. Alarm instruments, recorders, control systems and other secondary instruments for measurement, indication and process adjustment
safety barrier	refer to	The safety interface of the intrinsically safe circuit is also called a safety retainer. It can transmit electrical signals in both directions between the safe zone and the dangerous zone, and can limit the energy transfer from the safe zone to the dangerous zone due to faults.
5T	refer to	5T technology was first proposed by the company and is oriented to major industrial problems and important needs. It is based on automation technology AT (Automation Technology), information technology IT (Information Technology), process technology PT (Process Technology), and operation technology OT (Operation Technology).) and equipment technology ET (Equipment Technology) deeply integrated technology
EPA	refer to	Ethernet for Plant Automation, Ethernet factory automation. A new open network communication platform suitable for communication between industrial field devices is formed by applying mainstream technologies in the field of communication to industrial control systems.
fieldbus	refer to	A fully digital, two-way, multi-station underlying data communication system used in the field of automation to connect field equipment and automation systems.
HART	refer to	Highway Addressable Remote Transducer, an open communication protocol for highway addressable remote sensors. Launched by Rosemount Company in the United States, it realizes digital signal communication on analog signal transmission lines. It is a transition product from analog systems to digital systems.
FF	refer to	Foundation Fieldbus, Foundation Fieldbus. Launched by the Fieldbus Foundation in the United States, it is based on the ISO/OSI open system interconnection model. The physical layer, data link layer, and application layer are the corresponding layers of the FF communication model, and a user layer is added to the application layer.
Profibus	refer to	The fieldbus using German standard (DIN19245) and European standard (EN50170) is launched by German Siemens company, including Profibus-FMS, Profibus-DP and Profibus-PA, which are suitable for different automation fields.
ARC	refer to	ARC Advisory Group, ARC Advisory Group. A consulting company focusing on the industrial sector, providing customers with market, technology, operations and strategic consulting services
Rui Industry	refer to	Beijing Platinum Information Services Co., Ltd. is a consulting company focusing on market research in the industrial field (B2B), especially in the fields of automation, power transmission and distribution, new energy, buildings, medical equipment, and general equipment.
Industrial Control Network	refer to	Industrial Control Network (Beijing) Information Technology Co., Ltd., a consulting company in the field of industrial control, provides industry users with comprehensive information on manufacturers, products, technologies, applications, etc.
TUV certification	refer to	The German abbreviation of Technischer Überwachungs Verein (Technischer Überwachungs Verein) is a safety certification mark specially customized for component products by TUV Rheinland, TUV Süd and TUV Nord.
CE	refer to	The French abbreviation of European Community (Communate

certification		Europpene) is the European Union's mandatory safety certification mark for products sold in member countries. It is also an internationally accepted safety certification.
SIL certification	refer to	Safety Integrity Level, safety integrity level certification. Certification for the safety integrity level of safety equipment, including hardware reliability calculation and evaluation, software evaluation, environmental testing, electromagnetic compatibility testing, etc.
Achilles	refer to	An internationally renowned industrial control network security certification. This certification provides proactive and proactive technical solutions to improve network reliability and security, and can verify the tolerance of industrial automation components and networks when they are attacked. Achilles Level 2 is the highest level.
"Company Law"	refer to	"Company Law of the People's Republic of China"
"Securities Law"	refer to	Securities Law of the People's Republic of China
"company policy"	refer to	The company's currently valid Articles of Association
China Securities Regulatory Commission	refer to	China Securities Regulatory Commission
Shanghai Stock Exchange	refer to	Shanghai Stock Exchange
National Development and Reform Commission	refer to	National Development and Reform Commission, People's Republic of China
Ministry of Industry and Information Technology	refer to	Ministry of Industry and Information Technology of the People's Republic of China
Ministry of Finance	refer to	Ministry of Finance of the People's Republic of China
State Administration of Taxation, State Administration of Taxation	refer to	State Administration of Taxation of the People's Republic of China
General Administration of Customs	refer to	General Administration of Customs of the People's Republic of China
Yuan, ten thousand yuan, billion yuan	refer to	RMB, RMB 10,000, RMB 100 million
reporting period	refer to	January 1 to December 31, 2023

Section 2 Company profile and key financial indicators

1. Basic information of the company

Company's Chinese name	SUPCON Technology Co., Ltd.
Company's Chinese abbreviation	SUPCON Technology
Company's foreign name	SUPCON Technology Co.,Ltd
The abbreviation of the company's foreign name	SUPCON
Legal representative of the company	CUI SHAN
Company registered address	No. 309, Liuhe Road, Binjiang District, Hangzhou City, Zhejiang Province
Historical changes of the company's registered address	None
Company office address	No. 309, Liuhe Road, Binjiang District, Hangzhou City, Zhejiang Province
Postal code of company office address	310053
company website	http://www.supcon.com
email	ir@supcon.com

2. Contact person and contact details

	Secretary of the Board of Directors (domestic representative for information disclosure)	Securities Affairs Representative
Name	Fang Yongsheng	Zhong Fei
Contact address	No. 309, Liuhe Road, Binjiang District, Hangzhou City, Zhejiang Province	No. 309, Liuhe Road, Binjiang District, Hangzhou City, Zhejiang Province
Telephone	0571-86667525	0571-86667525
Fax	0571-81118603	0571-81118603
Email	ir@supcon.com	ir@supcon.com

3. Information disclosure and preparation location

Name and website where the company discloses its annual report	"China Securities News", "Securities Times", "Securities Daily", "Shanghai Securities News"
The website of the stock exchange where the company discloses its annual report	http://www.sse.com.cn/
Company annual report preparation location	Corporate Securities Department

4. Company Stock/Depository Receipts Summary

(1) Company Stock Profile

√Yes No

Company Stock Profile				
Stock type	Stock listing exchanges and sectors	Stock abbreviation	Stock code	Stock short name before change
A shares	Shanghai Stock Exchange Science and Technology Innovation Board	SUPCON	688777	Not applicable

(2) Company Depository Receipts Brief Introduction

√Yes No

Company Depository Receipts Brief Introduction					
Security type	Conversion ratio between depositary receipts and underlying shares	Depositary receipts listing exchanges and sectors	Depositary receipt abbreviation	depositary receipt code	Short name of depositary receipt before change
Global depository receipts	1:2	swiss stock exchange	Not applicable	SUPCON	Not applicable

Depositary institution	Name	Citibank
	Office address	388 Greenwich Street,New York, New York 10013 United States of America
	Manager	-
Custodian	Name	Industrial and Commercial Bank of China Limited, Beijing, Zurich Branch
	Office address	Nüschelerstrasse 1,8001 Zurich, Switzerland
	Manager	Henry Luo

5. Other relevant information

Accounting firm hired by the company (domestic)	Name	Tianjian Accounting Firm (Special General Partnership)
	Office address	Office Building T2, Runao Business Center, Yingfeng Street, Xiaoshan District, Hangzhou City, Zhejiang Province
	Signing accountant's name	Ye Weimin, Lai Xingkai
Sponsor institutions that perform continuous supervision responsibilities during the reporting period	Name	Shenwan Hongyuan Securities Underwriting and Sponsoring Co., Ltd.
	Office address	3rd Floor, No. 989 Changle Road, Xuhui District, Shanghai
	Name of the signing sponsor representative	Yu Xiaohui, Liu Hao
	Period of continuous supervision	November 24, 2020 to December 31, 2023

6. Main accounting data and financial indicators in the past three years

(1) Main accounting data

Unit:Yuan Currency: RMB

Main accounting data	2023	2022	Increase/decrease in this period compared with the same period last year (%)	2021
Operating income	8,619,910,802.44	6,623,856,546.82	30.13	4,519,412,479.43
Net profit attributable to shareholders of listed companies	1,101,763,732.92	797,929,183.55	38.08	581,664,803.55
Net profit attributable to shareholders of listed companies after	947,493,611.35	683,015,627.34	38.72	449,444,181.77

deducting non-recurring gains and losses				
Net cash flow from operating activities	191,430,934.79	360,264,879.91	-46.86	140,530,507.62
	End of 2023	End of 2022	Increase or decrease at the end of this period compared with the end of the same period last year (%)	end of 2021
Net assets attributable to shareholders of listed companies	9,824,957,267.11	5,257,932,435.83	86.86	4,525,058,319.19
Total assets	17,879,654,035.29	13,062,623,039.84	36.88	10,346,877,799.99

(2) Key financial indicators

Key financial indicators	2023	2022	Increase/decrease in this period compared with the same period last year (%)	2021
Basic earnings per share (yuan/share)	1.44	1.11	29.73	0.81
Diluted earnings per share (yuan/share)	1.43	1.09	31.19	0.80
Basic earnings per share after deducting non-recurring gains and losses (yuan/share)	1.24	0.95	30.53	0.63
Weighted average return on equity (%)	13.70	16.44	A decrease of 2.74 percentage points	13.79
Weighted average return on equity after deducting non-recurring gains and losses (%)	11.78	14.07	A decrease of 2.29 percentage points	10.65
R&D investment as a proportion of operating income (%)	10.53	10.45	An increase of 0.08 percentage points	10.99

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

√Yes No

1) The company's operating income in 2023 was 8,619.9108 million yuan, an increase of 30.13 % over the same period last year; the net profit attributable to shareholders of listed companies was 1,101.7637 million yuan, an increase of 38.08% over the same period last year; the deductions attributable to shareholders of listed companies were realized The net profit of non-recurring gains and losses was 947.4936 million yuan, an increase of 38.72% over the same period last year. The main reason is that the company is deeply involved in the process industry, closely grasping the development trend of industry automation, digitalization and intelligence, and creating a new "1+2+N" smart factory architecture for the process industry. The company's core competitiveness has been further strengthened, market share has been continuously expanded, and operating performance has grown steadily, the company continues

to increase the development of non-traditional advantageous businesses and emerging businesses. Overseas business, oil and gas business, PLC business, battery business, and robot business have achieved rapid growth. The company's transformation has further deepened, digital governance has moved to a new level, and operation and management capabilities have continued to increase, the overall expense ratio decreased year-on-year.

2) The company's net cash flow generated from operating activities in 2023 was 191.4309 million yuan, a decrease of 46.86% from the same period last year. This was mainly due to the company's substantial increase in inventory preparation and payment for goods in response to global supply chain risks.

3) The company 's owner's equity attributable to the parent company at the end of 2023 was 9,824.9573 million yuan, an increase of 86.86% from the end of the previous period, mainly due to the increase in the company's retained profits during the reporting period and the increase in raised funds received from the GDR listing .

4) The company's total assets at the end of 2023 were 17,879,654,000 yuan, an increase of 36.88% from the end of the previous period, mainly due to the expansion of the company's main business scale and the increase in raised funds received by the company from the GDR listing during the reporting period.

5) The company's basic earnings per share in 2023 is 1.44 yuan, an increase of 29.73 % over the same period last year; diluted earnings per share is 1.43 yuan , an increase of 31.19 % over the same period last year; basic earnings per share after deducting non-recurring gains and losses is 1.24 yuan, an increase of 30.53 % compared with the same period last year, mainly due to the increase in the company's net profit attributable to shareholders of listed companies compared with the same period last year.

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

(1) At the same time, the difference between net profit and net assets attributable to shareholders of listed companies in financial reports disclosed in accordance with international accounting standards and Chinese accounting standards

Yes √No

(2) The difference between net profit and net assets attributable to shareholders of listed companies in financial reports disclosed in accordance with overseas accounting standards and Chinese accounting standa

Yes √No

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

Yes √No

8. Main financial data by quarter in 2023

Unit: Yuan Currency: RMB

	The first season (January-March)	Second quarter (April-June)	Third quater (July-September)	Fourth quarter (October-December)
Operating income	1,445,707,760.34	2,195,499,204.50	2,037,935,014.98	2,940,768,822.62
Net profit attributable to shareholders of listed companies	92,396,527.94	418,315,052.69	182,695,921.02	408,356,231.27
Net profit attributable to shareholders of listed companies after deducting non-recurring	67,346,384.73	356,524,788.29	145,450,935.22	378,171,503.11

gains and losses				
Net cash flow from operating activities	-723,143,247.46	-260,265,981.67	235,924,108.53	938,916,055.39

Explanation of differences between quarterly data and disclosed periodic report data
Yes √No

9. Non-recurring profit and loss items and amounts
√Yes No

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	Amount in 2023	Notes (if applicable)	Amount in 2022	Amount in 2021
Non-current assets, including the write-off of asset impairment provisions	3,584,099.85	Seven, 68; Seven, 73; Seven, 75	-783,786.84	8,285,989.46
Government subsidies included in the current profit and loss , except for government subsidies that are closely related to the company's normal business operations, comply with national policies and regulations, are enjoyed in accordance with determined standards, and have a lasting impact on the company's profits and losses.	55,979,438.74	Seven, 67	53,468,347.28	54,477,357.43
In addition to the effective hedging business related to the company's normal operating business, non-financial enterprises include gains and losses from changes in fair value arising from the holding of financial assets and financial liabilities and gains and losses from the disposal of financial assets and financial liabilities.	81,217.63	Seven, 68; Seven, 70	27,210.57	
Fund occupation fees charged to non-financial enterprises included in current profits and losses				
Gains and losses from entrusting others to invest or manage assets	94,844,780.00	Seven, 68	68,666,269.15	86,913,039.65
Profit and loss from external entrusted loans				
due to force majeure factors , such as natural disasters				
Reversal of impairment provision for accounts receivable that has been individually tested for impairment	6,029,067.61	Seven, 5	7,064,871.79	1,414,058.88
The investment cost of the	10,344,176.21	Seven, 68		

enterprise in acquiring subsidiaries, associates and joint ventures is less than the income generated from the fair value of the identifiable net assets of the investee that it should enjoy when acquiring the investment.				
Net profit and loss for the current period from the beginning of the period to the date of merger of subsidiaries resulting from business mergers under common control				
Gains and losses on non-monetary asset exchanges				
Debt restructuring gains and losses				
One-time expenses incurred by the enterprise due to the cessation of relevant business activities, such as expenses for relocating employees, etc.				
One-time impact on current profits and losses due to adjustments to tax, accounting and other laws and regulations				
One-time confirmation of share-based payment expenses due to cancellation or modification of equity incentive plan				
For cash-settled share-based payments, gains and losses arising from changes in the fair value of employee compensation payable after the vesting date				
Gains and losses arising from changes in the fair value of investment properties that are subsequently measured using the fair value model				
Gains from transactions where the transaction price appears to be unfair				
Profit and loss arising from contingencies unrelated to the company's normal business operations				
Custody fee income from entrusted operations				
Other non-operating income and expenses other than the above	-59,739.73	Seven, 74; Seven, 75	-814,466.00	-4,544,734.98
Other profit and loss items that meet the definition of non-recurring profits and losses				
Less: Income tax impact	15,360,494.70		12,411,819.68	13,608,760.20
Amount of impact on minority shareholders' equity	1,172,424.01		303,070.06	716,328.46

(after tax)				
Total	154,270,121.57		114,913,556.21	132,220,621.78

Where the company identifies items not listed in Explanatory Announcement No. 1 on Information Disclosure of Companies with Public Securities Issuance as non-recurring profit and loss items with significant amounts, and defines non-recurring profit and loss items listed in Explanatory Announcement No. 1 on Information Disclosure of Companies with Public Securities Issuance as recurring profit and loss items, The reasons should be stated.
Yes √No

Unit: Yuan Currency: RMB

If the impact of non-recurring gains and losses in 2022 and 2021 is calculated according to the provisions of "Explanatory Announcement No. 1 on Information Disclosure of Companies that Offer Securities to the Public - Non-recurring Gains and Losses (Revised in 2023)" :

Project	2022	2021
Net non-recurring gains and losses attributable to owners of the parent company	114,913,556.21	132,220,621.78
The net amount of non-recurring profits and losses attributable to the owners of the parent company calculated in accordance with the provisions of "Explanatory Announcement No. 1 on Information Disclosure of Companies that Offer Securities to the Public - Non-Recurring Profit and Loss (Revised in 2023)"	100,188,815.33	123,242,881.99
Difference	-14,724,740.88	- 8,977,739.79

10. Items measured at fair value

√Yes No

Unit: Yuan Currency: RMB

Project name	Opening balance	Ending balance	Changes in the current period	The amount of impact on current profit
Trading financial assets	2,275,808,701.79	1,650,000,000.00	-625,808,701.79	81,217.63
Receivables Financing	421,387,418.83	183,711,330.47	-237,676,088.36	
Other equity instrument investments	14,113,692.31	26,113,692.31	12,000,000.00	
Total	2,711,309,812.93	1,859,825,022.78	-851,484,790.15	81,217.63

11. Description of non-business accounting standards performance indicators

Yes √No

12. Explanation of information suspension and exemption due to state secrets, commercial secrets, etc.

Yes √No

Section 3 Management Discussion and Analysis

1. Business situation discussion and analysis

In 2023, the world's economic development will be uneven, geopolitical issues will occur frequently, and the external environment will become more complex, severe, and uncertain. The foundation for the continued recovery of the domestic economy is not yet solid, and the domestic economy is developing in waves and twists and turns.

2023 is a year where risks, challenges and strategic opportunities coexist. The company is facing the booming wave of global artificial intelligence and digital economy, actively seizing the new development opportunities of the “Belt and Road” construction, digital China construction and dual-carbon strategy, and actively building And develop new productive forces, guide technological innovation, deepen the industry, layout the world, deeply participate in the automation, digitalization and intelligent transformation of the global advanced manufacturing industry, focusing on products and technologies in the field of AI + data . Under the guidance of the company's medium and long-term strategy, and with the joint efforts of the management and all employees, the company has faced difficulties and achieved a series of important results. The company's operations have shown great resilience and potential!

(1) Main business conditions

2023, the company continues to deepen and implement the mid-term development strategy, comprehensively integrate cutting-edge technologies and innovative concepts, and creatively propose a new model of smart factories for the process industry: "1 factory operating system + 2 automation (PA production process automation + BA enterprise operations) Automation) + N Industrial APP " , with more than 4,000 sets implemented and applied, leading the new industry standard for smart factory construction. We create core product technologies with ingenuity and empower industry customers with digital transformation and intelligent development. The market share of many products has ranked first all year round , and we continue to expand our leading advantages . According to Rui Industrial statistics, the company's core product Distributed Control System (DCS) has a domestic market share of 37.8% in 2023, ranking first in the domestic DCS market share for 13 consecutive years. According to statistics from China Industrial Control Network, the company's core product safety instrumented system (SIS) has a domestic market share of 33.7%, ranking first in the domestic SIS market share for two consecutive years; the company's advanced control and process optimization software (APC) has a domestic market share of 33.7%. 28.2%, ranking first in domestic market share for five consecutive years; Manufacturing Execution System (MES) domestic process industry market share 20.7%, ranking first in domestic process industry market share for two consecutive years; Operator Training Simulation System (OTS)) Domestic market share is 14%, ranking first in domestic market share for the first time.

During the reporting period, the company deeply cultivated the process industry, firmly grasped the general trend of industrial digitalization and intelligent development, increased investment in research and development, focused on the application of artificial intelligence (AI) technology, big data technology, and robotics technology in the industrial field, and built a " AI+data" core technology; comprehensively upgrade the new one-stop industrial service model of "5S store + S2B platform", moving from the country to the world, setting up multiple overseas 5S stores, replicating the company's service model innovation to a global scale ; further accelerating the global market Expand, strengthen overseas localized operation capabilities, break through multiple overseas high-end customers, and double the growth of overseas business; deeply build an internal process-based platform organizational structure, comprehensively promote the company's digital transformation , initiate global data governance, and create an AI+ digital-driven organization process , the sales expense rate and administrative expense rate have been further reduced, and the company's operating efficiency and governance level have been significantly improved.

The company achieved total operating income of RMB 8,619.9108 million, an increase of 30.13 %

over the same period last year; net profit attributable to shareholders of listed companies was RMB 1,101.6844 million, an increase of 38.07 % over the same period last year; net profit attributable to shareholders of listed companies was deducted by 38.07%. The net profit of sexual gains and losses was 947.4143 million yuan, an increase of 38.71 % over the same period last year;

(2) Business situation analysis

1) Increase investment in innovative technology research and development and build “AI + data” core competitiveness

During the reporting period, the company continued to increase investment in research and development, with research and development expenses of 907.9235 million yuan, a year-on-year increase of 31.15%, accounting for 10.53 % of operating income. The company attaches great importance to the construction of the R&D system. By deepening the integrated product development system (IPD), it focuses on market demand and technological innovation, speeds up the response to market demand, shortens the launch cycle of new products, and promotes technology R&D and application iteration. We attach great importance to the construction of the R&D talent team and actively introduce top R&D talents at home and abroad to lay a solid talent foundation for the company's product innovation. There are 2,219 R&D personnel, accounting for 34.28% of the company's total employees, a year-on-year increase of 6.07%.

During the reporting period, the company relied on a solid industrial data foundation to conduct comprehensive exploration in the field of industrial AI, used the latest AI technology to reconstruct the company's product technology, and achieved a series of major breakthroughs. The company has made breakthroughs in core technologies such as application technology based on reinforcement learning and natural language large models in the process industry, edge intelligent visual inspection controller and algorithm technology for the process industry, and enterprise operation application technology based on large language models and AI agents. Enable customers to develop digitally and intelligently.

The company has a deep insight into the core needs of customers in the process industry. Based on profound industrial practice and technology accumulation, in 2023, it released a new generation of equipment intelligent sensing platform (PRIDE) and iteratively upgraded and released an intelligent operation management and control system (OMC 2.0) and process industry process simulation and design platform (APEX 2.0) to further consolidate the core competitiveness of products and technologies. Based on advanced technologies such as industrial Internet platforms, data lakes, AI big data analysis, and machine learning, PRIDE assists users in comprehensive intelligent perception and accurate prediction of equipment objects in the entire factory, and provides decision support for intelligent management of preventive and predictive equipment throughout its life cycle . Under the new architecture of "1+2+N" smart factory, based on OMC 2.0, APEX 2.0, PRIDE, the data elements such as process industry production operations, processes, equipment, safety, environmental protection, quality, and operation management are deeply integrated to help Process industry enterprises realize autonomous operation and operational excellence throughout the entire life cycle, and achieve the sustainable development goals of “safety, quality, low carbon, and efficiency”.

2) Promote the strategic layout of the three major sectors and break into new areas in the international market

① Determined to move forward and lead domestic high-end intelligent manufacturing

During the reporting period, the country focused on promoting the development of digital economy and advanced manufacturing. The company's domestic marketing performance was good, the company's market share further increased, high-end customers and large projects continued to make breakthroughs, the market scale grew steadily, and domestic sales revenue increased by 29.54% year-on-year. The company has completed the construction of a total of 179 5S stores (including overseas), covering 643 chemical industry parks across the country. It has continuously deepened the construction of the excellent operation capability system of 5S stores, activated the operating vitality of 5S stores through various incentive methods, and provided customers with "Safe, efficient and convenient" professional services in the industrial field to establish leading service model competitiveness. In terms of S2B platform business, the company has fully deployed online + offline full life cycle services, built a digital and intelligent supply chain system that links online and offline, further expanded logistics network construction and refined process management, and has broken through many group-type benchmarks in 2023. Customers, simultaneously promote federation cooperation with more than 250 large customers, seamlessly connect customer procurement systems, and assist customers in their digital procurement transformation. As of the end of December 2023, the company has covered more than 30,000 customers in the process industry, and the customer coverage rate has further increased.

During the reporting period, the company was committed to the in-depth expansion of the industry, making full use of nearly 30 years of industry accumulation and know-how to provide customers with unique and effective strategies and high-value solutions, and create numerous "1+2+N" intelligence Set a benchmark in the factory industry and replicate and promote it to lead the development of the industry. In traditional advantageous industries such as petrochemicals and chemicals, we continue to create value for customers and maintain leading advantages. In industries such as coal, oil and gas, wind and solar hydrogen production, medicine, food, metallurgy, and building materials, we have jointly created digital and intelligent benchmarks with leading companies. projects to expand industry influence and increase industry market share. In 2023, the income of the metallurgy, energy, petrochemical and chemical industries will continue to maintain a rapid growth trend. The metallurgical industry income will increase by 62.87%, the energy industry income will increase by 34.70% , the petrochemical industry income will increase by 28.95% , and the chemical industry income will increase by 23.70% , which provides strong support for the steady growth of the company's performance.

② Focus on the world and promote continuous breakthroughs in overseas business

2023 is a breakthrough year for the company's international business. Relying on its leading digital and intelligent service capabilities and solution technology levels, the company has achieved major breakthroughs in overseas markets, signing new overseas contracts of nearly 1 billion yuan. Currently, digital transformation, green manufacturing, and artificial intelligence have become the future development strategies of many countries around the world. The company is focusing on deploying in Southeast Asia, the Middle East, Central Asia, Europe, America, Japan and other regions, and in countries such as Singapore, Saudi Arabia, and Kazakhstan. With the establishment of subsidiaries, overseas localized operation capabilities have been greatly improved. In 2023, the company won the bid for the digital benchmarking project of Saudi International Maritime Industries (IMI), a Saudi Aramco holding company and the world's largest single shipyard, to empower customers in digital and intelligent construction, and took this opportunity to launch all-round and in-depth cooperation with Saudi Aramco and IMI. In addition, the company has also obtained control system and instrumentation projects from Kuwait Petroleum Company and Petronas , digital management project of Indorama Group , intelligent industrial software project of Indonesia's Jinguang Paper, Asia's largest paper group, and Wilmar International of Singapore group’s digitalization project and other overseas high-end projects achieved breakthroughs. The company is actively seeking cooperation with global industry high-end product and technology suppliers, and continues to expand its international ecosystem and global layout and operation capabilities. In April 2023, the company successfully issued GDR and was listed on the Swiss Stock Exchange, marking the company's opening of international financing channels, which will further assist the company's overseas business layout, and the company's globalization strategy has entered a new stage.

③ Digital empowerment of emerging business opportunities helps long-term development

Relying on its long-term accumulated advantages in the field of digitalization and intelligence, the company opens up new industries and new tracks with customers as the center, and serves customers with the shortest route, fastest speed and optimal solution. During the reporting period, the company developed new business areas such as robots, new energy batteries, wind and solar hydrogen production, smart laboratories, smart coal mines, smart parks, and liquor. Through the integration and cultivation of internal and external resources , the business in each new track achieved rapid growth. , some businesses have quickly entered the high-speed growth stage from the incubation stage. In 2023, the new energy battery business will achieve revenue of 634 million , a year-on-year increase of 463.06% , becoming one of the company's business growth points; the smart coal mine business will achieve a breakthrough from 0 to 1, and will join forces with Shanxi Jinneng Duanwang Coal Industry and Pengfei Group to create A breakthrough benchmark application in the industry; the robot business has developed from a high starting point and has successfully obtained orders from global high-end users such as CNOOC, Huayi Group, and Saudi Aramco, with huge development potential . In addition, in 2023, the company completed the acquisition of the Dutch company Hobré and obtained its first high-end analyzer order breakthrough in the Chinese market, further improving the company's product pedigree in the field of high-end instrumentation; investing in Beijing Dameson Software Co., Ltd. Co., Ltd., Hangzhou Peimu Technology Co., Ltd., Zhejiang Humanoid Robot Innovation Center Co., Ltd., etc., to expand industrial synergy and promote the development of diversified ecological integration. The company will continue to explore new business growth points, comply with the country's technological development trends, and choose directions that are consistent with the company's strategic goals in strategic emerging industries such as artificial intelligence, robotics, energy storage, and green environmental protection, and continue to adhere to the We will start from various aspects including technology, products, markets, and industrial chains to form design plans for new products and new business models, and continue to create new business and new growth points for the company's future development .

3) Comprehensively build digital operation capabilities and achieve high-quality development

In 2023, the company will comprehensively promote digital transformation and reform, focusing on the goal of "lifting the operational fog, lifting the market fog", and completing digitalization from a global perspective with a 4A architecture (i.e., BA business architecture, DA digital architecture, TA technical architecture and AA application architecture) Transformation planning, building digital organizations and processes, promoting the implementation of 62 digital projects in LTC, IPD, ISC, finance, HRM and other fields to achieve excellent organizational operations. The company's operational management capabilities continue to deepen and management efficiency continues to improve. The administrative expense rate is 5.22%, a year-on-year decrease of 0.48 percentage points. The sales expense rate is 9.15%, a year-on-year decrease of 0.25 percentage points. The inventory turnover rate 1.50, a significant increase year-on-year. During the reporting period, digital transformation successfully converted nearly 100 million yuan in contract value, reduced tens of millions of yuan in costs, added more than 300 digital talents, and achieved a significant improvement in human efficiency.

In 2024, the company will continue to seize the opportunities of industrial digitalization and intelligent development, consolidate the new "1+2+N" smart factory model, and build " 4 big data bases + 1 intelligent engine " - Equipment Base (PRIDE) , operation base (OMC), quality base (Q-Lab) and simulation base (APEX) 4 big data bases and superimposed intelligent engines based on industrial large models to strengthen the core competitiveness of " AI + data" and realize data Maximize value and customer value , provide customers with AI+safety, AI+quality, AI+efficiency, AI+low-carbon intelligent solutions, and practice the company's mission and vision of "making industry smarter and life easier"!

2. Description of the company's main businesses, business models, industry conditions and research and development during the reporting period

(1) Main business, main products or services

1) Main business

The company follows the vision & mission of "making industry smarter and life easier" , insists on independent innovation, focuses on the automation, digitalization and intelligent needs of process industries, and is driven by the core of innovative technology, the key support of cutting-edge products, and the process of core business The reshaping and upgrading and innovation of working models will comprehensively help the process industry realize production process automation (Process Automation, PA) and business operation automation (Business Automation, BA), empowering corporate factories to leapfrog and transform into future factories with intelligent, autonomous operation and excellent operations. To this end, the company has made every effort to build a new "1+2+N" smart factory architecture for Industry 3.0 + Industry 4.0 , building 4 big data bases + 1 intelligent engine. The 4 big data bases include equipment base (PRIDE), operation The base (OMC), quality base (Q-Lab) and simulation base (APEX) conduct fusion training based on industrial multi-source data, establish a highly generalized and highly reliable intelligent engine for the process industry, and build the core competitiveness of AI+ data , maximize the value of data, define and reshape the new form of the process industry, lead the process industry to accelerate "intelligent change", support the major industry needs of the process industry in the transformation and upgrading, and achieve high standards of "safety, quality, low carbon, and efficiency" Quality development goals.

In-depth construction of a new one-stop industrial service model of 5S offline stores + S2B online platform. 5S offline stores provide customers with end-to-end, door-to-door professional services in the industrial field that are close to users. The company will strengthen the construction of the operational capability system of 5S stores, improve the management and operational capabilities of store managers, use digital technology and artificial intelligence technology to deeply understand customer needs and create customer portraits. The company's S2B digital intelligence service platform is based on a smart hub (cloud computing, artificial intelligence, Internet of Things, big data and other technologies) and builds three innovative businesses: "digital intelligence mall", "digital intelligence solutions" and "digital intelligence services" ", provide customers with industrial products, technologies and services throughout the entire life cycle of industrial production, build a digital and intelligent supply chain system that links online and offline, and create a new model of industrial services. The S2B platform is also accelerating its promotion overseas to protect the production and operation of domestic and foreign customers and achieve cost reduction and efficiency improvement .

2) Main products and services

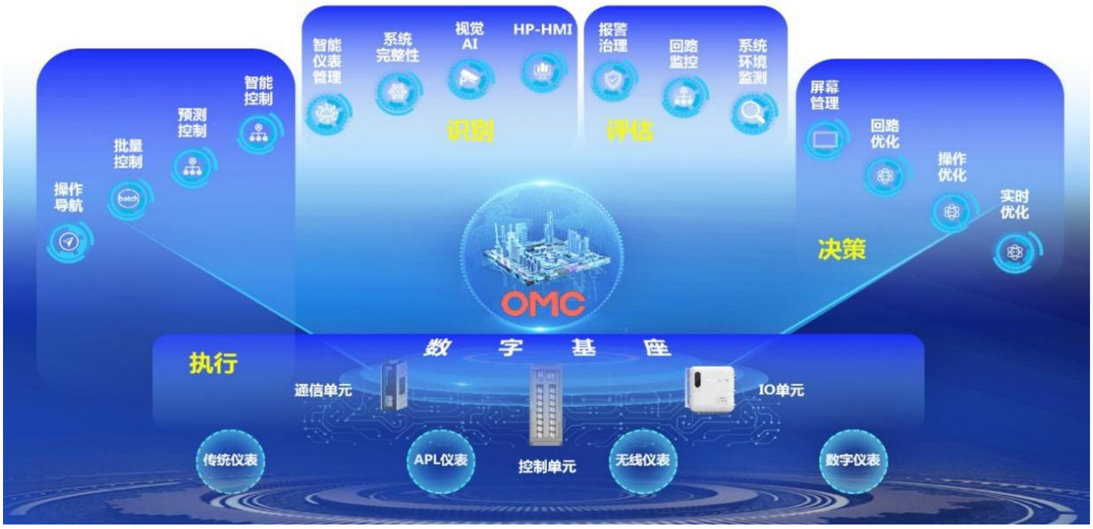
The company comprehensively promotes product integration and upgrading, focusing on the high-quality production and smart operation needs of smart factories in the process industry, through the enterprise-wide Data Resource System (DRS) and multi-layered industrial information security system (ICSS), forming two major product systems: production process automation (PA) and business operation automation (BA).

Production process automation (PA) refers to the entire production process of the factory from raw materials to products, using advanced technology, equipment, operation, information, automation and other technologies to integrate and innovate, and develop intelligent and independent products based on instrumentation and control system products. Operation system (Intelligent Operation Management & Control, OMC), Safety-Priority System (SPS), Quality Improvement System (QIS), Energy-saving & Low-Carbon System, ELC) and Equipment Health Supervisory System (EHS) are five major industrial software products and services to achieve a safe, stable, efficient and low-carbon production process.

Business Operation Automation (BA) refers to the use of advanced technologies and management innovations such as AI, big data, and digital twins for enterprise operations to achieve digital intelligence, high-quality, and sustainable development of excellent operations. It includes five major systems: product R&D management and Process design system (Research & Design System, R&DS), Production Operation System (POS), Supply-chain Management System (SMS), Sales & Service System (SSS), Support & Guarantee System (SGS).

2.1 Control system product family

2.1.1 Intelligent autonomous operation system (Operation Management & Control, OMC)



The intelligent autonomous operation system is the core basic subsystem of production process automation. It integrates intelligent, digital and automation technologies to realize intelligent perception, intelligent control, intelligent operation, intelligent optimization and intelligent operation and maintenance of production equipment to meet the needs of full-process process control and safety control, unit control, logic control, process operation, operation management and other functional requirements. SUPCON Technology continues to deeply explore the process industry and create value for customers in the process industry. Based on actual applications and customer feedback, the OMC system focuses on customer pain points, integrates a large number of innovative technologies, and embodies three new features: ultimate interconnection, virtual and real intelligent control, and global optimization. The essence and implementation path of autonomous operation are very clearly defined. The system realizes autonomous response in the face of external demand interference, and realizes autonomous management in the face of internal operations: 1) Extreme interconnection, distributed to save initial investment; 2) Virtual and real intelligent control, digitalization Accumulated experience improves the process; 3) Global optimization and intelligent improvement of operating efficiency. Based on multi-field technologies such as industrial big data, mechanism models and machine learning, and combined with industrial know-how, SUPCON OMC carries out all-weather assessment of all factors of production, grasps the key parameters of the production equipment at any time, and taps the production and operation potential of the equipment. Through cross-device collaboration, the material and energy balance between regional devices can be achieved, and the production efficiency improvement can be expanded from a single device to a multi-device area. In addition, intelligent identification and processing plans are provided for abnormal events, ultimately maximizing the comprehensive economic benefits of the entire plant .

2.1.2 Safety Instrumented System (SIS)

SUPCON Safety Instrumented System (TCS-900&TCS-500) has ranked first among suppliers in the Chinese market for two consecutive years. It is an industrial control system independently developed by SUPCON Technology for ESD, F&GS, GDS, BMS, HIPPS and other application scenarios in the process industry. According to different process equipment scales and infrastructure investment and construction requirements, we provide product portfolio solutions with the best balance between safety and economy to ensure the safe operation of the company's key equipment and high-value processes and reduce personnel life safety risks. The central control safety instrument system has the three characteristics of high security, high reliability and high availability. 1) High safety: functional safety level SIL3, safety architecture 2×2oo3D, fault diagnosis coverage >99%, information security IEC 62443 SL1, Xinchuang localization; 2) High reliability: EMC standard 4A level, G3 anti-corrosion/ CE/classification society certification, maximum altitude of 4,000 meters, working temperature (-20~70) ℃, working humidity (5%~95%) RH, no condensation; 3) High availability: DCS configuration monitoring integration, dual working Full redundancy, online expansion, availability rate of 99.999~99.9999%, fault tolerance margin of 3-3-2-2-0.

2.1.3 Compressor unit control system (Coordination Control System, CCS)

The SUPCON compressor control system (T9100&T5100) is independently developed by SUPCON Technology for compressor control and protection application scenarios in flammable and explosive high-risk areas in the petrochemical and chemical industries. It is targeted at centrifugal, axial flow and other compressor models. Product portfolio solutions for professional application compressor control systems. The system adopts internationally advanced compressor control algorithm technology, including anti-surge control, performance control, speed control, steam extraction control and other unit optimization control technologies, to help users achieve safe production, save energy and reduce consumption, and improve the level of intelligent operation of enterprises. The central control compressor control system has four major technical features: SIL3 level hardware platform, advanced control technology, integrated deployment and operation optimization. 1) SIL3 level hardware platform: Based on triple redundant fault-tolerant (TMR) safety control system, functional safety level SIL3, industrial EMC standard 4A level and other features, it can meet the user's requirements for production safety and availability to the greatest extent. 2) Advanced control technology: Independently developed international advanced unit control technology, based on the dimensionless anti-surge coordinate system, implements various forms of control and protection combination strategies, multi-loop coordinated control and decoupling control to meet the complex requirements of series and parallel units. Control needs to achieve fully automatic and efficient and energy-saving operation. 3) Integrated deployment: It can be integrated and seamlessly connected and integrated with the central control DCS system and SIS system to facilitate users to achieve integrated management and control of the entire plant process, improve efficiency, reduce costs, and ensure quality; 4) Fully automatic control And optimization: realize one-click start and stop and automatic loading and unloading, without manual intervention in the whole process, truly realize fully automatic control, reduce control energy consumption by 10%, and reduce process fluctuation by more than 15%.

2.1.4 Programmable Logic Controller (PLC)

By deeply cultivating the fields of process and machinery control, GCS has launched GCS-G and GCS-M series products for different needs. The GCS-G series is oriented to the field of medium and large-scale distributed measurement and control, providing highly reliable, redundant, safe and networked solutions that meet the long process requirements for control systems ; the GCS-M series focuses on the field of intelligent equipment, providing high-speed, high-speed Complex control schemes with precision. The two complement each other, providing customers with large-scale monitoring while providing ultimate control of key core equipment.

GCS-G networked hybrid control series includes G5 medium and large hybrid control series and G3 distributed RTU series. The G5 series has the advantages of full redundancy, high reliability, networking, and complete independent controllability. It also has the G5Pro Safety system that meets the SIL3 safety level; the G3 series meets the needs of high-density and distributed applications, and can be used as a G5 series control The remote IO station of the server can be used for hybrid applications. The GCS-G series has been widely used in oil and gas pipelines, rail transit, municipal water affairs, water conservancy and hydropower, nuclear power and other scenarios.

The GCS-M series gives full play to its characteristics of high performance, high precision and high reliability to enhance the level of equipment intelligence. Integrating a variety of complex mechanical control functions and multiple communication protocols, it can handle professional equipment such as fans, packaging machinery, metallurgical equipment, and high-speed building materials production lines. And it can be equipped with machine vision algorithms to add "AI eyes" to the industry.

2.2 Instrumentation product family

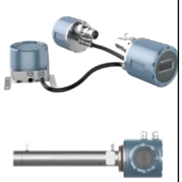
The instrumentation industry is a basic and strategic industry of the national economy, but its localization rate is still low and its dependence on foreign countries is high. In recent years, as the pace of self-reliance and self-improvement in science and technology has accelerated, SUPCON Technology has been committed to conquering key core technologies and promoting domestic substitution. SUPCON Technology's instrumentation business segment covers multiple product lines to provide value to customers. The characteristics and applications of different instrumentation products of Central Control Technology are as follows:

Instrumentation	**Main products**		**Product features and applications**
Measuring instrument product line	CXT series High-precision intelligent pressure transmitter		**Product features:** Using single crystal silicon composite sensor, it can measure the pressure/differential pressure, flow rate and liquid level signals of gas, liquid and other media. Accuracy level 0.05, long-term stability is better than ±0.1%/10 years. Obtained NEPSI, ATEX, CE, SIL certification, supports FF, ProfiBus-PA, HART (including wireless HART) mainstream fieldbus and supports APL high-speed new fieldbus. **Applicable working conditions:** pressure, flow and liquid level measurement conditions. **Applicable industries:** petroleum, electric power, chemical industry, metallurgy, pharmaceutical and other industries.
	CJT series intelligent pressure transmitter		**Product features:** Using metal capacitive sensor, 0.1 level accuracy. It can measure physical signals such as differential pressure and pressure. Obtained NEPSI explosion-proof certification, HART protocol certification, and supports MODBUS communication. Can provide customized services, customize special types of interfaces, etc. **Applicable working conditions:** pressure, flow and liquid

Instrumentation	Main products		Product features and applications
			level measurement conditions. **Applicable industries:** petroleum, electric power, chemical industry, metallurgy, pharmaceutical and other industries.
	CPT series wireless pressure transmitter		**Product features:** Adopt diffused silicon sensor. Supports Zigbee wireless communication, and the entire series is equipped with RS485 interface as standard to facilitate on-site application. Obtained PCEC explosion-proof certification and A11 communication certification. Battery life is greater than two years. **Applicable working conditions:** Measurement conditions such as pressure, flow and liquid level that require network communication. **Applicable industries:** oil fields, factories, mines and other industries.
	Safety barrier		**Product features:** Using advanced low-power circuit design, power consumption is 40% lower than the previous generation product; using convection heat dissipation hole design between terminals, with complete hot runner, more complete heat dissipation. Meets Exia Ga IIC explosion-proof level requirements. Obtained China Classification Society, SIL2, SIL3, CE certification. **Applicable working conditions:** working conditions in dangerous places where on-site power needs to be limited below safe values. **Applicable industries:** petrochemical, chemical, oil and gas, new energy and other industries.
	Surge protector		**Product features:** 8mm ultra-thin design, rigorously tested by an independent professional lightning protection laboratory, with 20kV/10kA current impact tolerance, online pluggability, abnormal alarm and other functions. Obtained intrinsically safe explosion-proof certification, CCC compulsory certification, and lightning protection certification. **Applicable working conditions:** working conditions where safe and reliable lightning protection is required. **Applicable industries:** petrochemical, chemical, oil and gas, new energy and other industries.
	Isolator		**Product features:** Complete function types, supporting isolated transmission of a variety of industrial signals (such as AI, AO, DI, DO, TI), etc., realizing conversion of different signal types or ranges through configuration, and can realize the conversion of analog signals and communication signals (Such as RS-485, Lora, etc.) mutual conversion and transmission, flexible and convenient to use. **Applicable working conditions:** working conditions where the propagation of interference signals needs to be

<table>
<tr><th>Instrumentation</th><th colspan="2">Main products</th><th>Product features and applications</th></tr>
<tr><td rowspan="4"></td><td></td><td></td><td>effectively suppressed and the quality of signal transmission is improved.
Applicable industries: petrochemical, chemical, oil and gas, new energy and other industries.</td></tr>
<tr><td>Smart electromagnetic flow meter</td><td></td><td>Product features: It has the advantages of simple structure, strong corrosion resistance, stable performance, large range ratio, good linearity, strong adaptability, high measurement accuracy, and has intelligent diagnosis function.
Applicable working conditions: used to measure conductive media such as acids, alkalis, salt solutions, pulp, paper pulp, wastewater, etc.
Applicable industries: petrochemical, metallurgy, papermaking, textile, water supply and drainage, sewage treatment, food, pharmaceutical, biological and fine chemical industries.</td></tr>
<tr><td>Radar level meter</td><td></td><td>Product features: Using low-power microwave technology, no wearing parts, long-term stable operation, and no harm to the human body and the environment. Using advanced intelligent echo tracking processing technology, it can perform non-contact continuous measurement of the level of liquids, slurries and granular materials. It has multiple types of process connection methods and customized antenna components to meet various working conditions.
Applicable working conditions: various metal and non-metal containers, reactors or solid silos, etc.
Applicable industries: petrochemical, fine chemical, food, pharmaceutical and other industries.</td></tr>
<tr><td>Interactive smart calibrator</td><td></td><td>Product features: Industrial field measurement tool, with signal verification and manual configuration capabilities, and deep integration with Android smart terminals. It is a handheld terminal device with high integration and strong operating experience in the domestic industrial control tool market.
Applicable working conditions: working conditions where on-site operation records need to be uploaded to the IDM software server, on-site instrument configuration modifications or operation records need to be adjusted, etc.
Applicable industries: petrochemical, fine chemical, food, pharmaceutical and other industries.</td></tr>
</table>

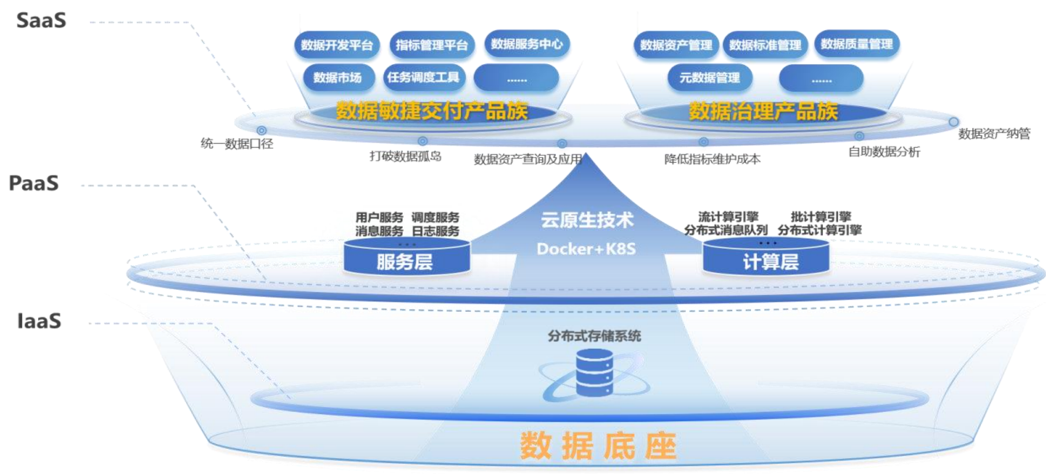
Instrumentation	Main products		Product features and applications
Analyzer Product Line	Calorific value meter		**Product features:** Measure key combustion parameters such as the Wobbe index, calorific value, and combustion air demand index of gas. It has the advantages of fast response, high precision and repeatability, simple maintenance, no open flame (no flameout failure), and not easily affected by ambient temperature. It has ATEX / IECEx / NEPSI and other certifications and is suitable for explosion-proof zone 1. **Applicable working conditions:** Suitable for highly corrosive and harsh working conditions (high sulfur gas) and hazardous areas. **Applicable industries:** Suitable for gas and natural gas mixing, combustion control, gas unit control, torch combustion and metallurgy industries.
	Photoacoustic gas analyzer		**Product features:** Using the laser-acoustic measurement principle, it achieves a number of pioneering technological breakthroughs in gas-liquid online analyzers, measuring H2S, CO2, H2O and CH4. It adopts a maintenance-free design for more than five years, is equipped with self-diagnosis function, has ATEX / IECEx / NEPSI and other certifications, and is suitable for explosion-proof zone 1. **Applicable working conditions:** H2S measurement in well fluid separation processing, gas sales and oil quality control, etc. **Applicable industries:** Suitable for gas and natural gas mixing, gas turbine control, refineries and other industries.
	XFR elemental analyzer		**Product features:** Based on energy dispersive X-ray fluorescence technology and using high-resolution silicon drift detector, it can simultaneously measure 15 elements from silicon to uranium. It has automatic zero point and span calibration, supports remote access, and complies with ASTM and ISO standards. It has ATEX / IECEx / NEPSI and other certifications and is suitable for explosion-proof zone 1. **Applicable working conditions:** highly corrosive liquids, samples with high abrasive particle concentration, etc. **Applicable industries:** petrochemical and metallurgical industries.
	Raman spectrometer		**Product features:** Using new Raman patented technology, the detector and electronic equipment are completely separated to realize feedforward control of high and low pressure gas applications. Combined with the HIFISC sampling probe, it forms a unique zero-emission solution. Near zero maintenance and low spare parts costs. It has ATEX / IECEx / NEPSI and other certifications and is suitable for explosion-proof zone 1. **Applicable working conditions:** high pressure working conditions. **Applicable industries:** oil and gas industry (including

Instrumentation	Main products		Product features and applications
			biogas).
	CO detection system		**Product Features:** Improve process safety by continuously and accurately detecting smoldering and Maillard reactions, thereby reducing the risk of fire and explosion. The unique dual NDIR analyzer and UPS configuration has strong reliability, can detect 6 inlets and 2 outlets at the same time, prevent false alarms, and has automatic leak detection and flow test functions. **Applicable working conditions:** high temperature, high dust, high CO background concentration and other complex working conditions. **Applicable industries:** food, pharmaceutical and other industries.
	CO and humidity detection system		**Product features:** Supports simultaneous measurement of CO concentration and absolute humidity, and can be flexibly installed on the spray dryer. Based on TDL (tunable semiconductor laser) analyzer, it can perform multi-channel sampling and analysis, and has automatic leak detection and flow test functions. **Applicable working conditions:** high temperature and high dust conditions. **Applicable industries:** food, pharmaceutical and other industries.
	Laser gas analyzer		**Product features:** Based on the principle of TDLAS (tunable semiconductor laser absorption spectroscopy), it can measure a variety of gas components and has the characteristics of high selectivity, high sensitivity, and high precision. It has a variety of installation methods and explosion-proof certification to meet various on-site requirements. **Applicable working conditions:** high temperature, high humidity, high pressure, high dust content, etc. **Applicable industries:** petrochemical, chemical, environmental protection, energy, building materials, metallurgy and other industries.
Intelligent control valve product line	Intelligent control valve		**Product features:** Adopt new functional modular design, high adjustment accuracy, good sealing performance, long service life and easy maintenance. **Applicable working conditions:** routine and special harsh (high pressure difference, strong corrosion, cavitation, multiple flows, etc.) working conditions. **Applicable industries:** chemical, petrochemical, fine

Instrumentation	Main products		Product features and applications
			chemical, coal chemical, pharmaceutical, metallurgy, electric power and other industries.
	Intelligent control ball valve		**Product features:** Full-bore design, good cutting performance, small pressure drop loss, valve stem anti-fly, anti-static, wear-resistant, low torque. **Applicable working conditions:** routine and special harsh (high pressure difference, strong corrosion, multiple flows, etc.) working conditions. **Applicable industries:** chemical, petrochemical, fine chemical, coal chemical, pharmaceutical, metallurgy, electric power and other industries.
	Intelligent control butterfly valve		**Product features:** The valve plate/valve seat is designed with an all-metal structure, the leakage level can reach zero leakage in both directions, and it is wear-resistant and has a long service life. **Applicable working conditions:** large diameter, adjustment and cutting conditions. **Applicable industries:** chemical, petrochemical, coal chemical, metallurgy, electric power and other industries.
	Eccentric rotation Control valve		**Product features:** The valve body and upper valve cover are an integrated structure. The valve body is straight-through, with small flow resistance, large flow capacity, and wide adjustable range. The valve core is eccentrically designed, which can reduce valve seat wear and has a long service life. **Applicable working conditions:** working conditions containing slurry fluids. **Applicable industries:** chemical, petrochemical, coal chemical and other industries.
	Special control valve (take ultra-low temperature single-seat control valve as an example)		**Product Features:** A control valve used in low-temperature and cryogenic situations. It adopts the design of extended valve stem and upper valve cover; at the same time, the valve stem adopts a special structure to ensure the strength of use. Efficient heat transfer and minimal thermal expansion structural design. **Applicable working conditions:** -196℃ ultra-low temperature working conditions. **Applicable industries:** air separation, LNG and other industries.

2.3. Industrial software products and services

2.3.1 Data Resource System (DRS)



Four aspects include one-stop data center construction, enterprise-level indicator center construction, global data governance, and data security and circulation guarantee. By providing a full range of data management and utilization services, we aim to help customers improve data infrastructure, improve data quality, maximize data value, and ensure data security and effective circulation, thereby promoting the effectiveness of business decisions and improving organizational performance.

2.3.2 Industry CyberSecurity System (ICSS)

Industrial information security systems include industrial control system security, industrial information system security and security operation and maintenance services and other products and technologies. The company independently developed host security guards, industrial control firewalls, industrial control security management platforms, industrial control security isolation gateways, and full network diagnostics. A series of security protection products such as software and industrial control network security monitoring and auditing systems have created an integrated solution for industrial information security in smart factories, providing core functions such as data security, host security, network security, built-in security, and emergency disaster recovery. The "all-round, multi-dimensional" security technology system provides network security assessment, network security operation and maintenance, and grade-level security construction consulting and other security services covering the entire life cycle of industrial networks, helping customers improve their production control of malicious programs, traceability of information incidents, Disaster recovery, backup, security operation and maintenance and other capabilities help enterprises achieve compliance-level protection of regulations, standards, and policies. Relying on its continuous efforts in the process industry and closely integrating with the control system, SUPCON Industrial Information Security has built a three-level operational protection system for SUPCON Industrial Information Security, forming an independent and controllable multi-level "built-in security (solidification)" system from the inside out. , defense in depth (prevention), security operation and maintenance (management)” technical system. It effectively improves the safety protection capabilities of industrial sites. The solution is relatively easy to implement, fits the business scenarios of relevant industries, and has relatively good generalizability.

2.3.3 Equipment Health System (EHS)

As a provider of intelligent solutions for the process industry, Zhongkong Technology has been deeply involved in the field of equipment intelligent management for many years. It has provided customers with many equipment intelligent software, such as intelligent equipment management software IDM, intelligent instrument control management software ISDM, and full equipment assets. Health management software FAHM, equipment management software EAM, unit condition monitoring and diagnosis software MP3000, and control system integrity software, etc. The application of these software creates unique value for customers and helps enterprise users solve the problem of intelligent perception and predictive diagnosis of various equipment on site. , realizing the troubleshooting and diagnostic analysis capabilities of "one diagnostic network" for factory equipment, which can effectively and significantly reduce the phenomenon of unplanned equipment shutdowns. The equipment health monitoring system can monitor the status and fault diagnosis of various types of equipment, realize intelligent and automated production, and bring many advantages such as avoiding unplanned shutdowns, reducing maintenance costs, and extending equipment life.

2.3.4 Product R&D Management and Process Design System (R&DS)

The process and asset data during the R&D and construction periods are integrated with the production operation and maintenance data during the operation and maintenance period to continue to provide production and management services to the enterprise.

Process R&D stage: Using this system to simulate the process process to form basic process package data can reduce the material cost and time cost of repeated trials during the process R&D process.

Process design and engineering design stage: Accurate process design mechanism models and simulations can be established based on this system. Under the premise of product quality standards, the economy of the production process can be improved, the problem of difficult risk assessment can be solved, and the costs caused by design rework can be greatly reduced. errors and significantly shorten the design cycle.

Factory construction stage: This system provides a platform for integrated management of engineering projects, flexible collection of construction data and control of construction progress and quality.

Factory completion and delivery stage: Based on this system, the digital delivery project of the factory is implemented, and the entire process is managed to improve the accuracy of delivery and lay a solid foundation for the company to apply the delivered assets during the production and operation period .

2.3.5 Quality Improvement System (QIS)

Production and operation system is the core supporting software product of enterprise production and operation. Through full-process automated operations and intelligent equipment, work efficiency has been improved, personnel burden has been reduced, and laboratory management levels and customer service quality have been improved. In the fine chemical and pharmaceutical industries, we provide a variety of solutions and establish a quality information sharing platform to help companies improve product quality, reduce defect rates, and support management to make accurate and efficient business decisions. The advanced technology and intelligent application of Zhongkong Technology optimize the production process for enterprises, provide comprehensive quality management and optimization solutions, and help enterprises stand out in market competition.

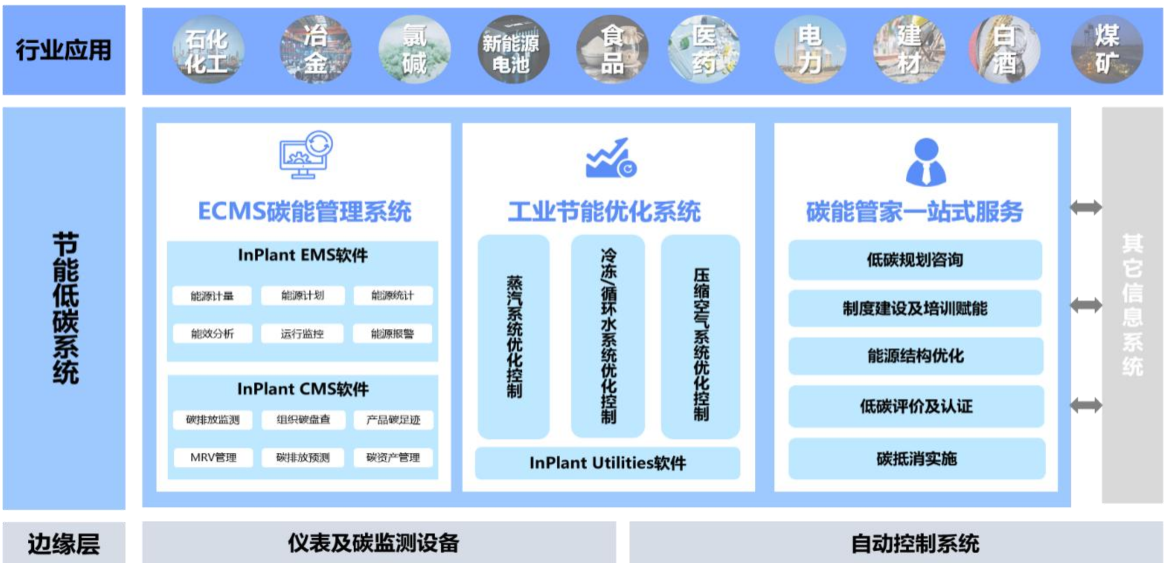
2.3.6Production Operation System (POS)

The production operation system is the core supporting software product for enterprise production and operation. Through real-time control of the entire production process, it can comprehensively grasp the information of all factors of enterprise production, which can increase effective working hours and reduce storage and transportation inventory costs. For petrochemical, chemical and other industries, the system monitors the entire process data from raw materials entering the factory, device production, product delivery, etc., establishes a factory-wide material model, and promptly discovers problems such as leakage, leakage, etc. that cause losses to production, making the entire production process completely transparent. , providing direction and tool support for enterprises to "efficiently produce, save energy and reduce emissions." For the fine chemical industry, it can well connect corporate operations, production management, batch control and other systems, help companies open up the vertical relationship between business, information and data, establish closed-loop management and control processes, and achieve integrated management and control. In short, by helping enterprises establish standardized production operating procedures, help build a unified knowledge base for enterprises in the process industry, quantify production operation assessment indicators, and ensure "safe, stable, long-term, full, and excellent" production of equipment to achieve the purpose of refined management.

2.3.7Safety Priority System (SPS)

Through the in-depth integration of operational technology and information technology, the safety priority system establishes solid digital and intelligent links among many safety nodes, improves the systematicness, interoperability, and continuity of different safety management and control measures, making safety management more efficient. Thoroughly and more comprehensively touch upon the essence and foundation of safety management, provide smart factories with more systematic, standard, reliable and intelligent sustainable development safety solutions covering the entire life cycle, firmly build safety production barriers, and protect the entire enterprise safety.

2.3.8. Energy-saving & Low-Carbon System



The energy-saving and low-carbon system focuses on the two value goals of "digitalization of carbon energy management" and "low-carbonization of production and operations", and provides standardized figures for the green and low-carbon transformation needs of key emission control enterprises and non-key emission control enterprises at different development stages. Products, intelligent optimization control, diversified energy-saving and emission-reduction technologies and other services help customers comprehensively monitor carbon energy dynamics, efficiently respond to domestic and foreign carbon disclosure compliance requirements, continue to promote energy-saving and carbon-reducing benefits, and realize carbon emissions, energy, and carbon assets. The in-depth integration and collaboration of other businesses will comprehensively assist enterprises in their refined operations and near-zero carbon construction. At present, SUPCON Technology's energy-saving and low-carbon systems have achieved value in many industries including petrochemicals, coal chemicals, chlor-alkali, fine chemicals, metallurgy, food, medicine, electric power, building materials, and new energy batteries.

2.3.9. Supply Chain Management System (SMS)

Through enterprise supply chain optimization and supply chain management construction, it can help enterprises realize integrated optimization of production, supply and marketing business, integrated information management, and integrated supply chain management, and improve plan completion rate, inventory turnover rate, order delivery rate, and production scheduling efficiency. While achieving a "safe, economical and timely" procurement strategy, we can minimize inventory costs and fully realize the less-staffed, standardized, efficient and intelligent operation and management of the supply chain. At present, it has been applied in the fine chemical industry, organic silicon industry, metallurgical industry, lithium battery industry, coal chemical industry, petrochemical industry and other industries, realizing hundreds of product brands, thousands of materials, hundreds of devices, and thousands of The information-based unified management of BOM's supply chain system enables multi-constraint and multi-objective optimization based on changes in market, demand and production . It also visualizes the results of optimization to help enterprises improve quality, increase efficiency and reduce carbon emissions.

2.3.10. Sales Services System (SSS)

In the field of sales and service, through the application of automation and intelligent technology, comprehensive cost reduction and efficiency improvement are achieved. With the end-to-end empowerment of sales and service digital applications, we can open up the entire link between marketing and services, improve data penetration and insight capabilities, and promote performance growth. In addition, we can effectively reach the sales end through the S2B e-commerce model to drive revenue growth. At the same time, it also significantly reduces the operating costs of enterprises, and ultimately forms a new business format that is customer-centered and the Internet is the carrier.

2.3.11.Support Guarantee System (SGS)

The support and guarantee system can realize the comprehensive improvement of the enterprise's digital operation capabilities. In-service finance, taxation and bank automation scenarios, OCR invoice automatic identification scenarios, and unified business digital application and delivery scenarios can achieve a significant jump in the overall operational efficiency of the enterprise and solve the problems of various sectors of the group enterprise. issues of differences in business standards and execution specifications among companies .

(2) Main business model

1) R&D model

The company continuously upgrades and optimizes R&D management, introduces and deepens the promotion of IPD integrated product development management model, is customer-centered, market-driven, demand-oriented, and manages product development as an investment to improve R&D efficiency and reduce R&D costs. , to create competitive, high-quality products and solutions to support the company's rapid growth. IPD includes managing demand, managing market, managing development and managing platform and technology to achieve "doing the right thing", "doing things correctly" and "doing things that others cannot do".

Management requirements - Deeply understand customer pain points and needs, and quickly respond to customer needs through end-to-end demand management processes such as demand collection, analysis and decision-making, and demand realization.

Manage the market --by understanding and segmenting the market, conducting portfolio analysis, formulating product business strategies and plans (Charter development), and market-driven R&D to ensure commercial success.

Management development --Through the structured product development process (concept stage, planning stage, development stage, verification stage, release stage and life cycle management stage), create competitive and high-quality products that meet customer needs.

Management platform and technology - technology system and product system are layered, carry out technical insight and planning, build technical barriers and innovation points, complete technology pre-research and reserve in advance, improve R&D efficiency, reduce R&D technical risks through asynchronous development mode, and continue to build The core competitiveness of the product.

2) Production and procurement model

The company coordinates procurement activities through the planning and dispatching department, purchasing department and warehousing department; it mainly adopts the independent production model, organizes project production according to the production plan and delivery time, and completes the production, installation, commissioning and operation of the product in combination with project on-site technical services. The company actively promotes the digitalization of procurement business and establishes a procurement business management platform SRM. It relies on digital means to effectively improve the efficient collaboration capabilities of both purchasers and suppliers, standardizes the entire procurement process and supplier life cycle management, promotes business process standardization, and promotes professional and efficient business management change.

3) Sales model

The company mainly uses direct sales to sell intelligent manufacturing products and solutions such as automation control systems, industrial software, and instrumentation to customers in the process industry. Domestically, the company has actively built a new one-stop industrial service model of customer-centered 5S offline stores + S2B online platform by building an organizational structure of "region + industry + product". The 5S offline stores will be the company's sales end. Move forward, expand the service radius for industrial customers, get close to customers, and quickly grasp and respond to customer needs; the S2B digital intelligent service platform is based on a smart center (integrating cloud computing, artificial intelligence, Internet of Things, big data and other technologies) and builds 3 types of The innovative businesses "Digital Intelligence Mall", "Digital Intelligence Solutions" and "Digital Intelligence Services" provide customers with industrial products, technologies and services throughout the entire life cycle of industrial production, build an online and offline digital intelligence supply chain system, and create an industrial New service model. The company fully implements and promotes the coordinated operations of the "Iron Triangle" formation, concentrates marketing resources, accurately and deeply explores the needs of users at different stages and levels, continues to focus on the mid-to-high-end market, and achieves strategic cooperation with multiple major customers and full grid coverage of large projects. manage. In foreign countries, the company continues to increase market layout and development in Southeast Asia, the Middle East, Africa, Europe, Central Asia, Japan and other overseas regions, and has established subsidiaries in Singapore, Saudi Arabia, India, Malaysia, Indonesia, Japan, Kazakhstan and other countries. , vigorously promote and build overseas localized operation capabilities, provide better services to overseas users, and have successfully promoted the application of the company's core products to more than 50 countries.

(3) Industry situation

1) The development stage, basic characteristics and main technical thresholds of the industry

Intelligent manufacturing is based on the deep integration of new generation information and communication technology and advanced manufacturing technology. It runs through all aspects of manufacturing activities such as design, production, management, and service, and has functions such as self-perception, self-learning, self-decision-making, self-execution, and self-adaptation. New production methods.

1.1 Industry development stage

Intelligent manufacturing is a concept proposed in the field of industrial automation in recent years, aiming to improve the degree of digitization, networking, and intelligence based on the automation of the production and manufacturing process. At present, the maturity level of my country's intelligent manufacturing capabilities is still low, there is great room for improvement in the overall level of industrial automation technology application, and the demand for intelligent manufacturing is in a rapidly rising stage.

There are obvious differences in the level of automation in different regions, different industries and different enterprises in our country, the development of digitalization is uneven, and the degree of intelligence is even more uneven. Most manufacturing companies are still in the basic automation stage, resulting in insufficient information and data sources for industrial production. Data is the basis for informatization. Increased automation coverage will provide more production data for upper-level big data analysis and information interaction analysis. Therefore, automated control systems and instrumentation are important foundations for realizing intelligent manufacturing in the process industry. Compared with advanced international enterprises, the development level of intelligent manufacturing in domestic process industry enterprises still has a lot of room for improvement. The overall digitalization and intelligent development of my country's process industry enterprises is insufficient, which greatly restricts the realization of overall operation optimization of the entire enterprise process. In addition, my country's intelligent manufacturing supply capacity lags significantly behind the overall scale and development growth rate of my country's manufacturing industry in recent years. It is still unable to efficiently match the intelligent manufacturing needs of enterprises under the background of high-quality development. It lacks a sufficient number of high-level professional and strong service capabilities. Intelligent manufacturing system solution provider.

1.2 Basic characteristics

National policies focus on supporting development. Intelligent manufacturing is the main direction of promoting the strategy of building a strong manufacturing country. The state's industrial policy of supporting independent innovation and localization of major technical equipment has played a positive role in the development of my country's industrial automation industry. The third chapter of the "Fourteenth Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Outline of Long-term Goals for 2035" "Accelerates the development of modern industrial systems to consolidate and strengthen the foundation of the real economy", proposes to adhere to independent, controllable, safe and efficient industrial security Development keynote: In-depth implementation of intelligent manufacturing and green manufacturing projects, development of new service-oriented manufacturing models, promoting high-end, intelligent and green manufacturing; building intelligent manufacturing demonstration factories and improving the intelligent manufacturing standard system. The fifth article, "Accelerating Digital Development and Building Digital China," emphasizes the overall use of digital transformation to drive changes in production methods, promotes the deep integration of digital technology and the real economy, and empowers the transformation and upgrading of traditional industries; it proposes to strengthen the research and development and application of industrial software, and cultivate the formation of internationally recognized industries. Influential industrial Internet platform promotes the construction of "industrial Internet + intelligent manufacturing" industrial ecology. The "Strategic Plan for Expanding Domestic Demand (2022-2035)" (33) "Enhancing the Security Guarantee Capabilities of Industrial Chains and Supply Chains" points out that in order to ensure the safe and stable operation of basic industries related to the national economy and people's livelihood, key instruments and equipment, key The stable supply of basic software, large-scale industrial software, industry application software, industrial control systems, and important components ensures the safe operation of core systems. The "Data Elements Actively explore multi-dimensional innovative applications of operation and other data, and develop new industrial software and equipment in generative design, virtual and real integration experiments, intelligent unmanned equipment, etc. The "Work Plan for the Digital Transformation of the Raw Material Industry (2024-2026)" points out that it is necessary to break through a number of key core technologies urgently needed for digital transformation and formulate and revise a number of advanced and applicable digital transformation standards and specifications. Promote the application of more than 100 excellent products such as digital equipment, intelligent instrumentation, and industrial software, and cultivate more than 100 excellent system solution providers with high professional levels and strong service capabilities. The "Work Plan for the Digital Transformation of the Raw Material Industry (2024-2026)" points out that digital technologies such as artificial intelligence, 5G, and industrial Internet will be used in materials research and development and design, production and manufacturing , enterprise management, logistics and warehousing , industry operation regulation, coupling coordination, and Integrate innovation, transformation and upgrading in various links such as downstream collaboration to achieve ubiquitous perception of production factors, digital twins of manufacturing processes, and optimal decision-making in operation management. Drive business transformation across the entire industry chain with industrial digitalization, accelerate industry quality upgrading, cost reduction and growth. efficient, green and safe development. The support of these national strategic plans has far-reaching significance for the high-quality development of my country's industrial automation, digitalization, and intelligent industries.

The industry will continue to grow. According to data released by the Ministry of Industry and Information Technology , China's industrial software products will achieve revenue of 282.4 billion yuan in 2023, a year-on-year increase of 12.3%. According to China Industrial Control Network's "2024 China Industrial Automation Market White Paper", China's industrial automation market size will exceed 267.98 billion yuan in 2023. China Industrial Control Network predicts that China's industrial automation market will maintain an average annual compound growth rate of about 3% from 2024 to 2026. With the vigorous advancement of the 14th Five-Year Plan for high-quality development and the country's great strides towards Chinese-style modernization, the industrial automation market will continue to flourish. Rapidly developing industries such as oil and gas storage and transportation, smart mines, new energy materials, bio-based materials, and robots have brought new growth to automation products. Technologies such as 5G, industrial Internet, AR, VR, big data, and generative artificial intelligence AI GC continue to be introduced and applied in the industrial field. The obvious enabling effects will attract more industrial enterprises to increase investment and greatly promote the integration of automation and digitalization. , Intelligent smart manufacturing needs.

Independent innovation will become a key source of power for industry development. The "14th Five-Year Plan for the Integrated Development of Informatization and Industrialization" proposes to improve key core technology support capabilities, emphasizes breaking through core technology bottlenecks such as core electronic components and basic software, and accelerating industrial chips, smart sensors, industrial control systems, and industrial software. Such integration supports the cultivation, development and growth of industries, enhances the industrial basic support capabilities, and adopts policies such as first set of equipment and tax credits to support enterprises in building basic product systems with independent intellectual property rights. The National Development and Reform Commission has also listed control systems and industrial instruments as special projects for high-tech industrialization. At the same time, the state encourages domestic chemical, petrochemical, metallurgical and other industries to apply industrial automation products with independent intellectual property rights. Industrial automation companies with independent innovation capabilities will better grasp the direction of national policies, concentrate on breaking through and industrializing key technologies that affect industrial competitiveness, and achieve rapid self-development.

The service market will become the main new territory for industry development. The market faced by the process industry automation industry is a typical project-based market. After years of development in the industry, users have upgraded their quality requirements for projects, making the expansion of the service market particularly important to enhance the competitiveness of industrial automation companies. In addition, after years of development and competition in the industry, there is limited room for price decline. Building digital services, technology platforms and improving service systems are effective means to enhance the product competitiveness of industrial automation companies.

The international market will become a new world for industry development. The "Belt and Road" Digital Economy International Cooperation Beijing Initiative proposes to promote the digital transformation of industry. Deepen the integrated development of digital technology and manufacturing, and promote the digital, networked, and intelligent development of manufacturing. Encourage enterprises to carry out full life cycle digital transformation such as R&D and design, production and manufacturing, operation and management, and market services. Explore cooperation models with complementary advantages and tap cooperation potential in areas such as intelligent manufacturing and industrial Internet. Digital economic cooperation is an important bridge connecting the "Belt and Road" and the "dual circulation". In the future, digital cooperation will continue to promote global economic growth and jointly shape a bright future for global development.

1.3 Technical threshold

Intelligent manufacturing is a complex system engineering. The breadth of multi-technology integration, solution level, business complexity, and supplier capability requirements of intelligent manufacturing far exceed traditional automation.

Industrial software is the main shortcoming in the development of smart manufacturing in my country. Key industrial software resources require high resources and are difficult to control independently. Industry 4.0 is an industrial revolution driven by software. As the manufacturing industry moves toward Industry 4.0, digital technology with industrial software as the protagonist will become the core driving force for industrial change. Developing industrial software while achieving independent controllability of industrial software has become the core demand for the upgrading and transformation of my country's manufacturing industry, and is also one of the key requirements for the technical capabilities of smart manufacturing suppliers. Industrial software development, promotion and application, and iterative upgrades are closely linked. Intelligent manufacturing suppliers need to continuously in-depth practice based on user needs and continue to iteratively optimize solutions in order to provide customers with valuable services.

The huge existing market environment has set up higher technical barriers to late entrants. In the gradual intelligent transformation, the expansion and upgrading of existing automated control systems and instruments is an important way. The main participating companies have obvious technical advantages with their interlocking products and ecological systems, deep understanding of the process characteristics of users in market segments, and continuous after-sales services. On the basis of the traditional "hardware + software" bundling model, the sales of industrial automation products are being upgraded to the one-stop housekeeping model of "hardware + software + services". User stickiness is increasing, user usage habits continue to solidify, and technical barriers continue to accumulate, breaking The inherent pattern will become more and more difficult.

In the field of intelligent manufacturing, neither manufacturing companies nor suppliers have much mature experience to draw from. Most of the questions raised by manufacturing companies are comprehensive and the demand description is not clear, which is a great challenge for suppliers' ability to consult, diagnose and mine demand. Industrial customers have extremely high requirements for the safety, stability and reliability of smart manufacturing products provided by suppliers, forming a natural threshold. In addition, most of the issues involved are comprehensive issues across disciplines, professions, and fields, which greatly tests the supplier's overall consulting and planning capabilities. For suppliers, in the product research and development stage, there are many smart manufacturing products and solutions in subdivided products and industries, the research and development cycle is long, and human and financial investment are large; in the project implementation stage, the implementation cycle is long and the payment is slow; therefore, supply Entrepreneurs need to have comprehensive technical and financial management capabilities to ensure the sustainable development of enterprises' intelligent manufacturing technology capabilities.

2) Analysis of the company’s industry status and its changes

2.1 A leading enterprise in the field of domestic process industry automation

According to Rui Industrial statistics, in 2023, the company's core product distributed control system (DCS) had a domestic market share of 37.8%, ranking first in the domestic DCS market share for 13 consecutive years. Among them, the company's market share of DCS in the chemical industry will reach 56.3% in 2023, an increase of 1.5 percentage points from the market share in 2022; the company's market share of DCS in the petrochemical industry will reach 49.3% in 2023, an increase of 4.5% from the market share in 2022. percentage points; in 2023, the company will rank first in the DCS market share in the three major industries of chemical industry, petrochemical industry, and building materials, and its reliability, stability, availability, etc. have reached the international advanced level. According to statistics from China Industrial Control Network, the company's core product safety instrumented system (SIS) has a domestic market share of 33.7% in 2023, an increase of 4.7 percentage points from the market share in 2022, and has ranked first in the domestic SIS market share for two consecutive years.

During the reporting period, the company signed major project contracts focusing on petrochemical, chemical, oil and gas, new energy, smart coal and other industries. The company continues to delve deeply into the process industry and has achieved breakthroughs in multiple strategic projects. It won the bid for the PetroChina DCS framework and the Shandong Dongming Petrochemical Framework Agreement (DCS, SIS), consolidating and increasing the company's market share in S-class major customers. The company also continues to achieve breakthroughs in many domestic fields. It won the bid for the Wanhua Penglai Base Integration Project, which is the first time the company's new generation of full-process intelligent operation management and control system has been applied on a large scale in a large petrochemical plant; it won the bid for Guangxi Hengyi's 1.2 million tons/year caprolactam project. -The polyamide industry integration project is the largest planned project in the global application of gas phase rearrangement technology; it won the bid for the intelligent management and control system of Duanwang Mine in Shanxi, filling the gap in the application of domestic DCS systems in automated control and data analysis in the coal mining industry. The details of major projects in 2023 are as follows:

Industry	Project name	Project significance
petrochemical	Wanhua Penglai Base Integration Project	A new generation of full-process intelligent operation management and control system has been applied on a large scale in large petrochemical plants for the first time
	Zhejiang Petrochemical High-Performance Resin and	The company has achieved application breakthroughs in high-end chemical product process equipment,

	High-end New Materials Project	helping Zhejiang Petrochemical build a world-class green petrochemical industry cluster.
Chemical industry	Guangxi Hengyi 1.2 million tons/year caprolactam-polyamide industry integration project	Create the first caprolactam -polyamide integrated project in China, helping the project become one of the largest nylon production bases in the country
Food and drink	COFCO Sugar Zhangzhou 50,000 tons/year refined sugar and 150,000 tons/year sugar food raw material processing digital intelligence project	Assist COFCO Group in its digital and intelligent sugar production model project to achieve digital and intelligent management of the sugar production process
Battery	Salt Lake Lithium Extraction Project of Geji County Lithium Development Co., Ltd.	The company's industrial control system was applied in the first set of electrochemical deintercalation method for lithium extraction from salt lakes in the harsh environment of 5,000 meters high altitude .
New energy	Narisong Photovoltaic Hydrogen Production Industry Demonstration Project in Zhungeer Banner, Ordos City	Assist my country's first 10,000-ton new energy hydrogen production project and improve the overall level of the "production-storage-transmission-use" industrial chain of the hydrogen energy industry.
Smart coal mine	Shanxi Jinneng Duanwang Coal Industry Intelligent Mine Comprehensive Control System Project	Filling the gaps in the application of domestically produced DCS control systems in automated control, data collection and analysis in the coal mine industry

2.2 A leader in intelligent manufacturing solutions for domestic process industries

The company has been selected as an intelligent manufacturing system solution supplier and demonstration enterprise by the Ministry of Industry and Information Technology for many years in a row, and has successively undertaken new model projects for intelligent manufacturing of bulk APIs and pharmaceutical intermediates, petrochemical intelligent factory pilot demonstration projects, and new model applications for million-ton olefin intelligent manufacturing. Projects, high-end refining and chemical integrated intelligent manufacturing new model projects, green chemical new material industry chain intelligent manufacturing new model projects and other intelligent manufacturing projects of the Ministry of Industry and Information Technology have laid the foundation for the comprehensive promotion and application of intelligent manufacturing technology in the process industry. According to statistics from China Industrial Control Network, the company's multiple core industrial software products ranked among the top in market share in 2023. Among them, the company's advanced control and process optimization software (APC) has a domestic market share of 28.2%, ranking first in the domestic market share for five consecutive years; its manufacturing execution system (MES) has a domestic process industry market share of 20.7%, ranking first in the domestic market for two consecutive years. The market share of the process industry ranks first; the operator training simulation system (OTS) has a domestic market share of 14%, ranking first in the domestic market for the first time.

The company has fully implemented the new "1+2+N" smart factory model, continued to deepen cooperation with Yulong Petrochemical, and established a model of "PA+BA" application for large-scale refining and chemical integration projects; it won the bid for Luzhou Laojiao's 16 liquor smart brewing projects and Langjiu Group's "Smart Energy" planning and consulting project has laid a solid foundation for subsequent industry development. In addition, the company's "PA+BA" and "Factory Operating System + Industrial APP" product technologies are also used by large overseas customers, and have achieved many breakthroughs in Saudi Aramco and its holding companies IMI Group, Indorama Group, Indonesian Sinar Paper and other companies. sexual applications. In 2023, the company's major smart manufacturing solution projects are as follows:

Project name	Project significance
Saudi IMI digitalization project	A breakthrough in the digitalization project of the world's largest single shipyard controlled by Saudi Aramco, which has global

	leading benchmark significance
Thailand Indorama Group Digitalization Project	Provide Indorama Group with a unified intelligent operation management and information management system at the group level, across multiple countries and multiple bases
Indonesia Jinguang Paper Intelligent Project	Achieve the company’s breakthrough in intelligent industrial software in the overseas paper industry
Shandong Yulong Petrochemical 20 million tons/year refining and chemical integration project	Establish a model for the application of "PA+BA" in global large-scale refining and chemical integration projects
Qinghai Mena Feili Smart Factory Project	Based on the factory operating system, we build industrial APPs for supply chain management, storage and transportation, production, safety, personnel, and equipment, and realize the full-process integrated application of the "Industrial Internet + Hazardous Chemical Safety Production Management" solution in the field of oil and gas storage and transportation.
Pengfei Group Shanxi Yonghong Coal Industry Coal Preparation Plant Smart Factory Project	Based on the "factory operating system + industrial APP" technical architecture, the company achieved breakthroughs in the coal preparation subdivision industry
Luzhou Laojiao 16 Liquor Intelligent Brewing Project	The breakthrough application of the company's "PA+BA" and "factory operating system + industrial APP" technical concepts in the liquor industry

Looking forward to the future, the company will continue to be committed to meeting the digital needs of the process industry, actively explore the development path from automation, digitalization to intelligence, and accelerate the creation of "1 factory operating system + 2 automation (PA production process automation + BA enterprise operations Automation) + N industrial APP" new architecture of process industry smart factory empowers users to achieve the goals of "safety, quality, low carbon, and efficiency" and becomes the industry's leading supplier of industrial automation, digital, and intelligent products and solutions business, creating value for customers and society.

3) The development and future development trends of new technologies, new industries, new business formats, and new models during the reporting period

3.1 New technologies will become a new engine for industry growth, and artificial intelligence has huge potential

As new technologies such as the industrial Internet, big data, artificial intelligence, digital twins, 5G and robots are continuously introduced and integrated into traditional industries such as energy and manufacturing, the integrated development of new technologies and automation control will bring the productivity level of factories to a whole new level in the future. the height of. Generative artificial intelligence AIGC will continue to develop rapidly and continue to promote the improvement of production efficiency and quality levels in the manufacturing industry. The introduction and integration of AI technology will greatly improve the automation and intelligence levels of various industries, and innovative applications will continue to emerge, promoting industrial upgrading and transformation.

AI technology will help companies realize intelligent production, from production planning, equipment maintenance to quality control, improve production efficiency and reduce costs; help companies better implement predictive maintenance, predict equipment failures by analyzing data and models, and perform timely maintenance Maintenance, reducing production interruptions and repair costs. Generative AI and industrial large model technology will usher in greater breakthroughs. Through large-scale data processing, complex data analysis and deep learning , we will provide decision support and optimization strategies to further optimize the supply chain, improve quality, and increase efficiency. The application of AI technology in the industrial field is generally a blue ocean market that has not yet been fully developed and utilized. In the future, with the continuous development and advancement of AI technology, its application potential in the industrial field will gradually be tapped.

3.2 The cross-integrated development of digital transformation, green manufacturing,

artificial intelligence and other technologies will give birth to more new industries

Currently, digital transformation, green manufacturing, and artificial intelligence have become the future development strategies of many countries around the world. The development of these fields is considered crucial to enhancing national competitiveness, promoting economic growth, and achieving sustainable development.

The cross-application of digital transformation, green manufacturing and artificial intelligence is giving birth to a series of new industries. These new industries not only promote the sustainable development of social economy, but also bring profound changes to people's lives. Driven by digital transformation, the manufacturing industry is becoming intelligent, networked, and service-oriented, improving production efficiency and product quality. Industrial digital transformation not only requires leading overall solution providers to pilot and lead development, but also requires a A batch of "specialized, special and innovative" small and medium-sized enterprises and individual champion enterprises stand out. Features such as platform operation, personalized customization, and networked collaboration make the collaborative benefits between enterprises increasingly important.

At the same time, the concept of green manufacturing is gradually becoming an industry consensus, promoting the transformation of the industry towards low-carbon, environmentally friendly, and sustainable development. The proposal of my country's ambitious "double carbon" goal prompts enterprises to not only accelerate the implementation of digital transformation, but also meet green manufacturing standards. In the future, digitalization will integrate green manufacturing technology to realize intelligent perception and control of processes and equipment, multi-objective process optimization, operation management optimization, etc., and realize the collection and monitoring of materials, energy and other information in the production process, intelligent analysis and fine management, combined with the electrification of equipment. Transformation, clean energy utilization, CCUS technology and other methods can help enterprises improve energy efficiency utilization and achieve green and low-carbon development.

The rapid development and application of artificial intelligence technology has provided strong intelligent support for the manufacturing industry and promoted the rise of new industries such as intelligent manufacturing and intelligent services. These new industries not only enhance the core competitiveness of the manufacturing industry, but also provide people with more convenient, efficient, and personalized products and services. The cross-application of various new technologies will give birth to more innovative and leading new industries and inject new vitality into social and economic development.

3.3 From a single product to an overall solution, from China to the world

The complexity of digital transformation and new technologies has prompted manufacturing companies to increasingly choose suppliers and partners with overall automation and information solutions. At present, high-quality, user-friendly personalized overall solutions are gradually replacing the original single automation equipment supply and sales system, forming a new industrial form around intelligent manufacturing. Through artificial intelligence technology, the manufacturing industry can realize highly automated production, intelligent predictive maintenance and other functions, improve production efficiency and product quality, and provide customers with better products. This transformation will not only improve the core competitiveness of the manufacturing industry, but also promote the development of the manufacturing industry in a more intelligent and service-oriented direction.

At the same time, with the improvement of product technology and the trend of global economy, Chinese companies are actively moving from the local market to the global market. By establishing sales networks in foreign markets, Chinese companies can better understand local market needs and consumer preferences, and launch products and services that meet local market needs. Overseas sales can also help Chinese companies expand sales channels and increase brand awareness and market share. . By setting up R&D centers overseas, Chinese companies can keep up with global technology development trends, attract and gather international talents, and strengthen technological innovation and product research and development. Overseas R&D not only helps improve the technical strength of Chinese companies, but also brings benefits to Chinese companies. Obtain more patents and intellectual property rights to enhance the core competitiveness of enterprises. Finally, by integrating global supply chain resources, Chinese companies can better manage raw material procurement, manufacturing, logistics and distribution, and improve production efficiency and product quality. At the same time, global supply chain integration also helps reduce production costs and enhance corporate profitability and market competitiveness.

3.4 Platform operation + professional services close to users

Platform operation is one of the important trends in enterprise development today. This model can promote resource sharing, improve efficiency, expand service scope, and better meet user needs. Through the platform model, different service providers and partners can share resources, improve resource utilization, and achieve economies of scale. At the same time, the platform model relies on technologies such as big data and artificial intelligence to implement data-driven operations and service models to improve management efficiency and service levels. Through data analysis and intelligent applications, enterprises can better optimize operational processes and service experience.

The market faced by the process industry automation industry is a typical project-based market. After years of rapid development in the industry, the number of new projects has gradually decreased, and quality requirements have gradually upgraded. Users are demanding full life cycle operation and maintenance services, diversified product solutions, and housekeeping services. The demand for online services is increasing rapidly, placing higher requirements on service response timeliness and long-term service capabilities. The new platform-based operation system and service model rely on the operations of industry leading enterprises to form a standardized, fast and effective networked and platform-based service system, which will provide park users with a professional, high-level, online + offline one-stop service.

(4) Core technology and R&D progress

1) Core technology and its advancement and changes during the reporting period

1.1 AI + benefits

① Cloud-edge collaboration and multi-language integrated AI technology greatly enhance industrial intelligent control capabilities

An edge intelligent high-performance controller designed for the industrial field, featuring flexible deployment, containerization, and high performance. It supports key technologies such as edge intelligent computing architecture, AI algorithm linkage, and data synchronization. It can also realize functions such as cloud-edge collaboration, AI model training and reasoning, data governance, and multi-domain collaboration. This framework solves the problems of traditional industrial algorithm development and debugging difficulties, and is linked with the basic control system to provide high-performance and intelligent solutions for industrial control scenarios.

② AI-assisted catalyst research and development and application technology to improve process research and development efficiency and catalyst service life

The catalyst intelligent management system combines quantitative calculation catalyst database, AI algorithm and central control technology to realize intelligent management and optimization of the entire life cycle of the catalyst. By improving efficiency, reducing costs, scientific management and data-driven, this system brings important innovation and development opportunities to industrial production and promotes digital transformation and intelligent development in the industrial field.

③Molecular scale characterization technology helps maximize the value of oil refining

"Molecular refining technology" is an emerging technology in the field of petroleum processing, aiming to maximize the utilization of petroleum resources and minimize processing costs through molecular-level understanding and optimization. This technology follows the concept of "making the best use of everything and making the best use of it" and selects the appropriate processing path according to the characteristics of the raw materials to achieve the effect of "no waste, eat dry and squeeze clean". Based on "molecular refining technology", Zhongkong Technology has constructed a molecular matrix and molecular fingerprint database, which provides a basis for product optimization through research on the molecular properties of raw materials, and promotes the development of green chemicals and energy conservation and emission reduction.

1.2 AI + low carbon

① PID AI tuning technology realizes loop control performance optimization safely, conveniently and efficiently

SUPCON Technology has developed zero-threshold PID tuning technology based on image recognition to help process industry companies solve the problem of PID parameter tuning. Users can obtain PID tuning suggestions by taking pictures of the loop parameter operating curves, and can operate without experience. This technology uses AI technologies such as deep learning, template positioning, and curve recognition, and combines it with an expert experience database to recommend better PID parameters. The product is applied in the form of a small program and is isolated from the DCS system. It is suitable for enterprises of all sizes to improve the loop automatic control rate and promote the upgrading of PID tuning professional skills of process personnel.

② Industrial AI large model realizes natural language-driven multi-system integration and improves intelligent auxiliary operation decision-making

large AI models that can process structured and text data . This model has multi-working-case generalization and cross-scenario transfer capabilities, and can understand semantics and interact naturally with humans. By integrating with DCS and SIS systems, functions such as operation optimization, simulation analysis, and abnormal identification are realized. At the same time, we use self-developed mechanism modeling software to ensure the interpretability of AI. These efforts aim to create powerful artificial intelligence operational decision-making systems for the process industry.

③ Use large language models and intelligent body technology to automate enterprise operations and create AI super assistants

Based on the technical infrastructure of large models and AI agents, the RAG framework is used to optimize professional knowledge management question and answer, intelligent decision-making and task automation capabilities. By breaking through technical barriers, we can realize the transformation of traditional enterprise operation tasks to autonomous generation of intelligent agents, self-learning, evaluation and improvement, and realize the automation of complex tasks. The goal in 2024 is to fully commercialize AI based on enterprise operation automation, develop super assistants to innovate interaction models, and promote efficient and intelligent business processes.

1.3 AI+security

① A comprehensive security risk intelligent management and control system integrating AI technology to empower enterprise security management upgrades

On the basis of meeting regulatory standards, the safety risk intelligent management and control system integrates a number of advanced digital and intelligent safety management tools, including personnel positioning and gathering warning, major hazard source monitoring, special operation management, intelligent inspection, etc. The system deeply integrates AI technology, takes risk management and control as the core, breaks through the dynamic risk monitoring, analysis and early warning technology in the hierarchical management and control of safety production risks, and provides an independent protection layer for process safety, operating activities, unsafe behaviors of personnel, equipment monitoring, and environmental monitoring. Comprehensive analysis of multiple factors such as processes, equipment, personnel, materials, and environmental risks is carried out to realize the functions of dynamic real-time monitoring, analysis, early warning, linked processing, and decision support for processes, equipment, personnel, materials, and environmental risks. At the same time, AI technology is applied to business scenarios such as robot intelligent inspection and emergency response, realizing unmanned and less- manned high-risk operations, further improving operational safety. A comprehensive security risk intelligent management and control system integrating AI technology can effectively improve the efficiency and intelligence of security management, and provide greater guarantee for enterprise production operations and sustainable development.

② 1oo2D safe integrated electronic wiring technology improves safety and efficiency

In response to the demand for integration of control and safety in the process industry, we researched safe electronic wiring technology and certification evaluation technology, and broke through key technologies such as 1oo2D electronic wiring safety architecture, high-speed signal bus safety zone 2 explosion-proof design, and FMEA analysis and diagnosis of complex circuits of safe electronic wiring. Developed the first safe electronic wiring product in China, which has passed third-party SIL3 safety integrity level certification, meets the requirements of wide temperature and harsh application environments, and realizes the integration of distributed I/O and software-defined safety channels in process industry control and safety. Application, significantly reduce cable costs, shorten the project implementation cycle, and unify the deployment and operation and maintenance methods of distributed control systems and safety instrument systems, providing customers with innovative integrated safety solutions.

1.4 AI+quality

① Use visual AI to achieve low-cost production control and optimization, greatly improving the level of industrial intelligence

The process industry intelligent visual inspection controller developed by SUPCON Technology provides a comprehensive solution to solve the problems of conventional machine vision systems in the process industry. It has the characteristics of high-reliability computing at the edge, support for multiple industry algorithms, rapid deployment, seamless integration with other systems, communication with multiple industrial protocols, and edge controller cluster management, laying the foundation for the large-scale application of machine vision in the process industry. Base.

② AI intelligent circuit predictive maintenance technology improves equipment availability and saves equipment maintenance costs

Central control technology has conquered the core technology of circuit predictive maintenance, and combined AI and mechanism algorithms to realize online real-time monitoring and step-by-step positioning of circuit faults, covering key data collection, feature extraction, trend monitoring, fault classification, root cause analysis and other functions. It is suitable for equipment such as solenoid valves and regulating valves, supports various fault predictions, solves maintenance problems in the process industry, and reduces the risk of unplanned downtime and maintenance costs.

National Science and Technology Awards

√Yes No

Award name	Award year	Project name	Reward level
National Science and Technology Progress Award	2012	Research on key technologies of automatic control and optimization integrated system for major projects in refining and chemical engineering	Second prize
National Technology Invention Award	2009	New generation control system high-performance fieldbus EPA	Second prize
National Science and Technology Progress Award	2001	Fieldbus control system	Second prize

Recognition status of national-level specialized and new “little giant” enterprises and manufacturing “ single champions”

√Yes No

Certified title	Certification year	Product name
National-level specialized and new “little giant” enterprise	2023	/

2) Research and development results obtained during the reporting period

As of December 31, 2023, the company has 669 patents, including 467 invention patents, 169 utility model patents, 33 design patents, and 630 computer software copyrights. From January to December 2023, the company obtained 147 new patents (including 112 invention patents, 27 utility model patents, and 8 design patents), and 55 new registered software copyrights.

List of intellectual property rights acquired during the reporting period

	New this year		Cumulative quantity	
	Number of applications (number)	Get number(s)	Number of applications (number)	Get number(s)
Patent	379	112	1,654	467
Utility model patents	26	27	207	169
Design patent	7	8	61	33
Software copyright	84	55	695	630
Other		0		
Total	496	202	2,617	1,299

3) R&D investment status table

unit: yuan

	This year	Last year	Range of change (%)
Expenditure R&D investment	907,806,992.67	692,271,597.21	31.13
Capitalized R&D investment			
Total R& D investment	907,806,992.67	692,271,597.21	31.13
Proportion of total R&D investment in operating income (%)	10.53	10.45	An increase of 0.08 percentage points
Proportion of capitalized R&D investment (%)			

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

√Yes No

R&D expenses during the reporting period were RMB 907.8070 million, a year-on-year increase of 31.13%, mainly due to the company's continued increase in R&D investment and the increase in R&D personnel, resulting in an increase in wages and salaries.

Reasons for the significant change in the proportion of capitalized R&D investment and its rationale

Yes √No

4) Current research projects

√Yes No

Unit: 10,000 yuan

Serial number	Project name	Estimated total investment scale	Amount of investment in this period	Cumulative investment amount	Progress or phased results	To achieve target	Techinque level	Specific application prospects
1	"5T" key technology research, innovative product development and industrialization for major issues in the process industry	1,500.00	2,544.47	3,881.51	completed	Through the research and integrated application of "process technology (PT), equipment technology (ET), operational technology (OT), automation technology (AT), and information technology (IT)", breakthroughs in industrial intelligent manufacturing, digital twins, green and low-carbon and other key technologies, form integrated processes and integrated equipment, subvert the traditional design, construction, and operation models of the process industry, solve major problems and problems in the production and management of the process industry, and achieve industrialized applications, helping the	Form catalyst research and development technology based on quantitative calculations, key equipment design and amplification technology based on fluid dynamics simulation, process optimization technology based on full-process simulation, and operation optimization technology integrating AI and mechanism. Through process optimization, equipment design transformation and automation , digitalization, operational technology and other innovative integrated applications to break down barriers in various technical fields and create new products and solutions with strong core technical capabilities and high-end	Petrochemical, chemical, metallurgy, building materials, papermaking, pharmaceutical and other industries

						process industry achieve safety, The goals of low carbon, quality improvement, efficiency and cost reduction will help the process industry transform and upgrade.	market competitiveness.	
2	Development and application of a new generation process industry digital twin platform driven by mechanism models	1600.00	2,619.04	3,612.81	completed	Develop a high-precision mechanism modeling platform for industrial devices, equipment and production processes, tackle core technologies such as full-process mechanism modeling, model online adaptive correction, and virtual control systems, and integrate three-dimensional modeling, big data analysis, artificial intelligence, and block Technology such as chain, VR and AR can realize the physical twin, process twin and efficiency twin of the process industry, and create a new generation of process industry production model that integrates virtual and real.	Use more advanced simultaneous equation simulation technology and B/S architecture to develop efficient large-scale nonlinear equation solvers to support process verification, production optimization, working condition analysis, bottleneck analysis, accident drills, device modification, simulation training, and operations Optimization and other business scenarios.	Petrochemical, chemical, electric power, pharmaceutical, metallurgical and other industries
3	Development and application of "carbon energy	1,500.00	2,658.89	3,769.04	completed	Establish a carbon emission and energy collaborative	Adopting the technical architecture of platform + APP, it covers 24	Applicable to all industries in the process industry

	collaboration and carbon asset management" system for process industry					management system for process industry enterprises, develop an industry-wide carbon emission factor library and accounting model, and implement automatic carbon accounting to help companies understand their carbon footprint in a timely and efficient manner; establish a carbon emission benchmark library to help companies proactively discover carbon emission anomalies. Initiate a timely process to deal with problems; help enterprises optimize trading strategies and reduce contract fulfillment costs based on quota surplus and shortage forecasts; discover emission reduction space through benchmarking, find opportunities for energy conservation and carbon reduction, assist enterprises in formulating emission reduction targets and promote the implementation of	industry accounting guidelines, defines more than 150 emission accounting models, and has more than 500 built-in emission factor data to support automatic carbon emission accounting; with the help of big data algorithms, it automatically iterates the carbon emission benchmark library. The average carbon emission prediction accuracy deviation is less than 5%; more than 30 standard carbon management workflows have been developed to standardize corporate carbon management business; the software has the ability to actively discover and timely push abnormal carbon emission information.	

						emission reduction plans. Covers various business application scenarios such as corporate carbon inventory, carbon verification, carbon compliance, carbon trading, carbon asset management, carbon emission data analysis, product carbon footprint evaluation, and carbon emission prediction.		
4	A new generation of full-process intelligent operation management and control system OMC	3,500.00	5,607.36	7,958.91	completed	SUPCON OMC system adheres to the product concept of "open and intelligent". Based on the functions of traditional distributed control systems, it integrates core technical advantages such as factory operating systems, industrial AIoT, advanced industrial networks, intelligent optimization, and model prediction, and is committed to realizing process Major innovation and upgrade of industry from automation to intelligent autonomous operation.	Realize the integration and reconstruction of process industry process autonomous control, operation efficiency optimization, production operation management and other functions, and achieve major technological innovations and breakthroughs in the new generation of industrial communication networks, unified digital bases, intelligent autonomous operations, etc. .	Becoming a new generation of mainstream control system for manufacturing companies in the process industry

5	Research and development of new generation smart factory management solutions	3000.00	3,900.82	7,036.67	completed	See through the enterprise's production value chain, assist production managers to make scientific and reasonable production decisions, achieve all-round management of the enterprise's "people, machines, materials, methods, environment, and testing" to meet the needs of safety, environmental protection, and improvement in the enterprise's production process. quality, cost reduction and efficiency improvement.	Based on the architecture of "factory operating system + industrial APP", the traditional factory production model, operation model and management model are reconstructed to build a new paradigm of a new generation of smart factories.	For manufacturing companies in refining and petrochemicals, fine chemicals, pharmaceuticals, papermaking, food and beverages, cables, new materials and other industries, it involves full business processes such as production control, warehouse logistics, safety emergency, and quality management.
6	Industrial safety intelligent management and control system software development	2,000.00	3,914.62	6,120.28	completed	The construction of an industrial safety intelligent management and control system aims to effectively prevent and resolve major safety risks, highlighting basic safety management, safety management of major hazard sources, dual prevention mechanisms of hierarchical safety risk management and control and hidden danger investigation and management, special	Relying on new generation information technologies such as the Industrial Internet of Things, big data, cloud computing, artificial intelligence (AI), and digital twins, we will build an intelligent security risk management and control platform for industrial enterprises to empower enterprises in aspects such as perception, monitoring, early warning, disposal, and evaluation. Solve the	Covering regulated hazardous chemical production companies (about 7,000) and hazardous chemical storage companies (about 1,000). It has been promoted and applied by more than 100,000 petrochemical and chemical enterprises across the country. It can be expanded to industries such as pharmaceuticals, metallurgy, energy,

						operation permit and operation process management, and intelligent inspection , personnel positioning and other basic functions, create a new infrastructure construction of the enterprise's "Industrial Internet + Hazardous Safety Production", promote the digitalization of basic enterprise safety management, precise risk warning, systematic risk management and control, unmanned dangerous operations, and remote operation and maintenance assistance ization, injecting new momentum into the digital transformation and intelligent upgrading of safety risk management and control of hazardous chemical companies.	pain points, difficulties, and blockages of safe production. Empowering industrial enterprises in the digital transformation of safety production standardization, we provide compliant, professional, intelligent, all-element + full-process safety management series products and solutions.	electric power, public engineering, and discrete manufacturing.
7	Key technologies and application demonstrations of intelligent management and control of the	4,528.00	1,636.50	3,760.69	Steady and continuous advancement of research and development	Establish an object structure model for the entire life cycle of large-scale pumps, conduct research on key technologies such as	Establish an object structure model for the entire life cycle of large-scale pumps, study online monitoring, fault diagnosis, life prediction,	Petrochemical, chemical, equipment and other industries

	entire life cycle of large machine pump systems based on the industrial Internet					online monitoring, fault diagnosis, life prediction, and energy efficiency optimization of large-scale pumps, and integrate basic pump data, real-time working conditions, pump status characteristic information, and maintenance Records and other data systems enable intelligent operation, maintenance and control of the entire life cycle of large-scale pumps.	and energy efficiency optimization of large-scale pumps, and improve the accuracy of intelligent diagnosis and predictive maintenance.	
8	Safety integration enhances key equipment research and development and application verification	901.00	931.22	1,958.40	Steady and continuous advancement of research and development	Carry out collaborative enhancement design for functional safety and information security of industrial control equipment, integrate online analysis, dynamic adaptation and collaborative verification of key safety indicators, develop integrated safety dynamic analysis and prediction enhancement devices, and develop integrated safety interconnection enhancement devices for multi-system connections. .	1. Responsible for the research and development of integrated safety interconnection enhancement devices; 2. Responsible for the research and development of safety integrated intelligent control systems.	Major equipment, process industry
9	Full value chain	793.70	947.49	947.49	Steady and	The diversified	1. Research the	Rubber tires, food and

	product quality lean management and control intelligent analysis software				continuous advancement of research and development	production scenarios of the process industry have problems such as the difficulty of massive multi-source heterogeneous data and information, the difficulty of integrating multi-domain knowledge, and the difficulty of coordinating resources and services. Focus on breakthroughs in key technologies such as multi-source heterogeneous terminal data management, operational knowledge and data fusion, cloud data aggregation analysis, and unified scheduling of resources and services, and realize quality lean management and control intelligent analysis system software based on cloud-edge collaborative architecture to support food and beverage applications. , rubber tire industry to carry out application verification.	cloud-edge-device collaboration architecture and IT, OT, and AT integration technologies that support on-site real-time response and elastic computing; 2. Develop intelligent analysis system software for lean product quality control, which supports function libraries and tool sets, and its accuracy reaches the level of similar foreign software.	beverage and other process industries
10	Intelligent factory operation analysis and optimization management and	2000.00	1,112.20	1,318.53	Steady and continuous advancement of research	The project is oriented towards complex and changeable production scenarios in the	1. Research to realize multi-dimensional fusion, cross-level interaction and heterogeneous data	Petrochemical, chemical, building materials, pharmaceutical, electric

	control system driven by knowledge and data fusion				and development	intelligent manufacturing process. It studies intelligent operation analysis and optimization management and control systems driven by knowledge and data fusion, helping manufacturing companies to carry out "AI brain replacement" and greatly improve production operations and operation levels, thereby ensuring The production process is stable and safe, extending the service life of production equipment, improving product yield and quality, and reducing energy consumption and carbon dioxide emissions.	integration of production data, and build physical model of production equipment and production process information model. 2. Study the diagnostic optimization of analysis results assisted by hybrid AI. Realize online early warning, independent diagnosis and dynamic decision-making optimization, realize optimal selection of product processing plans and automatic switching of production equipment. 3. Research advanced control model self-learning, system identification, process simulation, working condition identification and other technologies using machine learning combined with expert knowledge.	power, new energy and other industries
11	General process simulation software	4,596.00	670.81	670.81	Steady and continuous advancement of research and development	In view of the explosive growth of model scale caused by the development of process simulation from unit level and device level to regional level and whole plant level, it is difficult to accumulate and share	1. Develop a set of general process simulation software based on the smart factory operating system and integrate the solver, with more than 12 physical property model packages and more than	Energy, petrochemical, chemical, and other industries

						process model knowledge; it is difficult to model large-scale processes; the model solving efficiency is low and convergence is difficult , poor stability and other issues. This project studies large-scale sparse nonlinear optimization efficient and stable solution methods, simultaneous equation modeling methods, low-code industrial APP development platform technology, and develops general process simulation software based on open source architecture factory operating systems to achieve software autonomy. Controllable and reaching international leading level.	30 unit operation models; 2. Supports four operating modes: simulation, parameter estimation, data tuning and optimization; 3. Develop a custom model development platform.	
Total	/	25,918.70	26543.42	41035.14	/	/	/	/

Situation description

None

5) R&D personnel situation

Unit: 10,000 yuan Currency: RMB

Basic situation		
	Number of current period	Number of last period
Number of R&D personnel in the company (people)	2,219	2,092
The number of R&D personnel as a proportion of the total number of people in the company (%)	34.28	34.20
Total salary of R&D personnel	75,501.54	58,517.60
Average salary of R&D personnel	34.03	27.97

Educational structure of R&D personnel	
Academic qualification structure category	Educational structure and number of people
PhD candidate	19
Master's degree	476
Undergraduate	1,539
Specialist	185
Age structure of R&D personnel	
age structure category	Age structure of people
Under 30 years old (excluding 30 years old)	940
30-40 years old (including 30 years old, excluding 40 years old)	910
40-50 years old (including 40 years old, excluding 50 years old)	295
50-60 years old (including 50 years old, excluding 60 years old)	65
60 years and above	9

Reasons for major changes in the composition of R&D personnel and their impact on the company’s future development

Yes √No

6) Other instructions

Yes √No

3. Analysis of core competitiveness during the reporting period

(1) Core competitiveness analysis

√Yes No

1) Technology and R&D advantages

In 2023, the company's scientific research awards were fruitful. The "Pollution Source Control Big Data Intelligent Analysis and Decision-making System and Application" project won the first prize of the 2022 China Petroleum and Chemical Automation Industry Science and Technology Progress Award, and the "International Standard for Industrial Automation Equipment and System Reliability" project Won the second prize of the 2023 Mechanical Industry Science Progress Award; "Domestic decentralized control system for million-ton ethylene plant" and "Long-distance oil and gas pipeline network industrial control system" won the first (set) major technical equipment in the national energy field; won the 2023 Honorary titles such as Top 100 Most Competitive Software and Information Technology Service Enterprises of the Year, Hangzhou Headquarters Enterprise, and Kunpeng Enterprise.

In recent years, the company has continued to delve deeply into the field of industrial automation and improved its scientific research and innovation capabilities. It has hosted and participated in national key R&D programs, industrial Internet innovation and development projects, and provincial-level "Pioneer" and "Leading Goose" R&D programs, providing a strong foundation for the company's technological innovation. power.

1.1 Rich technical reserves

The company is committed to meeting the industrial digitalization needs of the process industry. Based on the automation control system, it focuses on the development of digital industrial software technology and products to form intelligent manufacturing solutions with multi-industry characteristics. It has expertise in communication technology, electronic information, software technology, etc. Strong R&D strength, with solid technical foundation and product development capabilities. The company has always insisted on breaking the technical barriers of multinational companies through independent innovation, continued to increase R&D investment and R&D platform construction, and established three core product lines of automation control systems, industrial software and instrumentation, and carried out 5T technology on the basis of these three product lines. It has upgraded its research and development and has a national enterprise technology center, a national and local joint engineering laboratory, a provincial key laboratory in Zhejiang Province, a provincial enterprise research institute and a provincial high-tech research and development center . The complete R&D structure provides a good platform for the company's R&D activities, and has successfully obtained a series of invention patents, technology awards, product certifications, and international and national standards. In 2023, it undertook and participated in the release of 6 national standards and participated in the compilation of national standards. 12 items , and participated in the compilation of 1 group standard .

As of the end of December 2023, the company has 669 authorized patents (including 467 invention patents, 169 utility model patents and 33 design patents), including 147 newly authorized patents in 2023 (including 112 invention patents, 27 utility model patents and 8 design patents); 630 computer software copyright registrations were obtained, including 55 new software copyright registrations in 2023.

1.2 Continuous independent research and development capabilities

In terms of R&D talents, the company has a high-quality R&D talent team, forming a talent echelon for market research, demand analysis, technical research, product development, manufacturing, product testing, and system integration. As of the end of December 2023, the company has 2,219 R&D personnel, accounting for 34.28% of the total number of employees , providing talent team conditions for scientific research and innovation. Among them, core technical personnel have served in the company for more than 15 years, and high-quality R&D personnel The team and human resources form the foundation for the company's continuous independent research and development.

In terms of R&D investment, R&D expenses were RMB 907.9235 million, a year-on-year increase of 31.15%, accounting for 10.53% of operating income . Continued R&D investment provides strong support for the company's R&D innovation activities.

In terms of R&D space, the company currently has more than 17,300 square meters of scientific research space (office space, laboratory) , and has established R&D and testing departments such as the control system product department, industrial software product department, field instrument product department, 5T technology department, and R&D platform department. , equipped with a large number of advanced testing equipment at home and abroad, and has a laboratory accredited by the China Conformity Assessment Board (CNAS); it has a reliability life laboratory, an industrial communication and network laboratory, an information integration and factory modeling laboratory, and an industrial control safety experiment. A series of professional laboratories such as the laboratory, and the construction of an intelligent manufacturing laboratory have been completed to achieve simulation verification of the process manufacturing environment.

In terms of R&D projects, the company has hosted and participated in many national and provincial scientific research plan projects in recent years, including the National Key R&D Plan, National Major

Science and Technology Projects, Industrial Strengthening Foundation, Industrial Internet Innovation and Development Project, and Zhejiang Provincial Key Science and Technology Projects. As of 2023 At the end of December this year, the company was hosting and participating in a number of research projects from the Ministry of Industry and Information Technology and the Ministry of Science and Technology. The rich scientific research projects provided a strong impetus for the company's technological innovation.

2) Product system and customer resource advantages

The company has built three core product lines, including automation control systems, industrial software and instrumentation, as well as intelligent manufacturing solutions, which are mainly used in process industries such as oil and gas, petrochemicals, chemicals, electric power, pharmaceuticals, metallurgy, building materials, and papermaking. Based on a complete product system from field equipment layer instrumentation, process control layer automation control system to manufacturing execution layer industrial software, the company can meet the personalized needs of different downstream users, thereby increasing the company's core competitiveness. The company has also created an industry group model that integrates research, marketing, sales and service, including a total of 16 industry groups such as liquor, new energy batteries, wind and solar hydrogen production, and smart coal mines, to open up new industries with customers as the center. , new track , serving customers with the shortest route , fastest speed , and optimal solution .

In 2023, the company will actively deploy forward-looking and leading technologies . Comprehensively integrate cutting-edge technologies and innovative concepts to create a new architecture of "1+ 2 + N " smart factories. The company released the full-equipment intelligent sensing platform PRIDE 1.0, the intelligent operation management and control system OMC 2.0, and the process industry process simulation and design platform APEX 2.0 to further consolidate its product base and core competitiveness . Continue to build a 5T technical capability base and continue to explore the application of AI and mechanism integration technology in the industrial field. Released the meta-factory solution and successfully built the first "meta-factory" in the chemical industry, creating a model project for the next generation of new production forms . In terms of control valves, we continue to improve the control valve product system, and have made breakthroughs in high-temperature molten salt valves and cryogenic valves. We have completed the trial production of a full range of triple-eccentric hard-seal butterfly valves and entered the mass production stage ; completed the overall operation of the SNC Digital Intelligent Factory, with a production capacity of 100,000 units/year; SUPCON Fluid has been recognized as a specialized, special and new “Little Giant” enterprise by the Ministry of Industry and Information Technology . In terms of automated instruments, we launched 4 intelligent instruments based on APL full digital communication and with independent diagnostic capabilities, launched FF type and APL type surge protectors, promoted breakthroughs in core technology of transmitters, and made achievements in high-precision capacitive sensors, etc. Significant breakthroughs ; in terms of analyzers, we developed an online large chromatography prototype, output the online analyzer management system (AMADAS) coal chemical version and successfully accepted it in the Guoneng Ningmei Project; and integrated the high-end analyzer products of subsidiary Hobré into the company Product system, exporting ethylene cracking process analyzers, PTA and other solutions, achieving the first major overseas analysis integration project breakthrough.

Based on a complete product system, the company actively explores the market. With nearly thirty years of development, it has accumulated a large number of high-quality customers and maintained long-term and stable cooperative relationships. It has established the company's leading position in the process industry and accumulated its own reputation. core competitive advantage. As of the end of December 2023, the company has covered more than 30,000 customers in the process industry, and the customer coverage rate has further increased. As of the end of December 2023, the company has achieved strong alliances with major customers and industry benchmark customers through signing strategic cooperation and other means : with Yulong Petrochemical, Sinochem Information, China Coal Information, Shanghai Chlor-Alkali, Sinopec Xinxing Petroleum Company, Sinochem Digital It has established strategic cooperative relationships with leading domestic process industry companies, engineering companies, equipment companies, and international industry chain partners such as Ke, CPECC, and MCC Southern , which has enhanced the company's influence among leading process industry companies. Working with leading customers to create a benchmark for the smart chemical industry, we successfully upgraded from a joint innovation supplier of Wanhua Chemical to a strategic cooperation supplier; we won the bids for PetroChina's DCS annual framework and Sinochem's Quanzhou petrochemical project framework with absolute advantages. The company has also further broken through international high-end customers and established in-depth cooperative relationships with international giants such as Saudi Aramco , Shell , Petronas , Wilmar International , Thailand Indorama Group, Indonesian Sinar Paper, and Indonesian PGN Company . Won the bid for the Saudi Aramco China Railway Construction-Aramco Academy project and the IMI digitalization project, and implemented the first "factory operating system + industrial APP" project, OMC's first set and independent network security products; for Indorama Group's PET polyester business distribution in 8 production bases in 6 countries provide a unified factory operating system cloud platform and multiple factory-level and group-level intelligent operation and information management industrial APPs; they have successively won the bid for multiple projects of Indonesian Jinguang Paper, realizing the intelligence of Indonesian Jinguang Paper A breakthrough in the performance of software in the chemical industry; CXT series transmitters achieved a "zero" breakthrough in the Petronas offshore platform project of Petronas. The company is actively building a high-quality customer ecosystem and steadily increasing the penetration rate of domestic and foreign customers .

3) Marketing network and brand advantages

The company has a relatively complete marketing network and service system. By building two major systems, the industry group and the global 5S store , it has built a sales and service organizational structure for a global marketing system. The 5S store has achieved full coverage of domestic chemical industry parks and layout of key overseas areas. The industry group achieves full industry coverage in the process industry. Focusing on developing Southeast Asia, South Asia , the Middle East, Africa , Central Asia , Europe , Japan and other regions, we established an international operations center in Singapore and applied our core products to more than 50 countries and regions. By creating a new digital marketing model of "scenario + live marketing", we build an important channel for transmitting information to the market and customers, promote marketing transformation, and improve business promotion efficiency.

Steadily deepen the operation of 5S stores. As of the end of December 2023, the company has completed the construction of a total of 179 5S stores (including overseas) , covering 643 chemical industry parks across the country , and established the first overseas 5S store in Saudi Arabia . Continuously expand the scale of 5S stores, and the number of 5S stores with a single store contract value exceeding 200 million yuan has reached 2 , further consolidating the excellent 5S store operation system, implementing the 5S store partnership system, realizing independent operations, independent accounting, and benefit sharing, and stimulating 5S store operations vitality.

Continue to strengthen the company's brand building. In 2023 , the company formulated an annual brand communication strategy, based on the key milestone of the company's 30th anniversary, organized and implemented brand image communication activities with the "3+N+X" concept as the core, namely: 3 large-scale brand activities-Zhongkong 30th anniversary celebration conference, IMPACTS Intelligent Control Future Industry Co-creation Conference, Park Carnival; N integrated marketing activities - China International Petrochemical Conference, National Tour Conference (Guangxi Station, Inner Mongolia Station), China Industrial Software Conference, Yipai High-intensity exposure in large-scale market events such as customer exhibitions, pharmaceutical machinery exhibitions, fluid exhibitions, and pipeline exhibitions ; All-round communication; establish the brand-leading image of concepts and product technologies such as the "1+2+N" smart factory new architecture , and was the first to receive the "Ecological Brand" certification jointly issued by Caijing & Kantar, etc., forming a high-volume, deep-seated brand influence. In response to the call of the "Year of Internationalization", we expanded overseas media channels and forged the company's international brand positioning. With international high-end exhibitions such as Hannover Messe in Germany, Saudi IKTVA, Saudi MEICA, Bahrain GDA, Abu Dhabi ADIPEC, India ARC, China-Korea Petrochemical Conference, Malaysia OGA, Japan FIW and a series of overseas regional market promotion conferences, the whole Improve the company's social status and brand image.

(2) Events that occurred during the reporting period that seriously affected the company's core competitiveness , impact analysis and countermeasures

Yes √No

4. risk factors

(1) Unprofitable risks

Yes √No

(2) performance decline or loss

Yes √No

(3) core competitiveness risks

√Yes No

1) Risks of technology upgrades and product updates and iterations

Rich technical reserves and continuous independent research and development capabilities are the company's core competitive advantages. However, key technologies in fields such as automation control systems, industrial software, and instrumentation will also be continuously upgraded and iterated as the process industry transforms and upgrades to intelligence. In order to maintain Due to the advancement of the company's technology and product advantages, the company must continue to promote technological innovation and new product development to adapt to the evolving market demand. If the company cannot accurately judge the market's new demand for technology and products in the future, or fails to master new key technologies in a timely manner, it may lead to a decline in the competitiveness of the company's products.

2) Risks of R&D progress being less than expected

The company's research and development direction is "Industry 3.0+4.0 for process industries " intelligent manufacturing solutions. Both software and hardware development need to be parallel. It has high R&D technical difficulty and is closely linked. If the company cannot launch it in time to meet customer and market needs new products, or if the research and development progress is less than expected, it will have an adverse impact on the company's market share and operations.

3) Risk of intellectual property infringement and leakage

The intellectual property rights such as patents and software copyrights owned by the company are an important part of the company's core competitiveness. If the company's intellectual property rights are infringed or leaked due to the flow of core technical personnel and poor intellectual property protection, it will be weakened to a certain extent. The company's technological advantages have an adverse impact on the company's competitiveness.

4) Risk of loss of core talents

The sustainable development of the company's business requires a stable group of R&D technical talents and management talents, and it needs to continuously attract high-quality R&D, product, sales and management talents. Although the company has gradually built a group of capable and stable core talent teams through internal training and external introduction, and has implemented equity incentives, provided competitive salary packages, continuously optimized the performance appraisal system, shaped corporate culture, and provided good Although the talent management system has been improved and perfected through the working environment and other methods, there may still be a risk of core talent loss, which will have an adverse impact on the company's technology research and development and sustainable business development.

(4) Business risk

√Yes No

1) Risks of intensified market competition

After years of development, the company has taken a leading position in the country in the fields of intelligent manufacturing and industrial automation. The company's distributed control system (DCS) market share has led the market for many years, and it has established a reliable brand image in the market. However, in the industrial automation industry, the concentration of large multinational enterprise manufacturers and local enterprise manufacturers is relatively large, and there is a trend of further concentration. The company faces dual competitive pressures from multinational manufacturers and local manufacturers. Multinational manufacturers have strong financial resources and strong comprehensive technical strength.

2) Overseas market operating risks

The company has been actively expanding overseas markets for many years, and its core products and solutions currently cover more than 50 countries and regions. Due to the complex and ever-changing global economic and political situation, conducting business in different countries may involve a series of specific risks, such as political risks, financial risks, sovereign risks, etc., which may have an uncertain impact on the company's local operations. The company will always pay attention to changes in the political and economic environment of overseas countries, strengthen risk prediction, improve risk prevention capabilities, and ensure the realization of business goals.

3) Raw material risks

The production rhythm of the manufacturing industry is gradually recovering, and the market is developing well amid the recovery trend. However, the continued upward pressure on prices of basic domestic industrial raw materials may bring some uncertain effects to the company's cost control. The company will pay close attention to changes in the raw material market. On the one hand, it will continue to expand multiple raw material supply channels, and on the other hand, it will ensure the timely formulation of reasonable procurement plans and try to avoid and reduce the impact of fluctuations in raw material procurement.

(5) Financial risk

√Yes No

1) The risk of high book value at the end of the period when goods are issued

Affected by the long operational cycle of industrial automation and intelligent manufacturing solution projects , the company issues a large amount of goods. At the end of 2021, the end of 2022 and the end of 2023, the book value of the goods shipped by the company was 2,190,262,500 yuan, 2,447,541,700 yuan and 2,559,176,100 yuan respectively, accounting for 21.17%, 18.74% and 14.31% of the total assets respectively. With the expansion of sales scale in the future, the amount of goods shipped may further increase and remain at a high level. If these projects fail to be put into operation in time, on the one hand, it will occupy more of the company's working capital and adversely affect the company's liquidity. On the other hand, it also increases the pressure on company management and cost control, thus affecting the company's performance.

2) Risks of uncertain tax preferential policies

According to the "Notice of the State Council on Issuing Several Policies to Promote the High-Quality Development of the Integrated Circuit Industry and the Software Industry in the New Era" (Guofa [2020] No. 8), the National Development and Reform Commission and other departments have made arrangements for the implementation of preferential tax policies in 2023. Notice on the Relevant Requirements for the List of Circuit Enterprises or Projects and Software Enterprises" (Fagai Gaoji [2023] No. 287) and the "Announcement of the Ministry of Industry and Information Technology of the People's Republic of China, the National Development and Reform Commission, the Ministry of Finance, and the State Administration of Taxation No. 10 of 2021 No.", the company enjoys preferential corporate income tax policies for key software companies, and corporate income tax will be calculated and paid at 10% of taxable income in 2023.

According to the "Notice on Value-Added Tax Policies for Software Products" by the Ministry of Finance and the State Administration of Taxation (Finance and Taxation [2011] No. 100) and the "Announcement on Relevant Policies for Deepening the Value-Added Tax Reform" by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs (Finance and Taxation [2011] No. 2019〕No. 39), the company and its subsidiaries Zhejiang Zhongkong Automation Instrument Co., Ltd., Zhejiang Zhongkong Software Technology Co., Ltd., and Zhongkong Global Technology (Hangzhou) Co., Ltd. are first calculated and paid at a tax rate of 13%. The tax burden exceeding 3% will be subject to an immediate refund policy after being reviewed by the competent tax department.

If there are unpredictable adverse changes in the preferential tax policies enjoyed by the company in the future, it will have an adverse impact on the company's operating results.

3) Exchange rate risk

The company's overseas sales are generally settled in US dollars. During the reporting period, the exchange rate of RMB against the US dollar fluctuated significantly in the short term. As the company's overseas business revenue continues to increase in 2023 and it will continue to expand overseas markets in the future, the number of customers and sales settled in foreign exchange will increase. If the RMB appreciates significantly in the short term, the company's product exports and operating performance may be adversely affected, and the company will face Exchange rate changes bring volatility risks to operating results.

(6) Industry risks

√Yes No

Risks of cyclical fluctuations in downstream industries. The company's main intelligent manufacturing solutions mainly serve the pillar industries of the national economy such as chemicals, petrochemicals, and electric power. The company's operating performance is closely related to the overall development status and prosperity of downstream industries. Chemical, petrochemical, electric power and other industries are affected by the national macroeconomic situation and Policies have a relatively large impact. If the development of downstream industries fluctuates greatly, or industry policies become stricter, it will have an adverse impact on the industry in which the company operates, which may in turn affect the company's future performance.

(7) Macroenvironmental risks

√Yes No

Global economic growth is slowing down, inflationary pressure is increasing, and there is great uncertainty about the strength and sustainability of global economic and trade recovery. As international trade continues to expand, global trade frictions also occur frequently. In view of the fact that the industrial automation industry chain involves global division of labor and cooperation, if global trade frictions further escalate in the future, it may cause an increase in transaction costs upstream and downstream of the industry chain, thereby adversely affecting the company's operations. Influence. In addition, the company has been deeply involved in overseas markets for many years, and the intensification of geopolitical conflicts and tense bilateral or multilateral relations between specific countries and regions may also affect the company's local business development. Facing the uncertain macro environment, the company will rely on its own advantages to find and create new profit growth points, pay close attention to changes in macroeconomic risks, and actively adjust development strategies.

(8) Risks related to depositary receipts

Yes √No

(9) Other significant risks

Yes √No

5. Main operating conditions during the reporting period

During the reporting period, the company achieved operating income of 8,619.9108 million yuan, an increase of 30.13% over the same period in 2022; net profit attributable to shareholders of the listed company was 1,101.7637 million yuan, an increase of 38.08% over the same period in 2022.

(1) Main business analysis

1) Analysis table of changes in relevant items of the income statement and cash flow statement

Unit : Yuan Currency : RMB

Subject	Number of current period	Same period last year	Change ratio (%)
Operating income	8,619,910,802.44	6,623,856,546.82	30.13
Operating cost	5,759,092,686.47	4,260,761,880.05	35.17
Sales expense	788,845,952.87	622,761,226.40	26.67
Management costs	450,289,004.31	377,440,940.76	19.30
Financial expenses	-204,827,060.15	4,100,951.59	-5,094.62
R&D expenses	907,806,992.67	692,271,597.21	31.13
Net cash flow from operating activities	191,430,934.79	360,264,879.91	-46.86
Net cash flows from investing activities	605,835,551.84	-825,184,505.80	Not applicable
Net cash flow from financing activities	3,178,749,146.97	422,630,302.09	652.13

Explanation of reasons for the change in operating income: Mainly due to the fact that during the reporting period, the company deeply engaged in the process industry, closely grasped the development trend of industry automation, digitalization, and intelligence, and created a new "1+2+N" smart factory structure for the process industry. The company's core competitiveness was further strengthened. The company continues to expand its market share and its operating performance has grown steadily. The company continues to increase the development of non-traditional advantageous businesses and emerging businesses. Overseas business, oil and gas business, PLC business, battery business, and robot business have achieved rapid growth, which is due to the year-on-year increase in orders received.

Explanation of reasons for changes in operating costs: Mainly due to the increase in the company's sales revenue during the reporting period and the corresponding increase in costs.

Explanation of reasons for changes in financial expenses: Mainly due to the increase in exchange gains and interest income during the reporting period.

Explanation of reasons for changes in R&D expenses: Mainly due to the company's continued increase in R&D investment and the increase in R&D personnel, which led to an increase in wages and salaries.

Explanation of reasons for changes in net cash flow from operating activities: Mainly due to the company increasing inventory preparation and increasing payment for goods in response to global supply chain risks.

Explanation of reasons for changes in investment activities: Mainly due to the decrease in new financial management compared with the same period last year.

Explanation of reasons for changes in financing activities : Mainly due to the increase in funds raised by the company from the issuance of GDR.

Detailed description of major changes in the company's business type, profit composition or profit sources during the current period
Yes √No

2) Revenue and cost analysis

√Yes No

This year, the company achieved main business income of 8,564,722,800 yuan, a year-on-year increase of 29.84%, mainly due to the increase in the company's business volume; the company's main business costs were 5,723,798,600 yuan, a year-on-year increase of 34.89%; the company's main business gross profit margin was 33.17%. The decrease of 2.50 percentage points during the same period was mainly due to the increase in the number of large projects and S2B business volume during the reporting period.

2.1 The main business is divided into industries, products, regions and sales models.

Unit : Yuan Currency : RMB

Main business by industry						
Sector	Operating income	Operating cost	Gross profit margin (%)	Increase or decrease in operating income compared with the previous year (%)	Increase or decrease in operating costs compared with the previous year (%)	Gross profit margin increase or decrease compared with the previous year (%)
Chemical industry	3,178,555,551.11	2,167,540,295.61	31.81	23.70	29.83	A decrease of 3.22 percentage points
Petrochemical	1,676,184,578.62	1,051,246,868.47	37.28	29.27	46.35	A decrease of 7.32 percentage points
Pharmaceutical food	631,073,778.19	466,803,555.08	26.03	-5.18	-4.42	A decrease of 0.59 percentage points
Energy	693,900,248.33	350,427,676.35	49.50	34.70	35.38	A decrease of 0.26 percentage points
Oil and gas	598,384,404.50	372,956,972.61	37.67	41.67	30.24	increased by 5.47 percentage points
Metallurgy	420,967,405.79	309,374,831.62	26.51	62.87	73.15	A decrease of 4.37 percentage points
Building materials	100,096,196.54	61,418,476.33	38.64	-35.27	-44.31	An increase of 9.96 percentage points
Municipal	98,742,863.09	72,064,351.74	27.02	-29.70	-21.91	A decrease of 7.28 percentage points
Papermaking	61,497,117.44	44,974,553.26	26.87	-48.47	-51.43	An increase of 4.46 percentage points
Battery	634,395,639.75	467,335,731.39	26.33	463.06	484.74	A decrease of 2.73 percentage points
Manufacture	152,733,414.33	98,628,053.21	35.42	74.10	67.04	An increase of 2.73 percentage points
Other	318,191,642.95	261,027,259.01	17.97	25.41	24.84	An increase of 0.37 percentage points
Total	8,564,722,840.64	5,723,798,624.68	33.17	29.84	34.89	A decrease of 2.50 percentage points
Main business breakdown by product						
By product	Operating income	Operating cost	Gross profit margin (%)	Increase or decrease in operating income	Increase or decrease in	Gross profit margin increase or decrease compared with the previous year (%)

				compared with the previous year (%)	operating costs compared with the previous year (%)	
1. Industrial automation and intelligent manufacturing solutions	4,955,849,893.49	2,921,093,461.06	41.06	13.51	10.84	An increase of 1.42 percentage points
Among them: control system	1,765,262,322.43	861,003,333.85	51.23	2.50	-1.50	An increase of 1.98 percentage points
Control system + instrument	1,695,245,281.54	1,183,158,926.75	30.21	25.62	21.11	An increase of 2.60 percentage points
Control system + software + others	1,495,342,289.52	876,931,200.46	41.36	15.52	11.80	An increase of 1.96 percentage points
2. Instruments	621,353,459.24	431,690,060.89	30.52	80.27	93.54	A decrease of 4.77 percentage points
3. Industrial software	702,681,808.43	413,325,768.39	41.18	11.15	13.52	A decrease of 1.23 percentage points
4. Operation and maintenance services	279,581,345.86	162,395,661.68	41.91	-3.73	-3.56	Decrease 0.11 percentage points
5. S2B platform business	1,896,762,190.16	1,705,061,237.96	10.11	117.07	118.76	A decrease of 0.69 percentage points
6. Others	108,494,143.46	90,232,434.70	16.83	21.64	23.66	A decrease of 1.36 percentage points
total	8,564,722,840.64	5,723,798,624.68	33.17	29.84	34.89	A decrease of 2.50 percentage points
Main business by region						
By	Operating income	Operating cost	Gross	Increase or	Increas	Gross profit margin increase

region			profit margin (%)	decrease in operating income compared with the previous year (%)	e or decrease in operating costs compared with the previous year (%)	or decrease compared with the previous year (%)
1. Domestic sales revenue	8,221,401,911.85	5,491,252,945.25	33.21	29.54	34.34	A decrease of 2.38 percentage points
Huadong Region	4,183,005,789.90	2,795,351,180.57	33.17	40.74	46.91	A decrease of 2.81 percentage points
North China	970,707,638.99	602,286,719.39	37.95	3.32	2.88	A decrease of 0.27 percentage points
Central China	851,222,871.54	585,016,781.98	31.27	20.87	22.09	A decrease of 0.69 percentage points
North-west region	742,064,806.81	524,789,619.75	29.28	40.63	51.75	A decrease of 5.18 percentage points
Southwest Region	556,049,122.34	364,709,282.20	34.41	10.91	8.26	An increase of 1.61 percentage points
South China	509,770,853.92	345,430,017.14	32.24	27.73	27.71	A decrease of 0.01 percentage points
North-east area	408,580,828.35	273,669,344.22	33.02	34.97	63.66	A decrease of 11.74 percentage points
2. Export sales revenue	343,320,928.79	232,545,679.43	32.27	37.42	49.40	A decrease of 5.43 percentage points
Total	8,564,722,840.64	5,723,798,624.68	33.17	29.84	34.89	A decrease of 2.50 percentage points

Explanation of Main business by industry, product and region
Product description:
1. Revenue from industrial automation and intelligent manufacturing solutions was RMB 4,955,849,900, accounting for 57.86% of the main business revenue. It is the company's main source of income. The core product control system continues to maintain its leading edge in the process industry. The gross profit margin of industrial automation and intelligent manufacturing solutions was 41.06%, an increase of 1.42 percentage points from the same period last year. The main reason for the increase in gross profit margin is that last year was affected by the low gross profit margin of large projects. This year, the revenue from contracts of more than 10 million yuan was 699.177 million yuan, accounting for 14.11% of the revenue from industrial automation and intelligent manufacturing solutions. The gross profit margin of this part was 38.76 %, up from last year.
2. Industrial software revenue includes industrial software projects sold separately to external parties ("3. Industrial Software" in the product classification) and projects sold mixed with automation control systems ("1. Industrial Automation and Intelligent Manufacturing Solutions" in the product classification). Control system + software + other”). Industrial software achieved revenue of 2,198.0241 million yuan this year, accounting for 25.66% of the main business revenue, and revenue increased by 14.08% year-on-year. Industrial software is an optimization method for automation and intelligent manufacturing solutions, and is the direction of the company's strategic development. The comprehensive gross profit margin of industrial software was 41.30%, an increase of 0.91 percentage

points compared with the same period last year.
3. Instrumentation revenue was 621.3535 million yuan, a year-on-year increase of 80.27%. The instrument and valve business grew steadily. The acquired Dutch company drove a large year-on-year growth in the instrumentation business.
4. The business model of platform business (5S store and S2B platform) is one of the company's strategic businesses. In this period, the company vigorously promotes the platform business, builds an industry ecosystem, and promotes third-party products through the S2B platform. Revenue for the year was 1,896.7622 million yuan, an increase of 117.07% over the same period last year, and the gross profit margin of the platform business was 10.11%.

Description of industries:
1. Chemical industry, petrochemicals, energy (formerly electric power), pharmaceuticals and food are the main industry application fields of the company's products. The company consolidates its advantageous industries and further enhances market competitiveness. Among them, the revenue of the three major industries of chemical industry, petrochemical industry and energy was 5.549 billion, accounting for 64.78% of the revenue, an increase of 26.64% over the same period, and a gross profit margin of 35.67%.
2. The battery industry is a new industry in 2022. It has increased significantly this year, with revenue of 634 million, accounting for 7.41% of revenue, a year-on-year increase of 463.06%, and a gross profit margin of 26.33%.

Description by region:
1. The company’s main business income mainly comes from domestic sales income, accounting for 95.99%. Export revenue accounted for 4.01%, and revenue increased by 37.42% compared with the same period last year, mainly from Southeast Asia, the Middle East and other regions.
2. Sales revenue in domestic sales regions has increased to varying degrees, among which East China, Northwest and Northeast regions have continued to grow, with revenue growth exceeding 30%.
3. East China, North China, and Central China still dominate the sales market. The revenue of these three regions is 6.005 billion, accounting for 70.11% of the total revenue. This is closely related to the domestic distribution of chemical, petrochemical, energy and other industries.

2.2 Production and sales analysis table

Yes √No

2.3 Performance of major purchase contracts and major sales contracts

Yes √No

2.4 Cost Analysis Table

unit: yuan

Situation by industry							
Sector	Cost component items	Current Amount	Proportion of this period to total costs (%)	Amount for the same period last year	Proportion of total costs in the same period last year (%)	Ratio of change in the current period’s amount compared with the same period last year (%)	Condition illustrate
Chemical industry	Direct material	1,901,342,978.59	33.22	1,449,159,408.70	34.15	31.20	
	Direct labor	210,184,903.27	3.67	173,883,681.39	4.10	20.88	
	Manufacturing costs	56,012,413.75	0.98	46,530,008.53	1.10	20.38	

Subtotal		2,167,540,295.61	37.87	1,669,573,098.62	39.35	29.83	
Petrochemical	Direct material	922,142,419.30	16.11	623,471,426.55	14.69	47.90	
	Direct labor	101,938,691.43	1.78	74,809,925.14	1.76	36.26	
	Manufacturing costs	27,165,757.74	0.47	20,018,591.89	0.47	35.70	
Subtotal		1,051,246,868.47	18.36	718,299,943.58	16.92	46.35	
Pharmaceutical food	Direct material	409,475,045.81	7.15	423,912,914.72	9.99	-3.41	
	Direct labor	45,265,622.17	0.79	50,865,030.97	1.20	-11.01	
	Manufacturing costs	12,062,887.10	0.21	13,611,112.34	0.32	-11.37	
Subtotal		466,803,555.08	8.15	488,389,058.03	11.51	-4.42	
Energy	Direct material	307,391,379.66	5.37	224,667,409.86	5.29	36.82	
	Direct labor	33,980,732.63	0.59	26,957,694.29	0.64	26.05	
	Manufacturing costs	9,055,564.06	0.16	7,213,682.93	0.17	25.53	
Subtotal		350,427,676.35	6.12	258,838,787.08	6.10	35.38	
Oil and gas	Direct material	327,153,835.44	5.72	248,556,644.76	5.86	31.62	
	Direct labor	36,165,383.12	0.63	29,824,147.82	0.70	21.26	
	Manufacturing costs	9,637,754.05	0.17	7,980,725.06	0.19	20.76	
Subtotal		372,956,972.61	6.52	286,361,517.64	6.75	30.24	
Metallurgy	Direct material	271,380,266.86	4.74	155,084,939.42	3.65	74.99	
	Direct labor	29,999,866.30	0.52	18,608,539.57	0.44	61.22	
	Manufacturing costs	7,994,698.46	0.14	4,979,509.84	0.12	60.55	
Subtotal		309,374,831.62	5.40	178,672,988.83	4.21	73.15	
Building materials	direct material	53,875,625.27	0.94	95,734,463.56	2.26	-43.72	
	Direct labor	5,955,707.74	0.10	11,487,115.12	0.27	-48.15	
	Manufacturing costs	1,587,143.32	0.03	3,073,868.46	0.07	-48.37	
Subtotal		61,418,476.33	1.07	110,295,447.14	2.60	-44.31	
Municipal	Direct material	63,214,072.40	1.10	80,102,398.10	1.89	-21.08	
	Direct labor	6,988,031.01	0.12	9,611,433.90	0.23	-27.29	
	Manufacturing costs	1,862,248.33	0.03	2,571,949.81	0.06	-27.59	
Subtotal		72,064,351.74	1.25	92,285,781.81	2.18	-21.91	
papermaking	Direct material	39,451,193.23	0.69	80,380,034.32	1.89	-50.92	
	Direct labor	4,361,151.74	0.08	9,644,747.29	0.23	-54.78	
	Manufacturing costs	1,162,208.29	0.02	2,580,864.23	0.06	-54.97	
Subtotal		44,974,553.26	0.79	92,605,645.84	2.18	-51.43	
Battery	Direct material	409,941,865.13	7.16	69,371,042.92	1.63	490.94	
	Direct labor	45,317,226.95	0.79	8,323,785.67	0.20	444.43	
	Manufacturing costs	12,076,639.31	0.21	2,227,384.51	0.05	442.19	
Subtotal		467,335,731.39	8.16	79,922,213.10	1.88	484.74	
manufacture	Direct material	86,515,464.95	1.51	51,249,095.73	1.21	68.81	
	Direct labor	9,563,895.01	0.17	6,149,345.19	0.14	55.53	
	Manufacturing costs	2,548,693.25	0.04	1,645,520.04	0.04	54.89	
Subtotal		98,628,053.21	1.72	59,043,960.96	1.39	67.04	
Other	Direct material	228,970,297.41	4.03	181,479,711.24	4.28	26.17	
	Direct labor	25,311,635.17	0.44	21,775,630.82	0.51	16.24	

	Manufacturing costs	6,745,326.43	0.12	5,827,000.44	0.14	15.76	
Subtotal		261,027,259.01	4.59	209,082,342.50	4.93	24.84	
total		5,723,798,624.68	100.00	4,243,370,785.13	100.00	34.89	
Situation by product							
By product	Cost component items	Current Amount	Proportion of this period to total costs (%)	Amount for the same period last year	Proportion of total costs in the same period last year (%)	Ratio of change in the current period's amount compared with the same period last year (%)	Condition illustrate
Industrial automation and intelligent manufacturing solutions	Direct material	2,461,882,895.71	43.01	2,223,741,050.85	52.41	10.71	
	Direct labor	342,297,813.18	5.98	311,678,087.42	7.35	9.82	
	Manufacturing costs	116,912,752.17	2.04	100,010,581.06	2.36	16.90	
Subtotal		2,921,093,461.06	51.03	2,635,429,719.33	62.12	10.84	
Instrumentation	Direct material	372,559,390.59	6.51	191,599,157.00	4.52	94.45	
	Direct labor	30,860,690.61	0.54	15,229,835.12	0.36	102.63	
	Manufacturing costs	28,269,979.69	0.49	16,216,134.93	0.38	74.33	
Subtotal		431,690,060.89	7.54	223,045,127.05	5.26	93.54	
Industrial software	Direct material	283,245,850.70	4.95	285,092,009.86	6.72	-0.65	
	Direct labor	130,079,917.69	2.27	79,007,575.79	1.86	64.64	
	Manufacturing costs						
Subtotal		413,325,768.39	7.22	364,099,585.65	8.58	13.52	
Operation and maintenance services	Direct material	138,039,623.05	2.41	146,398,397.45	3.45	-5.71	
	Direct labor	24,356,038.63	0.43	22,000,482.84	0.52	10.71	
	Manufacturing costs						
Subtotal		162,395,661.68	2.83	168,398,880.29	3.97	-3.56	
S2B platform business	Direct material	1,687,372,629.15	29.48	773,006,225.89	18.22	118.29	
	Direct labor	17,688,608.81	0.31	6,425,853.25	0.15	175.27	
	Manufacturing costs						
Subtotal		1,705,061,237.96	29.79	779,432,079.14	18.37	118.76	
Other	Direct material	77,754,054.85	1.36	63,332,648.83	1.49	22.77	
	Direct labor	9,749,777.62	0.17	7,599,242.75	0.18	28.30	
	Manufacturing costs	2,728,602.23	0.05	2,033,502.09	0.03	34.18	
Subtotal		90,232,434.70	1.58	72,965,393.67	1.70	23.66	
Total	Direct material	5,723,798,624.68	100.00	4,243,370,785.13	100.00	34.89	

Cost analysis and other explanations
None

2.5 during the reporting period resulted in changes in the scope of consolidation

√Yes No

As of the end of the reporting period, changes in the scope of consolidation caused by changes in the equity of major subsidiaries are detailed in "Section10. Changes in the Scope of Consolidation" in "Section 10 Financial Report".

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

Yes √No

2.7 Major sales customers and major suppliers

A. The company's main sales customers

√Yes No

The sales volume of the top five customers was RMB 1,332.7119 million , accounting for 15.46% of the total annual sales; among the sales volume of the top five customers, the sales volume of related parties was RMB 0.00 million , accounting for 0.00% of the total annual sales.

The company's top five customers

√Yes No

Unit: 10,000 yuan Currency: RMB

Serial number	Client's name	Sales	Proportion of total annual sales (%)	Whether there is any relationship with a listed company
1	Customer one	55,944.53	6.49	no
2	Customer two	32,149.81	3.73	no
3	Customer three	15,879.23	1.84	no
4	Shandong Yulong Petrochemical Co., Ltd.	15,654.35	1.82	no
5	Lubei Wanrun Smart Energy Technology (Shandong) Co., Ltd.	13,643.27	1.58	no
Total	/	133,271.19	15.46	/

During the reporting period, the proportion of sales to a single customer exceeds 50% of the total, and there are new customers among the top 5 customers or they are heavily dependent on a few customers.

√Yes No

Shandong Yulong Petrochemical Co., Ltd. and Lubei Wanrun Smart Energy Technology (Shandong) Co., Ltd. are the top five new customers, and the sales of the top five customers have increased compared with the same period last year.

B. Company's main suppliers

√Yes No

The purchasing amount of the top five suppliers was 464.524 million yuan , accounting for 9.48 % of the total annual purchasing amount; among the purchasing amount of the top five suppliers, the related party purchasing amount was 64.3255 million yuan , accounting for 1.31 % of the total annual purchasing amount .

The company's top five suppliers

√Yes No

Unit: 10,000 yuan Currency: RMB

serial number	Supplier name	Purchase amount	Proportion of total annual purchases (%)	Whether there is any relationship with a listed company
1	Supplier one	13,187.31	2.69	no
2	Supplier two	10,350.29	2.11	no
3	Supplier three	9,625.68	1.97	no
4	Jiangsu Shangshang	6,856.57	1.40	no

	Cable Group Co., Ltd.			
5	Supplier five	6,432.55	1.31	yes
total	/	46,452.40	9.48	/

During the reporting period, the proportion of purchases from a single supplier exceeds 50% of the total amount, there are new suppliers among the top 5 suppliers, or there is a situation where there is heavy reliance on a few suppliers.
√Yes No
During the reporting period, the company's top five suppliers were relatively stable, among which Jiangsu Shangshang Cable Group Co., Ltd. was a new top five supplier .

3) cost
√Yes No

Subject	Number of current period	Same period last year	Change ratio (%)
Sales expense	788,845,952.87	622,761,226.40	26.67
Management costs	450,289,004.31	377,440,940.76	19.30
R&D expenses	907,806,992.67	692,271,597.21	31.13
Financial expenses	-204,827,060.15	4,100,951.59	-5,094.62

1. Explanation of reasons for changes in R&D expenses: R&D expenses during the reporting period were 907.8070 million yuan, a year-on-year increase of 31.13%. This was mainly due to the company's continued increase in R&D investment and the increase in R&D personnel, resulting in an increase in wages and salaries.
2. Explanation of reasons for changes in financial expenses: Financial expenses during the reporting period were -204.8271 million yuan, a year-on-year decrease of 5,094.62%, mainly due to the increase in exchange gains and interest income during the reporting period .

4) cash flow
√Yes No

Subject	Number of current period	Same period last year	Change ratio (%)
Net cash flow from operating activities	191,430,934.79	360,264,879.91	-46.86
Net cash flows from investing activities	605,835,551.84	-825,184,505.80	Not applicable
Net cash flow from financing activities	3,178,749,146.97	422,630,302.09	652.13

1. Net cash flow generated from operating activities decreased by 46.86 % compared with the same period last year , mainly due to the company increasing inventory preparation and payment for goods in response to global supply chain risks.
2. The net cash flow generated from investing activities increased by 173.42% compared with the same period last year, mainly due to the decrease in new financial management compared with the same period last year .
3. The net cash flow generated from financing activities increased by 652.13% compared with the same period last year, mainly due to the company's receipt of raised funds from the issuance of GDR.

(2) Explanation of significant changes in profits caused by non-main business
Yes √No

(3) Analysis of assets and liabilities
√Yes No

1) Assets and Liabilities

unit: yuan

Project name	Ending amount of current period	The closing amount of the current period as a proportion of total assets (%)	Closing amount of last period	The closing amount of the previous period as a proportion of total assets (%)	Ratio of change in the ending amount of the current period compared with the ending amount of the previous period (%)	Situation description
Money funds	5,472,691,631.34	30.61	1,386,855,314.37	10.62	294.61	Mainly due to the increase in raised funds received from the company's issuance of GDRs
Accounts receivable	2,485,404,967.58	13.90	1,732,151,960.06	13.26	43.49	Mainly due to sales growth during the reporting period
Receivables Financing	183,711,330.47	1.03	421,387,418.83	3.23	-56.40	Mainly due to the increase in acceptance bills paid for purchases
Prepayments	285,016,190.20	1.59	434,768,341.54	3.33	-34.44	**Mainly due to the company's prepaid orders from the previous period being gradually delivered during the reporting period**
Contract assets	549,291,830.52	3.07	369,519,984.02	2.83	48.65	Mainly due to sales growth during the reporting period
Other current assets	142,244,915.14	0.80	413,924,666.85	3.17	-65.64	Mainly due to the decrease in the company's redemption of financial products
Long term equity investment	925,201,206.05	5.17	681,889,018.82	5.22	35.68	Mainly due to the company's new external equity investment in this period
Other equity instrument investments	26,113,692.31	0.15	14,113,692.31	0.11	85.02	Mainly due to the company's new external equity investment in this period
Construction in progress	385,164,808.27	2.15	125,396,841.95	0.96	207.16	Mainly due to the company's increased investment in the current phase of the "Fuyang Industrial Park-Phase II Expansion Project"
Intangible assets	158,925,668.25	0.89	115,026,876.16	0.88	38.16	Mainly due to the increase in value of the patent rights of the acquired company
goodwill	166,109,549.60	0.93				Mainly due to the acquisition of companies
Deferred tax	71,303,864.53	0.40	44,982,306.39	0.34	58.52	Mainly due to the

assets						increase in deferred income tax assets recognized as deductible losses
Other non-current assets	41,895,913.39	0.23	23,780,114.04	0.18	76.18	Mainly due to the increase in prepayments for engineering equipment
short-term loan	207,964,553.66	1.16	106,230,795.38	0.81	95.77	Mainly due to short-term bank borrowings obtained during the period
Other payables	142,878,776.84	0.80	93,507,790.90	0.72	52.80	Mainly due to the increase in accrued expenses in the current period
Non-current liabilities due within one year	13,509,742.32	0.08	514,185,196.23	3.94	-97.37	Mainly due to the repayment of long-term borrowings in this period
Long term loan	300,247,500.00	1.68				Mainly due to the long-term bank borrowings obtained during the period
Deferred income tax liability	5,642,391.79	0.03	1,141,316.52	0.01	394.38	Mainly due to the increase in the valuation of assets from business combinations not under common control and the increase in deferred income tax liabilities recognized for right-of-use assets.

Other instructions
None

2) Overseas assets

√Yes No

2.1 Asset size

Among them: overseas assets 311,344.07 (unit: 10,000 yuan, currency: RMB), accounting for 17.41 % of total assets.

2.2 Relevant explanations on the high proportion of overseas assets

Yes √No

3) Restrictions on major assets as of the end of the reporting period

√Yes No

Project	Ending book balance	Closing book value	Restricted type
Money funds	408.42	408.42	Bill margin
	36,933,822.62	36,933,822.62	Guarantee deposit
Bill receivable	33,915,532.68	33,915,532.68	Bill pledge
Receivables Financing	102,763,469.67	102,763,469.67	Bill pledge
Total	173,613,233.39	173,613,233.39	

4) Other instructions

Yes √No

(4) Industry operating information analysis

Yes √No

(5) Investment status analysis

Overall analysis of external equity investment

√Yes No

Unit: Currency: RMB

Investment amount during the reporting period (yuan)	Investment amount in the same period last year (yuan)	Range of change
414,544,195.20	647,666,000.00	-35.99%

Note : In 2023, the company's external equity investment subscription amount is 414,544,195.20 yuan, and the actual capital contribution of 335,792,895.20 yuan has been made.

1) significant equity investment

Yes √No

2) significant non-equity investments

Yes √No

3) Financial assets measured at fair value

√Yes No

Unit: Yuan Currency: RMB

Asset Class	Beginning balance	Gains and losses from changes in fair value for the current period	Cumulative changes in fair value included in equity	Impairment accrued in the current period	Purchase amount of this period	Sales/redemption amount in this period	Other changes	Closing amount
Securities assets	1,814,701.79	81,217.63				1,814,701.79		
Bank financial management	2,273,994,000.00				3,690,006,000.00	4,314,000,000.00		1,650,000,000.00
Receivabl	421,387,418.83						-237,676,088.36	183,711,330.47

es Financing								
Other equity instrument investments	14,113,692.31				12,000,000.00			26,113,692.31
Combine count	2,711,309,812.93	81,217.63			3,702,006,000.00	4,315,814,701.79	-237,676,088.36	1,859,825,022.78

Securities investment situation

Yes √No

Derivatives investment situation

Yes √No

4) Investment status of private equity investment funds

Yes √No

Other instructions

None

5) Specific progress of major asset restructuring and integration during the reporting period

Yes √No

(6) Significant asset and equity sales

Yes √No

(7) Analysis of major holding and participating companies

√Yes No

Unit: 10,000 yuan currency type: RMB

Company Name	Main business	Registered capital	Shareholding ratio (%)	Total assets	Net assets	net profit
Zhejiang SUPCON System Engineering Co., Ltd.	Mainly engaged in the sales of online industrial products and the promotion of solutions	5,000.00	100.00	116,371.33	8,179.16	361.58
Zhejiang SUPCON Automation Instrument Co., Ltd.	Mainly engaged in the sales of industrial products, promotion of solutions and localized operation and maintenance services	5,002.00	100.00	60,110.30	35,193.98	8,730.05
Zhejiang SUPCON Fluid Technology Co., Ltd.	Mainly engaged in the sales of online industrial products and the promotion of solutions	10,000.00	98.27	77,000.46	36,319.78	5,611.98
Zhejiang SUPCON Software Technology Co., Ltd.	Mainly engaged in the sales of online industrial products and the promotion of solutions	4,000.00	100.00	12,634.60	3,601.88	763.73
SUPCON Technology (Hong Kong) Co., Ltd.	Mainly engaged in the sales of industrial products, promotion of solutions and localized operation and maintenance services	HKD 18 million	100.00	6,538.87	3,205.43	-670.79
Zhejiang SUPCON Xizi Technology Co., Ltd.	Mainly engaged in the sales of online industrial products and the promotion of solutions	1,710.00	65.00	42,704.46	14,927.53	3,118.73
SUPINCO AUTOMATION PRIVATE LIMITED	Mainly engaged in business development in the Indian market, which is consistent with the main business of the parent company	21 Crores	81.68	3,214.92	-1,378.40	162.73
SUPCON Technology (Xi'an) Co., Ltd.	Mainly engaged in the sales of industrial products, promotion of solutions and localized operation and maintenance services	5,000.00	100.00	6,200.42	5,325.94	0.22
SUPCON Technology (Fuyang) Co., Ltd.	Mainly engaged in the sales of industrial products, promotion of solutions and localized operation and maintenance services	60,000.00	100.00	77,894.74	60,379.98	246.90
Ningbo SUPCON Automation Technology Co., Ltd.	Mainly engaged in investment consulting, business management consulting and other related businesses	1,000.00	100.00	1,971.56	-113.13	-49.21
Hangzhou Baojie Investment Consulting Co., Ltd.	Mainly engaged in investment consulting, business management consulting and other related businesses	1,232.00	100.00	2,060.95	1,017.93	-226.09
Zhejiang SUPCON Intelligent Technology Industry Development Co., Ltd.	Mainly engaged in the sales of industrial products, promotion of solutions and localized operation and maintenance services	5,000.00	100.00	7,546.53	3,506.70	-1,153.77
Zhejiang Gongziyi Holdings Co., Ltd.	Mainly engaged in the sales of online industrial	30,000.00	100.00	248,702.51	35,917.37	282.34

	products and the promotion of solutions					
Zhejiang SUPCON Park Intelligent Housekeeper Technology Co., Ltd.	Mainly engaged in the sales of industrial products, promotion of solutions and localized operation and maintenance services	8,000.00	100.00	7,347.19	6,077.97	2,227.02
SUPCON Innovation (Beijing) Energy Technology Co., Ltd.	Mainly engaged in the automation, informatization and intelligence of long-distance oil and gas pipelines	2,600.00	66.00	18,685.49	5,156.31	1,975.45
ZhejiangSUPCON Huiji Technology Co., Ltd.	Mainly engaged in the sales of online industrial products and the promotion of solutions	3,000.00	98.005	3,753.63	1,898.24	-407.81
SUPCON INTERNATIONAL HOLDING PTE.LTD.	Mainly engaged in investment consulting, business management consulting and other related businesses	US$50 million	100.00	44,980.15	25,776.19	-769.66
Shanghai Zhiying Technology Co., Ltd.	Mainly engaged in technical services, technical consulting and other related businesses	1,000.00	100.00	2,033.45	25.08	25.05
Zhejiang SUPCON Weir Oil and Gas Technology Co., Ltd.	Mainly engaged in the sales of industrial products and the promotion of solutions in the oil and gas industry	5,000.00	100.00	8,701.20	2,377.35	734.49
SUPCON Wind Energy Control Technology (Beijing) Co., Ltd.	Mainly engaged in the sales of industrial products and the promotion of solutions in the wind power industry	1,000.00	67.00	269.24	131.49	-48.91
SUPCON (Hangzhou) Venture Capital Co., Ltd.	Mainly engaged in venture capital, private equity investment fund management and venture capital fund management services	3,000.00	100.00	1,371.91	1,347.97	-152.03
SUPCON Global Technology (Hangzhou) Co., Ltd.	Mainly engaged in the sales of industrial products, promotion of solutions and localized operation and maintenance services	6,300.00	57.40	10,328.46	6,468.20	-929.10
Zhejiang SUPCON Digital Intelligence Technology Co., Ltd.	Mainly engaged in technical services, technical consulting and other related businesses	10,000.00	100.00			
Zhejiang Zhihuiyuan Digital Technology Co., Ltd.	Mainly engaged in the sales of online industrial products and the promotion of solutions	3,000.00	80.00	7,015.97	2,031.54	384.76

(8) Structured entities controlled by the company

Yes √No

6. The company’s discussion and analysis on the company’s future development

(1) Industry landscape and trends

√Yes No

Manufacturing is the foundation of a country and the foundation of a strong country. During the "14th Five-Year Plan" period, my country's economic and social development will be based on the theme of promoting high-quality development, accelerating the construction of a new development pattern with the domestic cycle as the main body and domestic and international dual cycles promoting each other, in-depth implementation of the digital economy development strategy, and technological innovation. To generate new development momentum and achieve connotative growth driven by innovation, the optimization and upgrading of industrial structure has become particularly important. The digital transformation of the industry is in a critical period of accelerating development, and the intrinsic demand for manufacturing enterprises to implement intelligent manufacturing has greatly increased. Enterprises must not only accelerate the implementation of digital transformation and upgrading, but also meet increasingly stringent green and low-carbon standards. The new generation of digital technology represented by the industrial Internet, 5G, big data, artificial intelligence, digital twins, etc. is accelerating the integration and development of traditional industries. Major industries such as petrochemicals, chemicals, electric power, and metallurgy are also moving towards informatization and intelligence. , greening and service-oriented upgrades, the digital transformation of process industry enterprises will be a full life cycle digital transformation covering R&D and design, production and manufacturing, operation management, market services, etc. The national " 30·60" dual-carbon strategy has firmly established China's green and low-carbon development path. Carbon emissions in the process industry account for more than 78% of China's total carbon emissions. The control of its carbon emissions is whether green and low-carbon development can The key to achieving the “30·60” goal. On the energy supply side, we will significantly reduce the proportion of coal energy, promote the digital and intelligent development of energy, and improve the intelligence level of the energy industry chain; on the energy demand side, we will promote efficient energy allocation and utilization, as well as digital and intelligent technologies. Innovative integration in the fields of energy conservation and clean energy. Manufacturing companies have begun to pay attention to the integrated development of green manufacturing technology and digital technology. Through intelligent perception and control of processes and equipment, process multi-objective optimization, operation management optimization, etc., they can achieve information collection and monitoring, intelligent analysis and refined management of materials, energy and other materials in the production process. , reduce resource consumption and environmental impact, and achieve sustainable development that coordinates economic and social benefits.

As a leader in domestic intelligent manufacturing solutions for the process industry, the company has created a new smart factory architecture of "1+2+N" through in-depth insights into the core needs of process enterprises and combined with industrial practice, where 1 represents a factory operating system, and 2 Represents two automations (production process automation PA and enterprise operation automation BA), N represents N industrial APPs, and simultaneously builds 4 big data bases and 1 intelligent engine. The 4 data bases include equipment bases (PRIDE) , Operation Base (OMC), Quality Base (Q-Lab) and Simulation Base (APEX), this new smart factory architecture serves as a blueprint for the digital transformation and intelligent development of industry customers, helping companies achieve "safety, quality, The high-quality development goal of "low carbon and efficiency".

Our country is accelerating the construction of a modern industrial system and enhancing the security capabilities of industrial and supply chains. Independent and controllable scientific and technological innovation is the inevitable path to choose. Global development is undergoing major changes unseen in a century. Geographical conflicts are intensifying and escalating. International trade, financial and technological circulation and other international trends are changing rapidly. Our country's industries are encountering the dangers of increasingly frequent key technology blockades. The innovative development and independent development of key intelligent manufacturing technologies Control is imminent. Key product technologies, including automated control systems, industrial software, and high-end industrial instrumentation, are facing serious bottlenecks and are increasingly becoming a real safety hazard that affects the long-term healthy operation of my country's manufacturing industry. Only when domestic industrial automation companies achieve independence from hardware to software and fully master core technologies can they ensure the safety and controllability of key areas such as my country's industrial manufacturing and major infrastructure. Since its establishment, the company has always adhered to independent innovation, continued R&D investment and R&D platform construction, and is leading a group of high-quality R&D teams and technical ecological partners to gradually break down technical barriers and continuously accumulate independent and controllable core key technologies for intelligent manufacturing in the process industry. .

There are many industrial automation companies in our country, and their operating scale and operating benefits are distributed in a "pyramid" shape. A very small number of multinational companies and domestic companies together form the upper part of the pyramid. These companies are both product providers and can provide customers with comprehensive overall solutions. . At present, several foreign manufacturers still occupy a major share of the domestic high-end market represented by large-scale projects and complex projects, and provide intelligent manufacturing solutions with higher added value; at the same time, top domestic suppliers have achieved breakthroughs in intelligent manufacturing solutions. The comprehensive capabilities of technology and services have been significantly enhanced, it has gradually gained a foothold in the high-end market, and is accelerating the expansion of market share.

In the process industry intelligent manufacturing market, international automation companies such as Honeywell, Emerson, Siemens, and Schneider are taking advantage of the advantages of complete product systems and decades of application accumulation to accelerate the layout of industrial digital technology and combine green and low-carbon technologies. Promote applications and strive to maintain its market dominance. The competition among automation companies is no longer just about single products, but more about overall solutions and ecosystem platform building capabilities. As far as process industry automation segmented products are concerned, industry concentration in the field of automation control systems is relatively high. The company's main competitors are all international automation giants. The company has long been a domestic leader in the distributed control system (DCS) market. The safety instrumented system (SIS) market is highly competitive. The industry concentration in the field of instrumentation is low, there are many companies engaged in it, and it presents a highly competitive landscape. Except for a few large and powerful multinational groups, the market share of most companies is at a low level; at present, China's instrumentation market has low-end products. There is a surplus, and mid- to high-end products are still heavily dependent on imports. There will be greater room for development of mid- to high-end intelligent instruments in the future. The overall concentration level in the industrial software field is low. Various suppliers rely on their own industry accumulation to occupy a certain market share in the subdivided industries. The overall development level is still not systematic and comprehensive. At present, the industrial software market is showing an accelerated development trend, with domestic leaders Companies are expected to stand out, and market concentration will accelerate in the future.

(2) Company development strategy

√Yes No

The company's overall development strategy

The company adheres to the corporate vision and mission of "making industry smarter and making life easier" and takes "customer success, striving for innovation, dedication and integrity, and pursuit of excellence" as its core corporate values, and has long been committed to meeting the industrial digitalization needs of the process industry. Adhere to innovation-driven, based on automated control systems, focus on the development of digital industrial software technology and products, and form intelligent manufacturing solutions with multi-industry characteristics. Empower users to improve their automation, digitalization, and intelligence levels, achieve high-quality development goals of "safety, quality, low carbon, and efficiency", and become a leading international supplier of industrial automation, digitalization, and intelligent products and solutions, serving customers and Society creates value.

In recent years, generative artificial intelligence AIGC technology has developed rapidly, and industrial AI has ushered in unprecedented development opportunities. Relying on a solid foundation of industrial data, the company has conducted comprehensive exploration in the field of industrial AI and has initially formed a series of industrial AI products and solutions. In the future, the company will continue to fully seize this development opportunity, deeply integrate artificial intelligence technology, build "AI + data" core competitiveness, and maximize data value and customer benefits. At the same time, the company will accelerate the widespread application and full-scenario implementation of industrial AI in various scenarios to achieve industrial development, thereby completing the transformation and upgrading into an industrial AI company.

1) Two major product technology innovation strategies

Based on its profound industrial insight practice and product technology accumulation, the company has formed two unique product technology innovation strategies:

1.1 “1+2+N” new smart factory architecture

The company builds a new architecture of "1+2+N" smart factory. Among them, a factory operating system uses emerging technologies such as artificial intelligence, industrial Internet, cloud computing, and digital twins to connect downwards to massive amounts of industrial equipment, instruments, products and other terminal data, and supports upwards covering production control, asset management, energy management, Rapid development and deployment of industrial APPs for all business lines of enterprise operation management such as supply chain management, safety and environmental protection, etc. Through the "factory operating system + industrial APP" technical architecture, combined with a large amount of industrial knowledge, experience, mechanisms, and models, N industrial APPs are created to form an industrial intelligent technology architecture characterized by "open integration, collaborative intelligence", and comprehensive Empower the digital and intelligent development of process industry enterprises throughout their life cycle. The "PA+BA" smart enterprise architecture will run through process industry enterprises vertically from millisecond- and second-level control to minute- and hour-level management decisions, to daily, weekly, and monthly business decisions, and horizontally from raw materials to products. Full-process and full-lifecycle management to achieve top-down, left-right connectivity, and collaborative intelligence in the production process and enterprise operations. At the PA level, the company provides customers with subsystems in five major areas: safety priority, quality improvement, intelligent autonomous operation, energy saving and low carbon, and equipment health, to help enterprises achieve autonomous operation of the production process. At the BA level, the company provides customers with subsystems in five major areas, including product R&D management and process design, production operations, supply chain management, sales services, and support, to help enterprises achieve excellent operations throughout the entire life cycle.

1.2 4 big data bases + 1 intelligent engine

The company has built 4 big data bases + 1 intelligent engine. The 4 big data bases include equipment base (PRIDE), operation base (OMC), quality base (Q-Lab) and simulation base (APEX). The intelligent engine built based on large industrial models builds the core competitiveness of AI+data, maximizes the value of data, and provides support for industrial AI strategies.

The All-Equipment Intelligent Perception Platform (PRIDE) is a new generation of equipment intelligent perception platform developed by the company for the process industry, based on advanced technologies such as industrial Internet platforms, data lakes, AI big data analysis, machine learning, and combined with ET equipment technology innovation. Through comprehensive perception, accurate modeling, and intelligent analysis, PRIDE can assist users in comprehensive intelligent perception and accurate prediction of equipment objects such as dynamic equipment, static equipment, electrical, instruments, and control systems throughout the factory, creating a "diagnostic network" for factory equipment. , and based on the prediction results and the equipment inspection and maintenance case library, maintenance suggestions are generated to provide intelligent decision support for various professional equipment maintenance plans;

The full-process intelligent operation management and control system (OMC) is an integrated intelligent system that realizes the integration and reconstruction of process control, operation efficiency optimization, and production operation management in the process industry, and leads the process industry to meet the needs for safe, efficient, and green production and operation throughout the life cycle. . Adhering to the "open and intelligent" product concept, it deeply integrates advanced technologies such as factory operating systems, industrial artificial intelligence and the Internet of Things (AIoT), emerging industrial networks, intelligent control optimization, model prediction, etc., through more comprehensive identification and more in-depth evaluation. , smarter decision-making and more efficient execution to achieve efficient, safe and autonomous operation of industrial equipment;

Quality Base (Q-Lab) is an intelligent quality perception, management and assurance platform designed to help process industry companies obtain and manage the entire process quality data from raw materials, intermediates to products, and support companies through efficient perception, lean Improve quality assurance through management and control, predictive optimization, and smart collaboration. Based on intelligent equipment, standardized management and intelligent applications, build a unified full-service flow quality data base for enterprises;

Simulation Base (APEX) is a core industrial basic software that performs mechanism modeling and process simulation in the process industry, supports factory process design, process simulation and analysis, process improvement and twin factory development, and empowers factory life cycle optimization decision-making. Accurately describe the process and equipment characteristics based on first principles to create a unified full life cycle simulation base for the factory. During the factory design and construction process, it provides basic support for process and equipment selection. During the factory operation phase, it provides comprehensive support for overall operational decision-making in planning and scheduling, device operation, and optimization control. Create a twin factory in the digital space based on the model, promptly discover process bottlenecks and potential optimization spaces, provide transformation plans, and promote the transformation of the factory from experience-based control to intelligent control;

The intelligent engine is closely integrated with the four major data bases to rapidly improve application value through continuous training, application and iterative development of a large number of equipment, operation, quality, simulation and other types of data. From professional knowledge Q&A, to operational assistants, to decision support and optimization strategies that comprehensively support process industry production processes and corporate operations, we further optimize the supply chain, improve quality, increase efficiency, and efficiently help customers succeed.

2) Four strategic growth points

2.1 Internationalization

The company continues to accelerate the development of international business, which will move from automation to digitalization and intelligence, and gradually enter the international high-end market. The company will accelerate the improvement of its brand awareness overseas, strengthen cooperation with high-quality customers in various industries, expand channel partners in various regions, and create an international business ecosystem. Strengthen strategic cooperation with leading domestic process industry companies and foreign engineering contractors, and strive for more project opportunities in areas along the “Belt and Road” through “borrowing ships to go to sea”. The company takes SUPCON International Operations Company as its overseas operations headquarters and focuses on deploying in overseas regions such as Southeast Asia, South Asia, the Middle East, Africa, Europe, Central Asia, Japan, and the Americas. The company will concentrate its superior resources to further build overseas local service capabilities and create a high-quality talent team with a global vision and international competitiveness. In addition, the company will further strengthen and improve its international capabilities in R&D, manufacturing, marketing, and services to improve its position in the global value chain and industrial chain and stand out in the global market.

2.2 A new one-stop industrial service model of 5S offline stores + S2B online platform

As of the end of December 2023 , the company has completed the construction of 179 5S automated butler stores , and opened the first overseas 5S store in Saudi Arabia - the Saudi Al Khobar 5S store . As the internationalization process advances, the company will speed up the construction of overseas 5S stores to deeply reach overseas core country markets. The company will accelerate the construction and fission of 5S stores through partnerships and other methods , and provide end-to-end, door-to-door professional services in the industrial field that are close to users. The company will strengthen the construction of the operation capability system of 5S stores, improve the management and operation capabilities of store managers, use digital technology and artificial intelligence technology to deeply explore customer needs and create customer portraits. The company's S2B digital intelligence service platform is based on a smart hub (cloud computing, artificial intelligence, Internet of Things, big data and other technologies) and builds three innovative businesses: "digital intelligence mall", "digital intelligence solutions" and "digital intelligence services" ", provide customers with industrial products, technologies and services throughout the entire life cycle of industrial production, build a digital and intelligent supply chain system that links online and offline, and create a new model of industrial services. The S2B platform is also accelerating its promotion overseas to protect the production and operation of domestic and foreign customers and achieve cost reduction and efficiency improvement .

2.3 Industry depth

The company has long been committed to the research and development and services of intelligent manufacturing products and solutions in various major sub-sectors of the process industry. It has accumulated rich industry expertise, analyzed industry data in an all-round and in-depth manner, and made full use of AI technology to maximize the value of industry data. It provides unique and effective strategies and high-value solutions to customers in subdivided industries, helping industry customers achieve sustainable and high-quality development. The company has established 16 industry groups, including oil and gas, chlor-alkali, liquor, etc. Each industry group will create a " 1+2+N" industry with AI+ data as the core based on the unique characteristics of each sub-industry. version of smart factory solutions, accelerate the digital transformation of leading customers in various industry segments, continue to create industry benchmark projects and carry out replication and promotion. At the same time, the industry group will continue to focus on accumulating professional knowledge in subdivided industries, focusing on the analysis and prediction of industry data, realizing the commercialization of industry data, helping customers break through industry development bottlenecks, and transforming the huge value of industry data into actual business benefits. , laying a solid industry foundation for the company's development of AI+ data strategy.

2.4 Emerging business opportunities

Relying on its advantages in the fields of digitalization and intelligence, the company has successfully opened up multiple new tracks such as robotics, new energy, smart coal mines, and smart laboratories. Through the integration of internal and external resources, the business in each new track will grow rapidly in 2023. Some businesses have quickly entered the high-speed growth stage from the incubation stage. In the future, the company will continue to explore new business growth points, comply with the country's technological development trends, and select strategic emerging industries such as artificial intelligence, robots, energy storage, and green environmental protection that are consistent with the company's strategic goals and can be in line with the company's business. A high-potential market that creates synergistic effects. Continue to insist on systematic research, design, verification and transformation of emerging business opportunities from multiple aspects such as technology, products, markets, and industrial chains, and ultimately form new product and new business model design plans to continue to build new businesses for the company's future development. growth point .

(3) Bussiness plan

√Yes No

The company will continue to improve the company's governance structure in strict accordance with the requirements of the Company Law, Securities Law and other relevant laws and regulations, implement the mid- to long-term development strategy of SUP, and build a more standardized, modern and international SUP. In 2024, the company will further build the core competitiveness of "AI + data", continue to consolidate the new architecture of "1+2+N" smart factories, create "4 big data bases + 1 smart engine", and accelerate the development of international business, 5S stores + S2B platform, industry depth, new tracks and other strategic growth points; actively explore new potential business opportunities, keep up with domestic and foreign industry development trends, focus on the development of industrial big data and artificial intelligence, and promote new technologies such as coal mining, wind and solar hydrogen production, and robots. The business develops rapidly and comprehensively; at the same time, a flatter, more agile and efficient process-based organization is created to support business logic reshaping and efficient management operation.

1) Technological innovation, product research and development and business development plans

The company will further understand the needs of industry customers, design high-value industry solutions, form replicable solutions, achieve large-scale sales, and create a replicable growth model; vigorously promote the implementation of the new "1+2+N" smart factory architecture, Integrate "4 big data bases + 1 intelligent engine" into the overall planning of the customer's smart factory, create an industry model project and realize replication and promotion within the industry, and enhance industry influence; use "AI + data" to carry out high-end intelligent industry solutions The development of solutions and the application of related new product technologies in the industry enhance industry competitiveness and create value for customers.

In terms of the control system product line, we have implemented multi-language support for process control products, AI capability integration, cross-platform deployment and industrialization capability improvement for domestic and foreign customers, and continued to build benchmark projects and core competitiveness; we have implemented process control products for dynamic, static, electrical, Intelligent sensing and predictive diagnosis capabilities of instrument, control and other equipment data, release equipment sensing products and solutions for different industry scenarios; deepen industry segmentation and joint innovation with major customers, release dedicated control systems for process safety, and fault-oriented R&D solutions for application scenarios such as diagnosis and stock market replacement; launch PLC industrial product solutions and integrated control solutions to continue to create differentiated product competitiveness; focus on breaking through internationalized products and certifications for industrial information security, and create key product solutions.

In terms of the instrumentation product line, we will accelerate the increase in the market share of core products, increase investment in internationalization, and gradually promote the establishment of a multi-level instrumentation marketing network system covering the world; continue to accelerate the research and development of new automated instrumentation products, and further upgrade the performance of transmitter products. Expand the application of independent sensors; continue to develop control valve products with high market potential and high gross profit, achieve further cost reduction of conventional products, form a systemic control valve industry solution that can be replicated and promoted, and move towards large-scale application in high-end application fields; focus on core products of analyzers , enhance core competitiveness and support domestic business expansion.

In terms of the digital intelligence technology product line, the company has fully implemented the company's digital transformation strategic plan and key measures, supported the implementation of reform projects, created digital products and solutions for enterprise operation automation, and created new value for customers; comprehensively transformed the form of smart operation products and shortened product Delivery cycle, optimize user experience, enhance market competitiveness, and combine cutting-edge application technology to continue to break through overseas markets; build a new model of efficient software research and development, integrate AI technology to improve the efficiency of enterprise operation automation product research and development, strengthen digital collaboration, and reduce research and development costs.

In terms of the 5T product line, we will strengthen AIGC technology research and exploration of cutting-edge technologies, build an "AI + data" R&D system, break through key technologies in industrial data modeling, and create new industrial AI products and industry benchmark projects; focus on the core needs of the enterprise, continue to improve iterative operation optimization , simulation optimization, control optimization, and carbon energy optimization related products to establish market competitiveness and promote rapid business growth; strengthen self-research on core technologies, continue to create 5T integrated core solutions, promote the rapid implementation of the next generation of new industrial forms, and create a group of A model factory with industry influence.

In terms of innovative technology, the company will focus on artificial intelligence, explore new industrial application scenarios, carry out AI+ application integration solutions around energy saving, emission reduction, safety, operating efficiency, equipment health and other directions, and propose technical paths and commercialization plans; in In the direction of machine vision, we develop solutions that integrate vision with laser, radar and other optoelectronic technologies to form universal standardized software and hardware products and carry out demonstration applications, forming mature industrial vision solutions that can be applied on a large scale. In terms of innovative business, we carry out technological exploration around new generation control systems, industrial software (AI+), industrial sensing instruments, robots, etc.; we plan and develop universal controllers and robot operating system (SROS) software for humanoid robots to provide humanoid robots and The productized application of special robots provides an open, standardized control platform to accelerate the development and large-scale application of robot industry versions.

2) Global market and new business expansion plans

the international market , we continue to promote localization and build overseas operations headquarters, focusing on the six international business regions of MEA, SEA, EU, CA, Japan, and AU, as well as the two national markets of Mongolia and South Korea to rapidly promote and implement "1+2+N" "The new smart factory architecture and "4 major data bases + 1 intelligent engine" continue to expand overseas channels and build local partners to achieve large-scale expansion of overseas business ; explore overseas digital transformation markets, target industrial group customers, and integrate global services and products to form digital capabilities covering infrastructure to applications ; develop cutting-edge software and digital technologies, explore AI-based simulation and optimization, open source industrial software, simulation and spatial computing and other directions to meet the needs of globalization and localization ; develop overseas The market's "AI+data" solution collects and analyzes the forward-looking and innovative needs of international high-end customers, promotes the certification and trial of the company's core innovative products, and gradually realizes batch applications.

In the domestic market, we adhere to the dual orientation of scale and profit, deepen the practice of 5S store partnership model, and link online and offline 5S stores and S2B platforms to continue to improve customer coverage, market share and customer satisfaction; deeply explore customers in various industry segments Industrial AI application scenarios; pay attention to the nurturing and expansion of new industry opportunities, strengthen the precipitation and accumulation of knowledge in smart mines and hydrogen energy new industries; promote collaborative operations among regions, industries, and product business units, strengthen business awareness, and continue to improve sales management operations , solution capabilities and project management capabilities.

emerging business opportunities , the company will focus on core areas such as robots, smart laboratories, and smart parks. The robot sector focuses on the two core business directions of logistics and packaging robots, intelligent inspection and vision robots, continues to explore subdivided scenario applications, gradually establishes a full-scenario robot solution system for process industries, and focuses on mobile through various channels. Regular inspections, fixed inspections, and warehousing and logistics robots can quickly establish a product system that meets the company's business development strategy and needs, forming product advantages and technical barriers, and comprehensively improving influence; the smart laboratory section builds and releases a complete Q-Lab The process intelligent quality monitoring platform accelerates the promotion of solution combinations such as Q-Lab applications, smart laboratories, and intelligent applications; the smart park segment deepens the upgrade and iteration of smart park 2.0 products, and creates a number of national-level chemical park demonstration projects and safety and emergency response , environmental protection, dual-carbon and other multi-scenario applications, and cooperate with safety production research institutions to continuously explore the innovative model and technological development of "AI + safety production" in the park.

3) Investment and development plans

Stick to the main tracks related to the main business , focus on digitalization and internationalization as the main investment directions, find strategic investment targets, help realize the strategic ecological layout of listed companies through various methods such as holding and equity participation, and promote the implementation of the company's investment projects.

Focusing on the company's internationalization strategy and global business development needs, support the establishment of overseas subsidiaries, factories, R&D centers, etc., to assist the company's overseas business expansion; optimize the post-investment management and operations of domestic and overseas holding and share-holding subsidiaries, and promote the listing of invested companies Synergistic growth of the company.

4) Human resources development plan

Establish a complete international talent supply chain system, build an international talent pool, establish and improve the company's cadre management system, quickly promote the iteration of the company's leadership development system, clarify key talent strategies, strengthen talent reserve and development in key positions, and carry out company-level strategies in depth Focus on talent cultivation and increase the density of talent in key positions.

Continue to optimize the employee career development system, build a digital, agile, and intelligent employee growth platform, accelerate the digital transformation of human resources, establish an efficient, intelligent analysis, and portable interactive human resources information system, and comprehensively promote the construction of digital talent capabilities.

Strengthen the implementation of corporate culture, establish an international cultural promotion system, and create a cultural atmosphere of "happy, fulfilling, valuable, and respected".

(4) Other

Yes √No

Section4 Corporate Governance

1. Description of corporate governance related situations

√Yes No

During the reporting period, the company continuously established and improved the corporate governance system in strict accordance with the requirements of the Company Law, Securities Law, Code of Governance of Listed Companies and relevant laws, regulations and normative documents, and further improved the system composed of the general meeting of shareholders, the board of directors, the board of supervisors and The governance structure composed of the management has formed a mutual coordination and mutual checks and balances mechanism with clear rights and responsibilities and standardized operations among the power agencies, decision-making agencies, supervisory agencies and management, providing organizational and institutional guarantees for the company's efficient operations. During the reporting period, the company’s general meeting of shareholders, board of directors, board of supervisors and management all exercised their powers and performed their obligations in accordance with the provisions of the Company Law and Articles of Association. The details of corporate governance are as follows:

(1) Operation status of shareholders' meeting

In 2023, the company held a total of 4 shareholders' meetings. The notices, convening, proposals, convening, voting, resolutions and information disclosure of the shareholders' meeting were all in compliance with relevant laws and regulations, normative documents, the "Articles of Association" and other relevant provisions, and the content of the resolutions was legal. It is effective and fully protects the legitimate rights and interests of all shareholders, especially small and medium shareholders.

(2) Operations of the board of directors

The company's board of directors consists of 7 directors, including 3 independent directors. The number and composition of the board of directors meet the relevant requirements of laws and regulations. In 2023, the company held a total of 8 board meetings and 1 special meeting of independent directors. The convening methods, proceedings, voting methods and resolution contents of all board meetings were in compliance with relevant laws, regulations, the Articles of Association and the Board of Directors. According to the provisions of the "Rules of Procedure", all directors shall diligently perform their duties and obligations in accordance with laws, regulations and the "Articles of Association". The company's board of directors has four special committees: Strategy Committee, Audit Committee, Remuneration and Appraisal Committee, and Nomination Committee. Among them, the Audit Committee, the Remuneration and Appraisal Committee, and the Nomination Committee are all chaired by independent directors, and the proportion of independent directors is three More than two-thirds. In 2023, the company held a total of 2 Strategy Committee meetings, 5 Audit Committee meetings, 4 Remuneration and Assessment Committee meetings, and 2 Nomination Committee meetings. Each special committee gave full play to its special functions and provided guarantee for the scientific decision-making of the Board of Directors.

(3) Operation status of the Board of Supervisors

The company's supervisory board consists of 3 supervisors, including 1 employee representative supervisor. In 2023, the company held a total of 6 meetings of the Board of Supervisors. The Board of Supervisors carried out solid and meticulous work in accordance with relevant systems to effectively supervise the company's daily operations, equity incentives, related transactions and other matters, reduce the company's operational risks, and safeguard the legitimate rights and interests of the company and shareholders. , to ensure that the company operates in a standardized manner.

Whether there are any major differences between corporate governance and laws, administrative regulations and the China Securities Regulatory Commission’s provisions on the governance of listed companies ; if there are major differences, the reasons should be explained

Yes √No

2. The company explains the situation in which it and its controlling shareholder cannot guarantee independence or maintain the ability to operate independently in terms of business, personnel, assets, institutions, finance, etc.

Yes √No

Controlling shareholders, actual controllers and other units controlled by them are engaged in the same or similar business as the company, as well as horizontal competition or the impact of major changes in horizontal competition on the company, the resolution measures taken, resolution progress and subsequent resolutions plan

Yes √No

Controlling shareholders, actual controllers and other units controlled by them engage in horizontal competition that has a significant adverse impact on the company
Yes √No

3. Brief introduction to the general meeting of shareholders

Session	Convening date	Query index of designated websites where decisions are made to be published	Disclosure date of resolution publication	Meeting Decision
2022 Annual General Meeting of Shareholders	May 17, 2023	www.sse.com.cn	May 18, 2023	All proposals were reviewed and approved, and there was no veto of the proposal. For details, please see the company's announcement, announcement number: 2 023-029.
The first extraordinary general meeting of shareholders in 2023	August 21, 2023	www.sse.com.cn	August 22, 2023	All proposals were reviewed and approved, and there was no veto of the proposal. For details, please see the company's announcement, announcement number: 2 023-047.
The second extraordinary general meeting of shareholders in 2023	December 11, 2023	www.sse.com.cn	December 12, 2023	All proposals were reviewed and approved, and there was no veto of the proposal. For details, please see the company's announcement, announcement number: 2 023-084.
The third extraordinary general meeting of shareholders in 2023	December 27, 2023	www.sse.com.cn	December 28, 2023	All proposals were reviewed and approved, and there was no veto of the proposal. For details, please see the company's announcement, announcement number: 2 023-092.

Preference shareholders whose voting rights have been restored request to convene an extraordinary general meeting of shareholders

Yes √No

Description of shareholders' meeting
√Yes No

All the resolutions of the above-mentioned shareholders' meeting were reviewed and approved, and there was no veto of the resolutions; the convening and convening procedures of the above-mentioned shareholders' meeting complied with the provisions of relevant laws, administrative regulations, the "Rules for Shareholders' Meetings of Listed Companies" and the "Articles of Association"; attended the above-mentioned shareholders' meeting The personnel qualifications and convener qualifications are legal and valid; the voting procedures and voting results of the above-mentioned shareholders' meeting are legal and valid.

4. Implementation and changes of voting rights differential arrangements during the reporting period

Yes √No

5. Corporate governance of red -chip structures

Yes √No

6. Information about directors, supervisors and senior managers

(1) Changes in shareholdings and remuneration of current and departing directors , supervisors, senior managers and core technical personnel during the reporting period

√Yes No

Unit: Share

Name	Position	gender	age	Term start date	term end date	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Increase and decrease in shares during the year	Reasons for increase or decrease	Total pre-tax remuneration received from the company during the reporting period (10,000 yuan)	Whether to receive compensation from related parties of the company
CUI SHAN	Chairman and CEO	male	53	2018.12	2026.12	47,500	105,125	57,625	Equity incentives, capital reserve converted into share capital	283.40	no
Zhang Kehua	director	male	71	2017.12	2026.12	0	0	0	/	15.29	yes
Wang Jianxin	director	male	62	2017.12	2026.12	0	0	0	/	15.29	yes
Xue Anke	director	male	67	2023.12	2026.12	0	0	0	/	1.15	no
Chen Xin	independent director	male	49	2021.01	2024.03	0	0	0	/	15.29	no
Shen Haiqiang	independent director	male	48	2023.12	2026.12	0	0	0	/	1.15	no
Xu Chao	independent director	male	44	2023.12	2026.12	0	0	0	/	1.15	no
Chen Wenqiang	independent director	male	35	2024.03	2026.12	0	0	0	/	0	no
Liang	Chairman of	male	37	2021.01	2026.12	164,750	238,888	74,138	Capital	38.89	no

Qiaochu	the Supervisory Board								reserve converted into share capital		
Yu Huilan	Employee Representative Supervisor	female	46	2021.04	2026.12	0	0	0	/	26.08	no
Wang Chenqi	supervisor	female	49	2023.12	2026.12	0	0	0	/	2.19	no
Yu Haibin	Senior Vice President	male	53	2021.01	2026.12	2,719,500	4,015,775	1,296,275	Equity incentives, capital reserve converted into share capital	195.58	no
Guo Biao	Senior Vice President	male	50	2021.01	2026.12	734,188	1,082,698	348,510	Equity incentives, capital reserve converted into share capital	187.11	no
Mowei	Senior Vice President	male	44	2021.01	2026.12	100,000	217,500	117,500	Equity incentives, capital reserve converted into share capital	142.83	no
Fang Yongsheng	Vice President, Secretary of the Board of Directors, Chief Financial	male	48	2021.01	2026.12	237,500	380,625	143,125	Equity incentives, capital reserve converted into share capital	150.12	no

	Officer										
Zhang Lei	Vice President	male	46	2022.01	2026.12	47,500	105,125	57,625	Equity incentives, capital reserve converted into share capital	157.54	no
Lu Weijun	Vice President	male	47	2023.12	2026.12	198,101	305,371	107,270	Equity incentives, capital reserve converted into share capital	6.84	no
Chen Jiangyi	Vice President	male	43	2023.12	2026.12	35,000	76,125	41,125	Equity incentives, capital reserve converted into share capital	6.27	no
Wu Yucheng	Vice President	male	47	2023.12	2026.12	50,000	108,750	58,750	Equity incentives, capital reserve converted into share capital	6.09	no
Wu Caibao	Vice President	male	48	2023.12	2026.12	33,250	73,588	40,338	Equity incentives, capital reserve converted into share capital	7.54	no
Lin	Vice President	male	45	2023.12	2026.12	0	0	0	Equity	7.35	no

Weiqing									incentives, conversion of capital reserves into equity capital, reduction of holdings in the secondary market		
Qiu Kun	Vice President (resigned)	male	49	2021.01	2023.12	701,375	847,500	146,125	Equity incentives, conversion of capital reserves into equity capital, reduction of holdings in the secondary market	138.17	no
Qiu Kun	Core technical personnel	male	49	2000.04	/	701,375	847,500	146,125	Equity incentives, conversion of capital reserves into equity capital, reduction of holdings in the secondary market	7.99	no
Lu Weijun	Core technical personnel	male	47	2000.04	/	198,101	305,371	107,270	Equity incentives,	116.62	no

									capital reserve converted into share capital		
Yao Jie	Core technical personnel	male	43	2004.04	/	25,000	54,375	29,375	Equity incentives, capital reserve converted into share capital	85.60	no
Chen Yu	Core technical personnel	male	48	2000.04	/	173,750	270,063	96,313	Equity incentives, capital reserve converted into share capital	58.28	no
Jin Jianxiang	Vice Chairman (resigned)	male	62	2021.01	2023.12	2,138,756	2,666,196	527,440	Secondary market shareholding reduction, capital reserve converted into equity capital	14.19	yes
Jin Xuejun	Independent Director (Resigned)	male	66	2017.12	2023.12	0	0	0	/	14.19	no
Yang Jie	Independent Director (Resigned)	female	45	2019.04	2023.12	0	0	0	/	14.19	no
Cheng Yuhao	Supervisor (resigned)	male	51	2021.01	2023.12	0	0	0	/	0	yes
Shen Hui	Senior Vice	male	58	2021.01	2023.12	1,657,614	2,072,723	415,109	Equity	142.85	no

	President (resigned)								incentives, conversion of capital reserves into equity capital, reduction of holdings in the secondary market		
Lai Jingyu	Vice President (resigned)	male	54	2017.12	2023.10	416,570	526,595	110,025	Equity incentives, conversion of capital reserves into equity capital, reduction of holdings in the secondary market	71.03	no
Ding Xiaobo	Vice President (resigned)	female	53	2021.01	2023.12	0	23,200	23,200	Equity incentives, capital reserve converted into share capital	141.92	no
TEO KIMHOCK	Vice President (resigned)	male	59	2022.01	2023.12	0	14,500	14,500	Equity incentives, capital reserve converted into share capital	248.32	no

Shentu Jiuhong	Vice President (resigned)	male	55	2022.01	2023.05	707,750	1,024,488	316,738	Equity incentives, conversion of capital reserves into equity capital, reduction of holdings in the secondary market	45.00	no
Total	/	/	/	/	/	10,188,104	14,209,210	4,021,106	/	2,357.52	/

Name	Main working experience
CUI SHAN	Born in May 1971, Singaporean nationality, master's degree, graduated from the National University of Singapore in chemical automation in June 1998. From June 1998 to March 2001, he served as a senior process control engineer at Honeywell High-Tech Co., Ltd. From March 2001 to October 2012, he successively served as department manager and business general manager of Yokogawa Electric Asia Co., Ltd. From October 2012 to November 2014, he served as the business general manager of Yokogawa Electric International Co., Ltd. From November 2014 to April 2018, he successively served as Vice President and Executive Vice President of Yokogawa Electric (China) Co., Ltd. From April 2018 to December 2018, he served as President of SUPCON Group. From December 2018 to January 2021, he served as director and executive president of SUPCON Technology. Starting from January 2021, he will serve as chairman and president of SUPCON Technology.
Zhang Kehua	Born in August 1953, Chinese nationality, no permanent residence abroad, graduate degree, graduated from East China University of Science and Technology in chemical machinery in June 1981, and obtained a master's degree from China University of Petroleum in December 2000. From March 1983 to April 1996, he successively served as director, assistant manager and deputy manager of the Third Construction Company of China Petrochemical Corporation. From April 1996 to December 1998, he served as deputy director of the Engineering Construction Department of China Petrochemical Corporation. From December 1998 to December 2013, he successively served as deputy director and director of the Engineering Construction Management Department of Sinopec Group Corporation. In June 2004, he was appointed as assistant to the general manager of Sinopec Corp. From May 2006 to May 2014, he served as Vice President of China Petroleum & Chemical Corporation. From May 2014 to August 2015, he served as a consultant to Sinopec Corp. Since December 2017, he has served as director of SUPCON Technology.
Wang Jianxin	Born in January 1962, Chinese nationality, no permanent residence abroad, graduate degree, graduated from the University of Shanghai for Science and Technology in automation in July 1983, and obtained a master's degree in economics and management from Harbin University of Science and Technology in July 1996. From September 1983 to January 2001, he successively served as deputy director and director of the Science and Technology Department of the Ministry of Machinery Industry and the Planning Department of the Ministry of Science and Technology. From January 2001 to July 2005, he served as vice president of Shenzhen Huaqiang Group. From August 2005 to August 2007, he served as the general manager of Shanghai Feile Audio Co., Ltd. From August 2007 to April 2018, he served as senior vice president of Shenzhen Mindray Biomedical Electronics Co., Ltd. Since

	December 2017, he has served as director of SUPCON Technology.
Xue Anke	Born in March 1957, Chinese nationality, no permanent residence abroad, doctoral degree, professor, doctoral supervisor, graduated from Shandong University in 1982, received a master's degree from Northeast Heavy Machinery College (now Yanshan University) in 1986, and received a bachelor's degree in engineering from Zhejiang University in 1997 PhD degree, graduated from Zhejiang University Computer Science and Technology Postdoctoral Research Station in June 2000. He is a special expert of Zhejiang Province, an expert enjoying special government subsidies from the State Council, and a fellow of the Chinese Society of Automation. Former President of Hangzhou University of Electronic Science and Technology, Vice Chairman of Zhejiang Association for Science and Technology. Currently, he is a counselor of the Zhejiang Provincial People's Government, a member of the Science and Technology Committee of the Ministry of Industry and Information Technology, president of the Zhejiang Digital Economy Federation, secretary-general of the Provincial Artificial Intelligence Development Expert Committee, deputy director of the Information Fusion Special Committee of the Chinese Astronautical Society, and an expert on intelligent aerospace systems of the Chinese Society of Artificial Intelligence. Deputy Director of the Committee and other positions. From December 2023, he will serve as director of SUPCON Technology.
Chen Xin	Born in December 1975, Chinese nationality, no permanent residence abroad, doctorate degree. He has successively served as an assistant professor at the Business School of Renmin University of China, an associate professor at Shanghai Jiao Tong University Antai School of Economics and Management, and is currently a professor at Shanghai Advanced Institute of Finance, Shanghai Jiao Tong University. From July 2021 to present, he has served as an independent director of Xiamen Bank Co., Ltd., from October 2022 to present, he has served as an independent director of Guangdong Qunxing Toys Co., Ltd., and from January 2021 to March 2024 , he has served as an independent director of SUPCON Technology.
Shen Haiqiang	Born in December 1976, Chinese nationality, no permanent residence abroad, graduate degree, Master of Laws and (on-the-job) Master of Business Administration in Finance. From March 2005 to present, he has served as paralegal, lawyer, partner, managing partner and executive director of Zhejiang Tiance Law Firm. From July 2014 to April 2019, he served as an independent director of SUPCON Technology. From December 2023, he will serve as an independent director of SUPCON Technology.
Xu Chao	Born in June 1980, Chinese nationality, no permanent residence abroad, graduate degree, doctorate degree. He has successively served as deputy director of the Institute of Intelligent Systems and Control of Zhejiang University, deputy director of the School of Control of Zhejiang University, director of the Huzhou Research Institute of Zhejiang University, and director of the Nannan Taihu New District of Huzhou City, Zhejiang Province (Huzhou Economic and Technological Development Zone, Huzhou Taihu Tourism Resort) Deputy Director of the Management Committee (temporary position), member of the 9th Huzhou Municipal Committee of the Chinese People's Political Consultative Conference, member of the Standing Committee of the 8th Committee of the Huzhou Science and Technology Association, and deputy director of the Huzhou Municipal Digital Reform Standardization Technical Committee. From December 2023, he will serve as an independent director of SUPCON Technology.
Chen Wenqiang	Born in 1989, Chinese nationality, no permanent residence abroad. Doctor of Business Administration, graduated from Zhejiang University School of Management. From 2017 to present, he has been an associate professor at the School of Accountancy, Zhejiang University of Finance and Economics, and from 2022 to present, he has been the director of the MPAcc Center. Currently, he serves as an independent director of Ningbo United Group Co., Ltd. and Innovative Medical Management Co., Ltd. From March 2024 , he will serve as an independent director of SUPCON Technology.
Liang Qiaochu	Born in January 1987, Chinese nationality, no permanent residence abroad, bachelor's degree, worked in Ningbo Zhongkong Information Technology Co., Ltd., Zhejiang Zhongkong Research Institute Co., Ltd., and Zhejiang Guozi Robot Technology Co., Ltd. From April 2013 to present, he has served as Sales Manager of Hangzhou Business Department of SUPCON Technology Corporation, Deputy General Manager of Business Development Department of S2B Platform Operation Center, Deputy Manager of Data Intelligence Department of SUPCON Technology Information Center, and Manager of Big Data Application Department of SUPCON Technology. Currently, Deputy Business Director of Control Technology East China Region. Since January 2021, he has served as a supervisor of SUPCON Technology and is currently the chairman of the Supervisory Board of SUPCON

	Technology.
Yu Huilan	Born in July 1978, Chinese nationality, no permanent residence abroad, bachelor's degree. From July 1997 to January 2000, he served as the financial cashier of Zhejiang University Sunshine Nutrition Technology Co., Ltd.; from January 2000 to December 2005, he served as Training and sales manager of Hangzhou Linfeng Enterprise Management Consulting Co., Ltd.; from December 2005 to December 2007, he served as training and sales manager of Hangzhou Hongcheng Education Management Consulting Co., Ltd.; from December 2010 to May 2018, he served as Zhejiang Zhongkong Research Institute Co., Ltd. Sales Assistant, Party Working Committee Secretary; from May 2018 to present, he has served as Party Working Committee Secretary, Party and Mass Affairs Manager, Party Committee Member, Women's Federation Vice Chairman and Women's Work Committee Director of SUPCON Technology Co., Ltd. From April 2021, he will serve as employee representative supervisor of SUPCON Technology.
Wang Chenqi	Born in January 1975, Chinese nationality, no permanent residence abroad, college degree, previously worked as Zhejiang regional manager of Taiwan Jinyuan Ceramics, general manager of Hangzhou Jiaxuan Building Materials Co., Ltd., and manager of the mall operation department of the commercial complex project of Waihai Group. In 2014 From March to present, he has served as the director of the Asset Management Department of SUPCON Technology Group and the deputy general manager of the Logistics Service and Emergency Center of SUPCON Technology Co., Ltd., and is currently the general manager of the Comprehensive Support Department of the Administrative Logistics and Emergency Management Department of SUPCON Technology Co., Ltd. From December 2023, he will serve as the technical supervisor of SUPCON.
Yu Haibin	Born in October 1971, Chinese nationality, no permanent residence abroad, associate researcher, doctorate degree, graduated from Zhejiang University in September 1999, majoring in control theory and control engineering. From September 1999 to present, he has served as a lecturer and associate researcher at Zhejiang University. From November 1996 to October 2000, he successively served as engineer and engineering department manager at Hangzhou Zhejiang University Central Control Automation Co., Ltd. and Zhejiang Zhejiang Haina Central Control Automation Co., Ltd. From November 2000 to December 2013, he successively served as SUPCON Technology Engineering Department Manager, International Department Manager, Technical Support Department Manager, Marketing Department Manager, Market Center Director, Marketing Director, Overseas Business Director, Deputy Chief Engineer, and Assistant to the President, in 2014 From January 2020 to January 2021, he served as Vice President of SUPCON Technology. From January 2021 to present, he serves as Senior Vice President of SUPCON Technology.
Guo Biao	Born on January 10, 1974, Chinese nationality, no permanent residence abroad, bachelor's degree, graduated from Yanshan University in Industrial Electrical Automation in June 1996, and completed the business administration training course at Zhejiang University in 2007. From January 2005 to December 2008, he served as marketing director and deputy general manager of SUPCON Automation Instrument Co., Ltd. From January 2009 to December 2015, he successively served as general business director, regional business director, and marketing director of SUPCON Technology Co., Ltd. Deputy General Manager of the Headquarters and General Manager of the Marketing Headquarters. From January 2016 to December 2016, he served as the General Manager of the Domestic Business Headquarters of SUPCON Technology Co., Ltd. From January 2017 to December 2018, he served as the General Manager of SUPCON Automation Instrument Co., Ltd. General Manager, from January to December 2019, he served as the general manager of the domestic regional sales center and the general manager of the operation and maintenance platform service center of SUPCON Technology Co., Ltd. Since January 2020, he has served as the assistant to the president, vice president, and senior vice president of SUPCON Technology. President.
Mo wei	Born in April 1980, Chinese nationality, no permanent residence abroad, senior economist, bachelor's degree, graduated from Northwestern Polytechnical University in business administration in July 2002. From September 2002 to December 2017, he successively served as deputy director and director of the President Office, public affairs director and vice president of SUPCON Technology. From January 2021 to January 2022, he served as the senior vice president and secretary of the board of directors of SUPCON Technology. From January 2022 to the present, he served as the senior vice president of SUPCON Technology.

Fang Yongsheng	Born in May 1976, Chinese nationality, no permanent residence abroad, certified public accountant, senior accountant, bachelor's degree. He graduated from Harbin University of Science and Technology in accounting in July 1998 and from Northeast Agricultural University in January 2011. From July 1998 to January 2000, he served as accountant at Harbin Light Vehicle Factory of FAW Group. From February 2000 to November 2004, he served as the financial manager of the subsidiary of Hangzhou Huineng Biotechnology Co., Ltd. From December 2004 to February 2008, he served as the manager of the Finance Department of SUPCON Information. From March 2008 to August 2019, he successively served as the manager of the audit department, manager of the operation and management department, manager of the financial department and manager of the operation and management department, deputy financial director, and financial director of SUPRON. He has been appointed as the financial director of SUPCON Technology since August 2019, the vice president of SUPCON Technology since January 2021, and the secretary of the board of directors of SUPCON Technology since August 2022.
Zhang Lei	Born in December 1978, Chinese nationality, no permanent residence abroad, senior economist, master's degree, graduated from Nanjing Normal University in accounting in July 2000, and graduated from Zhejiang University of Technology in business administration in January 2007. From July 2000 to October 2010, he served as sales engineer, regional manager, and marketing director of Zhejiang Zhongkong Automation Instrument Co., Ltd. From November 2010 to December 2016, he served as director and deputy general manager of Zhejiang Zhongkong Fluid Technology Co., Ltd. , from January 2017 to December 2020, he served as executive director and general manager of Zhejiang SUPCON Fluid Technology Co., Ltd. From January 2021 to present, he has served as assistant to the president and vice president of SUPCON Technology.
Lu Weijun	Born in July 1977, Chinese nationality, no permanent residence abroad, senior engineer, bachelor's degree, graduated from Beijing University of Aeronautics and Astronautics in Mechanical Design and Manufacturing in July 1999. From July 1999 to October 2000, he served as an engineer at Zhejiang Zhejiang Haina Central Control Automation Co., Ltd. From November 2000 to December 2023, he served as the manager of the R&D department, technical director, deputy general manager of the R&D center, deputy chief designer, deputy chief engineer, president of the control system product department, and assistant to the president of SUPCON Technology. From December 2023, he will serve as Vice President of SUPCON Technology.
Chen Jiangyi	Born in March 1981, Chinese nationality, no permanent residence abroad, senior engineer, bachelor's degree, graduated from Zhejiang University in July 2002, majoring in information and computing science. From July 2002 to present, he has served as the manager of the information development department, deputy general manager of the solution development center, deputy director of information products, general manager of the information center, general manager of the information software center, deputy chief designer, and deputy chief engineer of SUPCON Technology , President of the Industrial Software Product Department, President of Digital Technology Company, and Assistant to the President of Central Control Technology. From December 2023, he will serve as Vice President of SUPCON Technology.
Wu Yucheng	Born in April 1977, Chinese nationality, no permanent residence abroad, master's degree, graduated from Kunming University of Science and Technology in June 2004, majoring in control theory and control engineering. From September 2004 to February 2009, he was a doctoral candidate in control science and engineering at Zhejiang University. From March 2009 to December 2018, he served as project manager, technical manager, optimization department manager, chief engineer of the operations department, and general manager of the optimization division of SUPCON Software Technology Co., Ltd. From January 2019 to December 2021, he successively served as deputy general manager of SUPCON Technology Process Optimization Solution Center and general manager of Industrial Intelligence R&D Center. From January 2022, he will serve as assistant to the president of SUPCON Technology and president of the 5T Technology Department. From December 2023, he will serve as Vice President of SUPCON Technology.
Wu Caibao	Born in February 1976, Chinese nationality, no permanent residence abroad, master's degree, graduated from Hunan University in June 1997 majoring in inorganic non-metallic materials, and graduated from Zhejiang University in June 2012 majoring in engineering in the field of project management.

	From April 2008 to December 2018, he successively served as the sales manager, deputy manager of the sales department of the MES business unit, assistant general manager of the MES business unit, deputy general manager of the sales department, and general manager of the sales center of Zhejiang Zhongkong Software Technology Co., Ltd. From January 2019 to present, he has served as deputy general manager of the Industrial Software Business Center of SUPCON Technology Co., Ltd., general manager of Jinan/Weifang Business Department, president of Central China Region, and assistant to the president of SUPCON Technology. From December 2023, he will serve as Vice President of SUPCON Technology.
Lin Weiqing	Born in June 1979, Chinese nationality, no permanent residence abroad, master's degree, graduated from Shanghai Jiao Tong University in September 2001 with a bachelor's degree in automatic control, and received an MBA degree from the University of Hong Kong in 2015. From September 2001 to present, he has successively served as the R&D manager of Hitachi Manufacturing Co., Ltd., the sales manager of Germany's TUV Group, the sales director of Fiat Group Industrial Group, the person in charge of Deutz Shanghai in Germany, the person in charge of marketing and strategy of the Western Region Supply Chain, and the president of S2B Business Unit of Supcon Technology. . From December 2023, he will serve as Vice President of SUPCON Technology.

Other situation description
Yes √No

(2) Employment status of current and departing directors, supervisors and senior managers during the reporting period

1) Employment status in shareholder units

√Yes No

Name of employee	Name of shareholder unit	Positions held in shareholder units	Term start date	term end date
Cheng Yuhao	Zhejiang Chint Electric Co., Ltd.	Assistant to the President, General Manager of Strategic Management Department	Since May 2014, he has been appointed as the General Manager of the Strategic Management Department; since April 2019, he has been appointed as the Assistant to the President.	-
Description of employment status in shareholder units	None			

2) Employment status in other units

√Yes No

Name of employee	Other unit names	Positions held in other units	Term start date	term end date
CUI SHAN	Ningbo Industrial Internet Research Institute Co., Ltd.	Director	April 2018	-
	Zhejiang Gongziyi Network Co., Ltd.	Chairman	May 2020	December 2023
	Zhejiang Zhongkong Park Intelligent Housekeeper Technology Co., Ltd.	Chairman	May 2020	-

	Zhejiang Central Control System Engineering Co., Ltd.	executive Director	February 2021	-
	Zhejiang Zhongkong Xizi Technology Co., Ltd.	director	September 2021	-
	Hangzhou Jiake Enterprise Management Co., Ltd.	Executive Director, General Manager	March 2022	-
	Petrochemical Yingke Information Technology Co., Ltd.	director	June 2022	-
	Zhongyi Wood Engineering Co., Ltd.	director	November 2022	-
	Zhejiang Gongziyi Holdings Co., Ltd.	Chairman	December 2023	-
Zhang Kehua	Baoshan Iron and Steel Co., Ltd.	independent director	May 2017	June 2023
	PEJET GROUP CO., LTD.	independent director	September 2018	-
Wang Jianxin	Beijing Xuyuan Technology Development Co., Ltd.	executive Director	July 2020	-
	Shenzhen Beidou Star Technology Co., Ltd.	Executive Director, General Manager	November 2020	-
	Beijing Sanqi Medical Equipment Co., Ltd.	Executive Director, Manager, Financial Officer	June 2022	-
	Beijing Xiaoyuan Health Industry Management Co., Ltd.	executive director, manager	March 2023	-
Xue Anke	Hangzhou University of Electronic Science and Technology	Second level professor	April 2017	-
	Xinhu Zhongbao Co., Ltd.	independent director	June 2018	-
	Zhejiang Nandu Power	independent director	April 2019	-

	Supply Co., Ltd.			
	Guangmai Technology Co., Ltd.	independent director	March 2022	-
Chen Xin	Shanghai Jiao Tong University Shanghai Advanced Institute of Finance	professor	January 2017	-
	Yunnan Guanghua Integrated Industry Development Research Institute	Chairman	April 2020	-
	Jiangxi Financial Leasing Co., Ltd.	director	February 2021	-
	Xiamen Bank Co., Ltd.	independent director	July 2021	-
	Daming International Holdings Limited	Independent non-executive director	December 2021	-
	Yunnan Investment Holding Group Co., Ltd.	director	January 2021	-
	Shanghai Shengsheng Medical Cold Chain Technology Co., Ltd.	director	January 2022	-
	Guangdong Qunxing Toys Co., Ltd.	independent director	October 2022	-
	Jieka Robot Co., Ltd.	director	November 2022	November 2023
Shen Haiqiang	Zhejiang Tiance Law Firm	Executive Director, Managing Partner	March 2005	-
Xu Chao	Zhejiang University	Professor, Vice President	September 2010	-
	Zhejiang University Huzhou Research Institute	Dean	October 2020	-
Wang Chenqi	Zhongkong Industrial Park Operation Management Co., Ltd.	Executive Director, General Manager	February 2021	-

Yu Haibin	Zhejiang University	Lecturer, Associate Researcher	September 1999	-
	Zhejiang Zhongkong Software Technology Co., Ltd.	executive Director	February 2021	-
	Zhejiang Zhongkong Weir Oil and Gas Technology Co., Ltd.	executive Director	June 2022	-
	Zhejiang Zhongkong Digital Intelligence Technology Co., Ltd.	executive Director	December 2023	-
Guo Biao	Zhejiang Gongziyi Network Co., Ltd.	Chairman	May 2020	-
	Zhejiang Zhongkong Park Intelligent Housekeeper Technology Co., Ltd.	Managing Director	May 2020	August 2023
	Ningbo Zhongkong Automation Technology Co., Ltd.	executive Director	March 2021	-
Mo wei	Zhejiang Hengchuang Advanced Functional Fiber Innovation Center Co., Ltd.	director	December 2018	-
	Zhejiang Zhongkong Xizi Technology Co., Ltd.	director	September 2021	-
	Zhejiang Zhihuiyuan Digital Technology Co., Ltd.	Chairman	November 2022	-
Fang Yongsheng	Zhejiang Zhongkong Xizi Technology Co., Ltd.	director	February 2018	-
	SUPCON Innovation (Beijing) Energy Technology Co., Ltd.	Chairman	August 2019	-
	SUPCON Global	director	September	-

	Technology (Hangzhou) Co., Ltd.		2019	
	SUPCON Marine Equipment (Zhejiang) Co., Ltd.	director	June 2020	December 2023
	Zhejiang Zhongkong Huiji Technology Co., Ltd.	Chairman	August 2021	-
	Shanghai Zhiying Technology Co., Ltd.	executive Director	February 2022	-
	Petrochemical Yingke Information Technology Co., Ltd.	director	June 2022	-
	SUPCON Global Technology (Ningbo) Co., Ltd.	director	July 2023	-
Zhang Lei	Zhejiang Zhongkong Fluid Technology Co., Ltd.	executive Director	February 2012	-
	Hangzhou Valxin Technology Co., Ltd.	Executive Director, General Manager	February 2015	-
	Zhejiang Zhongkong Automation Instrument Co., Ltd.	executive Director	February 2021	-
	Zhejiang Zhongkong Xizi Technology Co., Ltd.	Chairman	September 2021	-
	SUPCON Global Technology (Hangzhou) Co., Ltd.	Chairman, General Manager	July 2023	-
Chen Jiangyi	Zhejiang Zhongkong Digital Intelligence Technology Co., Ltd.	General manager	December 2023	-
Wu Yucheng	Beijing Damei Sheng Software Co., Ltd.	director	March 2023	-
	Zhejiang Zhongkong Zhixin Technology Co.,	director	April 2023	-

	Ltd.			
	Chenju (Suzhou) Science and Technology Development Co., Ltd.	supervisor	July 2023	-
Wu Caibao	Petrochemical Yingke Information Technology Co., Ltd.	supervisor	June 2022	-
	Zhongyi Wood Engineering Co., Ltd.	supervisor	November 2022	-
	Anhui Huayi Central Control Technology Co., Ltd.	director	February 2023	-
	Zhejiang Zhongkong Park Intelligent Housekeeper Technology Co., Ltd.	Managing Director	August 2023	-
Lin Weiqing	Zhejiang Gongziyi Holdings Co., Ltd.	Managing Director	December 2023	-
	Zhejiang Gongziyi Technology Co., Ltd.	General manager	December 2023	-
	Zhejiang Gongziyi Network Co., Ltd.	Managing Director	December 2023	-
Qiu Kun	Zhongkong Technology (Xi'an) Co., Ltd.	executive Director	February 2021	-
Jin Jianxiang	Zhejiang University	researcher	July 1984	-
	Zhejiang Yinjia Venture Capital Co., Ltd.	supervisor	December 2009	-
	Zhejiang Kesheng Technology Co., Ltd.	Chairman	May 2010	-
	Zhongkong Technology Group Co., Ltd.	Chairman	October 2013	January 2024
	Zhejiang Guozi Robot Technology Co., Ltd.	director	October 2014	-
	Zhejiang Zhongkong Scientific and Educational Instruments	director	June 2016	-

	and Equipment Co., Ltd.			
	Hangzhou Dingsheng Technology Instrument Equipment Co., Ltd.	director	October 2017	-
	Zhejiang Zhongkong Research Institute Co., Ltd.	director	December 2017	-
	Hangzhou Jingjiu Investment Consulting Co., Ltd.	Executive Director, General Manager	June 2018	-
	Zhejiang Zhongguang Electric Power Engineering Co., Ltd.	director	June 2018	-
	Gansu Yumen Zhongkong Solar Power Generation Co., Ltd.	Chairman	July 2018	December 2023
	Zhejiang Gaosheng Solar Thermal Power Technology Research Institute Co., Ltd.	Executive Director, General Manager	September 2019	-
	Zhejiang Green Storage Technology Co., Ltd.	Chairman	February 2021	-
	Zhejiang Zhikong Technology Co., Ltd.	director	July 2021	-
	Zhejiang Tangneng Power Technology Co., Ltd.	Chairman	April 2022	-
	Zhejiang Zhongguang New Energy Technology Co., Ltd.	director	October 2023	-
Jin Xuejun	Zhejiang University	Professor, Executive Dean	December 1984	-
	Huarong Financial Leasing Co., Ltd.	director	December 2015	-
	Dadi Futures Co., Ltd.	director	August 2017	-
	Xinhu Zhongbao Co., Ltd.	Chairman of the Supervisory Board	June 2018	-

	Hangzhou United Rural Commercial Bank Co., Ltd.	director	October 2018	-
	Zhejiang Materials Environmental Protection Energy Co., Ltd.	independent director	September 2020	-
	Zheshang Fund Management Co., Ltd.	director	October 2020	-
	Ningbo Yintong Group Co., Ltd.	director	February 2021	-
	Zheshang Securities Co., Ltd.	independent director	July 2021	-
	Shaoxing Bank Co., Ltd.	director	July 2022	-
Yang Jie	Zhejiang Dali Technology Co., Ltd.	independent director	June 2019	-
	Zuoli Kechuang Small Loan Co., Ltd.	independent director	July 2020	-
	Beijing Guofeng (Hangzhou) Law Firm	Lawyer, partner	January 2023	-
Cheng Yuhao	Zhejiang Daren Environmental Protection Technology Co., Ltd.	director	December 2014	June 2023
	Yunnan Huahui Energy Technology Co., Ltd.	director	March 2018	-
	Zhejiang Chint Energy Efficiency Technology Co., Ltd.	director	August 2018	-
	Chint Measurement Technology Co., Ltd.	director	August 2020	-
	Chint (Wenzhou) Electrical Co., Ltd.	director	November 2020	-
	Zhejiang Qiantang Jiangjin Research Institute Consulting Co., Ltd.	director	December 2020	-

	Zhejiang Zhongkong Information Industry Co., Ltd.	supervisor	February 2021	-
	Shanghai Chint Hydrogen Energy Development Co., Ltd.	Managing Director	February 2021	-
	Ideal Energy Equipment (Shanghai) Co., Ltd.	director	May 2021	-
	Shanghai Pandong Electric Technology Co., Ltd.	director	September 2021	-
	Pandong (Zhejiang) Electrical Technology Co., Ltd.	director	September 2021	-
	Zhejiang Chint Intelligent Low Carbon Technology Co., Ltd.	supervisor	October 2021	-
	Shanghai Taihydrochen Energy Technology Co., Ltd.	Chairman	March 2022	-
	Zhejiang Chint Energy Technology Co., Ltd.	director	June 2023	-
Shen Hui	Hangzhou Zhongcang Warehousing Co., Ltd.	Vice Chairman	February 2018	-
	Hangzhou Zhongcang Supply Chain Technology (Group) Co., Ltd.	director	October 2019	-
Lai Jingyu	Zhongkong Technology (Fuyang) Co., Ltd.	executive Director	February 2021	April 2023
	Zhejiang Zhongkong Intelligent Technology Industry Development Co., Ltd.	executive Director	December 2022	-
Ding Xiaobo	Shanghai Jinglin Environmental Protection Technology	supervisor	October 2016	-

	Development Co., Ltd.			
Shentu Jiuhong	SUPCON Innovation (Beijing) Energy Technology Co., Ltd.	director	August 2019	May 2023
	Zhejiang Lingben Management Consulting Co., Ltd.	Executive Director, General Manager	June 2021	-
Description of employment in other units	None			

(3) Remuneration of directors, supervisors, senior managers and core technical personnel

√Yes No

Unit: 10,000 yuan Currency: RMB

Decision-making procedures for remuneration of directors, supervisors and senior managers	According to the company's articles of association, the company's remuneration and assessment committee studies and reviews the remuneration policies and plans for directors and senior managers. The remuneration plans for senior managers are implemented after approval by the board of directors; the remuneration plans for directors and supervisors are submitted to shareholders after approval by the board of directors. Implemented after approval by the General Assembly.
Whether directors recuse themselves from discussions on their remuneration at the board of directors	yes
Details of the Remuneration and Appraisal Committee or special meetings of independent directors issuing recommendations on remuneration matters for directors, supervisors, and senior managers	Agree with the relevant proposals on the remuneration package for directors and senior management personnel.
Basis for determining the remuneration of directors, supervisors and senior managers	Directors and supervisors who hold specific positions receive corresponding remuneration based on their specific positions in the company, and do not receive remuneration for their duties as directors and supervisors; independent directors are entitled to a fixed amount of director's allowances, which are paid with the company's salary, and other directors and supervisors do not receive allowances; senior The remuneration of management personnel consists of two parts: basic salary and year-end bonus. The basic salary is the basic remuneration that senior executives receive every month based on their job grades and responsibilities. The year-end bonus is paid based on annual operations and assessment results.
Actual payment of remuneration to directors, supervisors and senior managers	During the reporting period, the actual payment of remuneration to the company’s directors, supervisors and senior managers was consistent with the company’s disclosure.

The total actual remuneration received by all directors, supervisors and senior managers at the end of the reporting period	2,097.06
Total actual remuneration received by core technical personnel at the end of the reporting period	268.50

(4) Changes in the company's directors, supervisors, senior managers and core technical personnel

√Yes No

Name	Position held	Changes	Reason for change
Shentu Jiuhong	Vice President	Resign	Personal reasons
Lai Jingyu	Vice President	Resign	Personal reasons
Xue Anke	director	Election	Shareholders' meeting election
Shen Haiqiang	independent director	Election	Shareholders' meeting election
Xu Chao	independent director	Election	Shareholders' meeting election
Wang Chenqi	supervisor	Election	Shareholders' meeting election
Lu Weijun	Vice President	Appointment	Board of Directors Appointment
Chen Jiangyi	Vice President	Appointment	Board of Directors Appointment
Wu Yucheng	Vice President	Appointment	Board of Directors Appointment
Wu Caibao	Vice President	Appointment	Board of Directors Appointment
Lin Weiqing	Vice President	Appointment	Board of Directors Appointment
Jin Jianxiang	Vice Chairman	Resign	Resign after expiry of term
Jin Xuejun	independent director	Resign	Resign after expiry of term
Yang Jie	independent director	Resign	Resign after expiry of

			term
Cheng Yuhao	supervisor	Resign	Resign after expiry of term
Shen Hui	Senior Vice President	Resign	Resign after expiry of term
Qiu Kun	Vice President	Resign	Resign after expiry of term
Ding Xiaobo	Vice President	Resign	Resign after expiry of term
TEO KIMHOCK	Vice President	Resign	Resign after expiry of term
Chen Xin	independent director	Resign	Personal reasons
Chen Wenqiang	independent director	Election	Shareholders' meeting election

(5) Description of punishments received by securities regulatory authorities in the past three years

Yes √No

(6) Other

Yes √No

7. Relevant information on board meetings held during the reporting period

Session	Convening date	Meeting Decision
The 19th meeting of the fifth board of directors	March 3, 2023	All motions were reviewed and approved, and no motion was vetoed.
The 20th meeting of the fifth board of directors	April 26, 2023	All motions were reviewed and approved, and no motion was vetoed.
The 21st meeting of the fifth session of the Board of Directors	July 31, 2023	All motions were reviewed and approved, and no motion was vetoed.
The 22nd meeting of the fifth board of directors	August 23, 2023	All motions were reviewed and approved, and no motion was vetoed.
The 23rd meeting of the fifth board of directors	September 3, 2023	All motions were reviewed and approved, and no motion was vetoed.

The 24th meeting of the fifth board of directors	October 24, 2023	All motions were reviewed and approved, and no motion was vetoed.
The 25th meeting of the fifth session of the Board of Directors	November 22, 2023	All motions were reviewed and approved, and no motion was vetoed.
The first meeting of the sixth board of directors	December 11, 2023	All motions were reviewed and approved, and no motion was vetoed.

8. Directors' performance of duties

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

Director Name	Whether independent director	Participation in the board of directors						Participation in shareholders' meetings
		Number of times to attend the board of directors this year	Number of in-person attendance	Number of participations via communication	Number of delegated attendances	absent frequency	Did you fail to attend two meetings in person in a row?	Number of times shareholders' meetings attended
CUI SHAN	no	8	8	4	0	0	no	4
Zhang Kehua	no	8	8	7	0	0	no	4
Wang Jianxin	no	8	8	6	0	0	no	4
Xue Anke	no	1	1	1	0	0	no	1
Chen Xin	yes	8	8	6	0	0	no	4
Xu Chao	yes	1	1	1	0	0	no	1
Shen Haiqiang	yes	1	1	1	0	0	no	1
Yang Jie (resigned)	yes	7	7	5	0	0	no	3
Jin Xuejun (resigned)	yes	7	7	6	0	0	no	3
Jin Jianxiang (resigned)	no	7	7	5	0	0	no	3

Explanation for failure to attend two consecutive board meetings in person
Yes √No

Number of board meetings held during the year	8
Including: Number of on-site meetings	0
Number of meetings held by communication method	4

Number of meetings held on site combined with communication methods	4

(2) Directors' objections to company-related matters

Yes √No

(3) Other

Yes √No

9. Special committees under the board of directors

√Yes No

(1) Members of the special committees under the board of directors

Special committee categories	Member name
The Audit Committee	Chen Xin, Yang Jie (resigned), CUI SHAN (resigned), Shen Haiqiang, Xue Anke
Nomination Committee	Jin Xuejun (resigned), Yang Jie (resigned), Wang Jianxin (resigned), Shen Haiqiang, Xu Chao, CUI SHAN
Remuneration and Appraisal Committee	Jin Xuejun (resigned), Chen Xin (resigned), Zhang Kehua (resigned), Xu Chao, Wang Jianxin, Shen Haiqiang
strategy committee	Zhang Kehua, Jin Jianxiang (resigned), Wang Jianxin, Xu Chao

(2) During the reporting period, the Audit Committee held 5 meetings

convening date	Conference content	Important comments and suggestions	Other performance of duties
April 26, 2023	Consideration by: 1. "Proposal on the 2022 Annual Performance Report of the Audit Committee of the Board of Directors"; 2. "Proposal on the 2022 Financial Final Account Report"; 3. "Proposal on the <2022 Annual Report> and its Summary"; 4. "Proposal on the <First Quarter Report of 2023>"; 5. "Proposal on the 2022 Internal Control Evaluation Report"; 6. "Proposal on the Special Report on the Deposit and Actual Use of Raised Funds in 2022";	After full communication and discussion, all resolutions were unanimously adopted.	none

	7. "Proposal on the Profit Distribution and Capital Reserve Conversion Plan for 2022"; 8. "Proposal on Renewal of the Accounting Firm for 2023"; 9. "Proposal on Changes in Accounting Policies"; 10. "Proposal on Provision for Credit and Asset Impairment in 2022"; 11. "Proposal on the Estimated Amount of Daily Related Transactions in 2023"; 12. "Proposal on Carrying out Bill Pool Business"; 13. "Proposal on applying for a comprehensive credit line from the bank and providing guarantees for subsidiaries in 2023"; 14. "Proposal on Opening a Special Account for GDR Raised Funds".		
August 23, 2023	Consideration by: 1. "Proposal on the Company's 2023 Semi-Annual Report and Summary"; 2. "Proposal on the "Special Report on the Deposit and Actual Use of Funds Raised in the Half-Year of 2023".	After full communication and discussion, all resolutions were unanimously adopted.	none
October 24, 2023	Consideration by: 1. "Proposal on the <Third Quarter Report of 2023>"; 2. "Proposal on Provision for Credit and Asset Impairment in the First Three Quarters of 2023".	After full communication and discussion, all resolutions were unanimously adopted.	none
November 22, 2023	Consideration by: 1. "Proposal on Establishing the Selection and Recruitment System for Accounting Firms"	After full communication and discussion, all resolutions were unanimously adopted.	none
December 11, 2023	Consideration by: 1. "Proposal on Appointment of Financial Manager".	After full communication and discussion, all resolutions were unanimously adopted.	none

(3) The Nomination Committee held 2 meetings during the reporting period

Convening date	Conference content	Important comments and suggestions	Other performance of duties
November 22, 2023	Consideration by: 1. "Proposal on Review of the Qualifications of Non-Independent Director Candidates for the Sixth Session of the Board of Directors"; 2. "Proposal on Reviewing the Qualifications of Independent	After full communication and discussion, all resolutions were unanimously adopted.	none

	Director Candidates for the Sixth Session of the Board of Directors".		
December 11, 2023	Consideration by: 1. "Proposal on Nominating the President and Vice President"; 2. "Proposal on Nominating the Financial Manager" 3. "Proposal on Nominating the Secretary of the Board of Directors".	After full communication and discussion, all resolutions were unanimously adopted.	none

(4) During the reporting period, the Remuneration and Appraisal Committee held 4 meetings

Convening date	Conference content	Important comments and suggestions	Other performance of duties
April 26, 2023	Consideration by: 1. "Proposal on the Salary Assessment Plan for Senior Management Personnel in 2023"; 2. "Proposal on the achievement of vesting conditions for the first vesting period of the company's 2021 restricted stock incentive plan"; 3. "Proposal on Voiding Part of the 2021 Restricted Stock Incentive Plan Shares that have been granted but have not yet vested."	After full communication and discussion, all resolutions were unanimously adopted.	none
August 23, 2023	Consideration by: 1. "Proposal on Adjusting the Exercise Price and Quantity of the Stock Option Incentive Plan in 2019"; 2. "Proposal on Adjusting the Grant Price and Quantity of the 2021 Restricted Stock Incentive Plan".	After full communication and discussion, all resolutions were unanimously adopted.	none
November 22, 2023	Consideration by: 1. "Proposal on Directors' Remuneration".	After full communication and discussion, all resolutions were unanimously adopted.	none
December 11, 2023	Consideration by: 1. "Proposal on the Achievement of Exercise Conditions for the Fourth Exercise Period of the Company's 2019 Stock Option Incentive Plan"	After full communication and discussion, all resolutions were unanimously adopted.	none

(5) During the reporting period, the Strategy Committee held 2 meetings

Convening date	Conference content	Important comments and suggestions	Other performance of duties
March 3, 2023	Consideration by: 1. "Proposal on Acquiring 100% Equity of Hobré International BV	After full communication and discussion, all resolutions were	none

	in Cash".	unanimously adopted.	
September 3, 2023	Consideration by: 1. "Proposal on the establishment of overseas subsidiary SUPCON MANUFACTURING (MALAYSIA) SDN. BHD."; 2. "Proposal on the establishment of overseas subsidiary SUPCON MANUFACTURING (SAUDI) CO., LTD. by investing abroad"; 3. "Proposal on Overseas Investment and Establishment of Overseas Subsidiary SUPCON INTERNATIONAL PTE. LTD."; 4. "Proposal on the establishment of overseas subsidiary SUPCON TECHNOLOGY (KAZAKHSTAN) LLP through overseas investment"; 5. "Proposal on Increasing the Capital of Overseas Subsidiary SUPCON JAPAN CO., LTD."; 6. "Proposal on Increasing Capital of Overseas Subsidiary Hobré International BV".	After full communication and discussion, all resolutions were unanimously adopted.	none

(6) Specific circumstances where objections exist

Yes √No

10. Explanation of the risks found by the supervisory board in the company

Yes √No

The Board of Supervisors has no objection to the supervision matters during the reporting period.

11. Employees of the parent company and major subsidiaries at the end of the reporting period

(1) Staff situation

Number of active employees of the parent company	4,470
Number of active employees of major subsidiaries	2,003
Total number of active employees	6,473
Number of retired employees of the parent company and major subsidiaries who need to bear expenses	45
Professional composition	
Professional composition category	Number of majors
R & D personnel	2,219
Production staff	660

Salesperson	1,139
Technical staff	1,749
Financial officer	78
Administration staff	628
Total	6,473
Education level	
Education level category	Quantity (people)
PhD candidate	28
Master's degree	736
Undergraduate	4,137
Specialist	1,092
High school and below	480
Total	6,473

(2) Remuneration policy

√Yes No

The company is committed to building a comprehensive, fair and market-competitive salary and performance incentive system. This system not only aims to attract and retain outstanding talents in the industry, but also focuses on deeply stimulating the potential and enthusiasm of employees, providing a strong driving force for the company's sustainable development and the common growth of employees.

In terms of new salary design, we combined market trends and employee qualification systems to formulate a salary strategy and framework that is in line with the company's strategic orientation. In 2023, the company revised its salary management system and salary management-related operating procedures.

The company provides employees with competitive fixed salaries, supplemented by variable salaries that are closely linked to performance, including performance bonuses, special bonuses, incentive bonuses, etc., as well as various allowances and benefits. This salary structure ensures that employees' income not only reflects the value of their positions, but is also closely related to their personal contributions, thereby effectively motivating employees to pursue excellence.

In terms of performance management, the company has established a scientific and complete performance management system and digital management platform. Through clear performance goal setting, continuous communication and coaching, objective and fair performance evaluation and effective feedback interviews, we ensure that employees' efforts and contributions are promptly and fairly recognized and rewarded. This positive cycle not only stimulates employees' inner drive but also improves their job satisfaction and performance levels. In addition, the company attaches great importance to the use of performance results as an important basis for salary adjustments, promotions and rewards.

The company's remuneration policy enables employees to clearly understand their work goals and expected results, so that they can focus more on improving personal performance and contribution, achieve a win-win situation between the company and employees, and provide a solid talent guarantee for achieving the company's long-term strategic goals.

(3) training program

√Yes No

The company has established an organizational self-learning mechanism with qualification certification as the traction, performance results as the starting point, and knowledge map as the carrier; it has built an online learning platform that integrates end-to-end training project management, online learning, and talent development to effectively assist employees. Growth and business development. During the reporting period, the company conducted a total of 103 training courses for various types of talent empowerment , involving more than 300,000 person-hours.

The company has formed a relatively systematic leadership training and development system. In 2023, we will launch the company's second general manager class to cultivate and inspire a group of general talents who are "culturally guided, strategically driven, innovatively driven, and organizationally collaborative"; we will launch the company's second youth training class to cultivate and select a group of general talents. Young management talents who dare and are good at "practicing internal skills, strengthening the organization, and achieving results"; carry out a turnaround and empowerment project for new management cadres to "carry out the future and spread their wings to a new journey" to help new cadres transform from backbones to managers more quickly ; Carry out the first and second phases of the high-potential talent training project STEM+ in parallel to promote the cultivation of a group of outstanding young central control personnel with more professionalism and comprehensive abilities. At the same time, relying on the four professional branches of R&D Technology Branch, Marketing Branch, Engineering Technology Branch and Supply Chain Branch jointly established by SPC Institute and the four major business systems, professional capability improvement training covering the company's core business is carried out. Among them, the Engineering Technology Branch continues to promote the construction of the project implementation capability certification system, adds certified on-the-job training and certification for professional testing and maintenance services, and strengthens the basic ability training of long-term human resources for engineering ecological partners; carries out special capacity building for engineering personnel, and passes Agile training projects help improve engineering energy efficiency. The Marketing Branch conducts performance improvement project coaching to promote the development of the regional MT team and the growth of store managers, empowering and supporting regional performance improvement; using a combination of training and combat model, it trains 5S store managers to support the company's 5S store business expansion. The R&D Technology Branch carries out key empowerment projects in line with R&D and SR business goals, including product management leadership classes, SE empowerment training projects, gold medal SR forging camps, etc. to help the success of R&D business; through R&D elite plans, R&D new force growth camps, etc. Empower Ready-now talents for R&D business. The Supply Chain Branch focuses on key talents, builds new standards for front-line production managers, improves problem-solving and agile response capabilities through learning + practice + case sharing, and improves production management energy efficiency; it also consolidates the professional foundation of procurement personnel around the four core skills of procurement, focusing on empowering Ability to reduce costs and increase efficiency through cost and price analysis.

In line with the company's internationalization trend in 2023, we will rely on the goFLUENT language learning platform to launch diversified and practical English learning plans for more than a thousand employees to comprehensively improve employees' language readiness; we will cooperate with the business management department to initiate course development and improve foreign employees Study the map and strengthen the construction of international enabling resources.

(4) Labor outsourcing situation

√Yes No

Total number of labor outsourcing hours	35,775 hours
Total remuneration paid for labor outsourcing	2,785,601 yuan

12. Profit distribution or capital reserve conversion plan

(1) Formulation, implementation or adjustment of cash dividend policy

√Yes No

1) The formulation of cash dividend policy

In accordance with the China Securities Regulatory Commission's "Notice on Further Implementing Matters Related to Cash Dividends of Listed Companies" (Zhengjianfa [2012] No. 37), "Regulatory Guidelines for Listed Companies No. 3 - Cash Dividends of Listed Companies" and other relevant regulations, the company has The cash dividend policy is established in the Articles of Association. Conditions and proportions of cash dividends: (1) The company is profitable for the year and the cumulative undistributed profits are positive; (2) The audit institution issues a standard unqualified audit report on the company's financial report for that year; (3) The company's next twelve There are no major capital expenditure arrangements during the month (except for raised funds projects, the same below). If the company meets the above conditions at the same time, it shall give priority to distributing dividends in cash. The dividends distributed by the company in cash shall not be less than 20% of the distributable profit realized in the year. The company's board of directors shall comprehensively consider factors such as the characteristics of the company's industry, development stage, its own business model, profitability level, and whether there are major capital expenditure arrangements, distinguish between different situations, and propose differentiated cash dividend policies in accordance with the procedures stipulated in these articles of association. If the company's development stage is in a mature stage and there are no major capital expenditure arrangements, when making profit distribution, the proportion of cash dividends in this profit distribution should be at least 80%; if the company's development stage is in a mature stage and there are major capital expenditure arrangements, When making profit distribution, the proportion of cash dividends in this profit distribution should be at least 40%; if the company's development stage is in the growth stage and has major capital expenditure arrangements, when making profit distribution, the proportion of cash dividends in this profit distribution should be at least 40%. The minimum proportion should be 20%. If the company's development stage is difficult to distinguish but there are major capital expenditure arrangements, it can be handled in accordance with the provisions of the preceding paragraph. The above-mentioned "major capital expenditure arrangements" refer to the total capital expenditures involved in the company's one-time or cumulative purchases of assets or external investments in the next twelve months (if there are both book value and appraisal value, the higher shall be recognized) accounting for the company's total capital expenditures. Matters involving more than 10% of the latest audited net assets and an absolute amount of more than 50 million yuan.

2) Implementation of cash dividend policy

The company's 2022 annual shareholders' meeting held on May 17, 2023, reviewed and approved the "Proposal on the 2022 Profit Distribution Plan." The company distributed a cash dividend of 7.5 yuan (tax included) to all shareholders for every 10 shares. Based on the company's total share capital of 542,017,018 shares before the implementation of the plan , the company distributed a cash dividend of 0.75 yuan (tax included) per share. The capital reserve fund was used to pay all shareholders per share. 0.45 shares were transferred, a total cash dividend of 406,512,763.50 yuan (tax included) was distributed, and 243,907,658 shares were transferred. As of the end of the reporting period, the above plans have been implemented.

3) Cash dividend policy for 2023

According to the resolution of the board of directors, the company plans to distribute profits in 2023 based on the total share capital on the equity registration date for equity distribution minus the shares in the company's special securities account for repurchase. The profit distribution plan is as follows:

The company plans to distribute a cash dividend of 7.0 yuan (tax included) to all shareholders for every 10 shares. As of the report disclosure date, the company's total share capital after deducting the shares in the company's special securities account for repurchase was 787,653,290 shares. Based on this calculation, a total cash bonus of 551,357,303.00 yuan (tax included) is planned to be distributed, accounting for 50.04% of the net profit attributable to shareholders of the listed company in 2023. The company does not convert capital reserve funds into share capital and does not issue bonus shares. If the company's total share capital changes between the date of disclosure of this announcement and the equity registration date for equity distribution, it is planned to maintain the amount of cash dividends distributed per share unchanged and adjust the total distribution amount accordingly. This profit distribution plan still needs to be submitted to the company's 2023 annual shareholders' meeting for review.

(2) Special explanation of cash dividend policy

√Yes No

Whether it complies with the provisions of the company's articles of association or the requirements of the shareholders' meeting resolution	√Yes No
Are the dividend standards and proportions clear and clear?	√Yes No
Are the relevant decision-making procedures and mechanisms complete?	√Yes No
Whether independent directors have performed their duties and played their due role	√Yes No
Whether small and medium-sized shareholders have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests are fully protected	√Yes No

(3) If it is profitable during the reporting period and the parent company has positive profits available for distribution to shareholders, but has not proposed a cash profit distribution plan, the company shall disclose in detail the reasons as well as the purpose and use plan of the undistributed profits.

Yes √No

(4) Profit distribution and capital reserve conversion plan for this reporting period

√Yes No

Unit: Currency: RMB

Number of bonus shares for every 10 shares (shares)	0

Per 10 shares (yuan) (tax included)	7.0
Per 10 shares (shares)	0
Cash dividend amount (tax included)	551 , 357 , 303.00
Net profit attributable to ordinary shareholders of listed companies in the consolidated statement of the year of dividend distribution	1,101,684,439.90
Ratio of net profit attributable to ordinary shareholders of listed companies in the consolidated statements (%)	50.05
The amount of shares repurchased in cash is included in the amount of cash dividends	89,159,943.10
Total dividend amount (tax included)	640 , 517 , 246.1 0
Ratio of the total dividend amount to the net profit attributable to ordinary shareholders of the listed company in the consolidated statements (%)	58.14

13. The status and impact of the company’s equity incentive plan, employee stock ownership plan or other employee incentive measures

(1) Overall situation of equity incentives

√Yes No

1) Equity incentive plan during the reporting period

Unit: Currency: RMB

Plan name	Incentive methods	Number of underlying stocks	Proportion of number of underlying stocks (%)	Number of incentive targets	Proportion of number of incentive targets (%)	Award subject stock price
2019 Stock Option Incentive Plan	Stock options	12 million	3.04	217	3.35	12
2021 Restricted Stock Incentive Plan	Class II restricted stock	2.9935 million	0.61	1,003	1 5.50	39.5

Note 1: The proportion of the number of underlying stocks is the proportion of the total number of grants under the company's equity incentive plan to the company's total share capital when the draft incentive plan is approved by the shareholders' meeting;

Note 2: The proportion of the number of incentive recipients is the proportion of the number of incentive recipients to the company's total number of employees at the end of the reporting period;
Note 3: After the draft of the 2021 restricted stock incentive plan was disclosed, due to the resignation of one incentive target, the number of underlying stocks was adjusted from 2.9925 million shares to 2.9895 million shares, and the number of incentive targets was adjusted from 1,003 to 1,002;
Note 4: The price of the subject stock granted in the above table is the grant price proposed in the draft.

2) Progress in the implementation of equity incentives during the reporting period

√Yes No

Unit: 10,000 shares

Plan name	Number of equity incentives granted at the beginning of the year	Number of newly granted equity incentives during the reporting period	vesting /exercisable/unlockable items during the reporting period	Number of vested/exercised/unlocked items during the reporting period	Grant price /exercise price (yuan)	Number of equity incentives granted at the end of the period	vested /exercised/unlocked shares at the end of the period
2019 Stock Option Incentive Plan	1,136.5	0	281.25	274.3	7.33205 yuan/share	1,262.9625	827.6
2021 Restricted Stock Incentive Plan	290.35	0	57.62	53.5018	26.47586 yuan/share	328.918	53.5018

Note: In view of the implementation of the company's 2022 equity distribution plan, the company has made corresponding adjustments to the number of unexercised options under the 2019 stock option incentive plan and the number of restricted shares that have been granted but not yet vested under the 2021 restricted stock incentive plan. The "Number of Equity Incentives Granted at the End of the Period" in the table above are adjusted data.

3) Completion of equity incentive assessment indicators and confirmed share-based payment expenses during the reporting period

√Yes No

Unit: Currency: RMB

Plan name	Completion of company-level assessment indicators during the reporting period	Share-based payment expenses recognized during the reporting period
2019 Stock Option Incentive Plan	Target value reached	1,567,210.31

2021 Restricted Stock Incentive Plan	Target value reached	19,313,120.65
total	/	20,880,330.96

(2) Relevant incentive matters have been disclosed in temporary announcements and there is no progress or change in subsequent implementation

√Yes No

Overview of the matter	Query index
The 2.743 million new shares added in the third exercise period of the company's 2019 stock option incentive plan were registered at the Shanghai Branch of China Securities Depository and Clearing Co., Ltd. on February 13, 2023.	For details, please refer to the company's announcement published on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the Shanghai Stock Exchange website (www.sse.com.cn): "Zhejiang Sekong Technology Co., Ltd. Announcement of Exercise Results and Share Changes in the Third Exercise Period of the 2019 Stock Option Incentive Plan (Announcement Number: 2023-005).
On April 26, 2023, the company held the 20th meeting of the fifth board of directors and the 17th meeting of the fifth board of supervisors, and reviewed and approved the "Achievement of vesting conditions for the first vesting period of the company's 2021 restricted stock incentive plan" "Proposal", the company's board of directors believes that the vesting conditions for the first vesting period of the 2021 restricted stock incentive plan have been met, and agrees that the company will handle matters related to the vesting of relevant restricted stocks in accordance with relevant regulations.	For details, please refer to the company's announcement published on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the Shanghai Stock Exchange website (www.sse.com.cn): "Zhejiang Sekong Technology Co., Ltd. Announcement on the Achievement of the Vesting Conditions for the First Vesting Period of the 2021 Restricted Stock Incentive Plan (Announcement Number: 2023-025).
On April 26, 2023, the company held the 20th meeting of the fifth board of directors and the 17th meeting of the fifth board of supervisors, and reviewed and approved the "Regulations on the Canceling of the Partially Granted 2021 Restricted Stock Incentive Plan Shares that have not yet vested". "Proposal", due to the resignation of some incentive targets or voluntarily giving up vesting, the company adjusted the restricted stock incentive targets from 1,002 to 950, and the number of restricted stocks granted was adjusted from the original 2.9895 million shares to 2.885 million shares, and 104,500 shares were invalidated.	For details, please refer to the company's announcement published on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the Shanghai Stock Exchange website (www.sse.com.cn): "Zhejiang Sekong Technology Co., Ltd. Announcement on the Voiding of Part of the 2021 Restricted Stock Incentive Plan Shares that have been granted but have not vested (Announcement Number: 2023-026).
The 535,018 shares vested in the first vesting period of the company's 2021 restricted stock incentive plan were registered at the Shanghai Branch of China Securities Depository and Clearing Co., Ltd. on June 5, 2023.	For details, please refer to the company's announcement published on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the Shanghai Stock Exchange website (www.sse.com.cn): "Zhejiang Sekong Technology Co., Ltd. Announcement on the Vesting Results of the First Vesting Period of the 2021 Restricted Stock Incentive Plan and the Listing of Shares (Announcement Number: 2023-032).
On August 23, 2023, the company held the 22nd meeting of the fifth board of directors and the 19th meeting of the fifth board of supervisors, and reviewed and	For details, please refer to the company's announcement published on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the

approved the "Proposal on Adjusting the Exercise Price and Quantity of the 2019 Stock Option Incentive Plan" , because the company’s 2022 annual equity distribution has been implemented, the board of directors and the board of supervisors agreed to adjust the exercise price of the company’s 2019 stock option incentive plan from 11.38147 yuan per share to 7.33205 yuan per share, and increase the number of unexercised options from 2.8125 million Adjusted to 4.078125 copies.	Shanghai Stock Exchange website (www.sse.com.cn): "Zhejiang Sekong Technology Co., Ltd. Announcement on Adjusting the Exercise Price and Quantity of the Stock Option Incentive Plan in 2019" (Announcement No.: 2023-052).
On August 23, 2023, the company held the 22nd meeting of the fifth board of directors and the 19th meeting of the fifth board of supervisors, and reviewed and approved the "Proposal on Adjusting the Grant Price and Quantity of the 2021 Restricted Stock Incentive Plan" , because the company’s 2022 annual equity distribution has been completed, the board of directors and the board of supervisors agreed to adjust the company’s 2021 restricted stock incentive plan grant price from 39.14 yuan per share to 26.47586 yuan per share, and increase the number of restricted shares that have been granted but have not yet vested. Adjusted from 2.3048 million shares to 3.34196 million shares.	For details, please refer to the company's announcement published on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the Shanghai Stock Exchange website (www.sse.com.cn): "Zhejiang Sekong Technology Co., Ltd. Announcement on Adjusting the Grant Price and Quantity of the 2021 Restricted Stock Incentive Plan" (Announcement Number: 2023-053).
On December 11, 2023, the company held the first meeting of the sixth board of directors and the first meeting of the sixth board of supervisors, and reviewed and approved the "Regulations on the Achievement of Exercise Conditions for the Fourth Exercise Period of the Company's 2019 Stock Option Incentive Plan" Proposal", the company's 204 incentive targets meet the exercise conditions for the fourth exercise period stipulated in the 2019 stock option incentive plan, and the number of exercisable shares is 3,990,412.	For details, please refer to the company’s announcement published on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the Shanghai Stock Exchange website (www.sse.com.cn): "Supcon Technology Co., Ltd. 2019" Announcement on Achievement of Exercise Conditions for the Fourth Exercise Period of the 2018 Stock Option Incentive Plan (Announcement Number: 2023-087).
The 4,051,301 restricted shares exercised in the first exercise period of the company's 2019 stock option incentive plan will be listed and circulated on January 8, 2024.	For details, please refer to the company’s announcement published on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the Shanghai Stock Exchange website (www.sse.com.cn): "Supcon Technology Co., Ltd. 2019" Announcement on the Listing and Circulation of Selling Shares with Exercise Rights in the First Exercise Period of the 2018 Stock Option Incentive Plan (Announcement Number: 2023-091).

other instructions
Yes √No

Employee stock ownership plan status
√Yes No

1. The first phase of the company’s employee stock ownership plan

In April 2019, when the company implemented the first phase of the employee stock ownership plan, a total of 382 employees participated, all of whom were employees of the company or its controlled subsidiaries/branch companies, holding a total of 20,436,563 shares of the employee stock ownership plan, with each Each employee stock ownership plan share corresponds to 1 company share. As of the end of the reporting period, 11 employees had resigned from the employee stock ownership plan as required. Of the 722,500 shares withdrawn, 540,000 shares were allocated to 38 employees by the Employee Stock Ownership Plan Management Committee ex officio, leaving 182,500 shares to be distributed.

2. The company’s second phase of employee stock ownership plan

In September 2019, when the company implemented the second phase of the employee stock ownership plan, a total of 466 employees participated, all of whom were employees of the company or its controlled subsidiaries/branch companies, holding a total of 12 million shares of the employee stock ownership plan, with each Each employee stock ownership plan share corresponds to 1 company share. As of the end of the reporting period, 16 employees had withdrawn from the employee stock ownership plan due to resignation. Of the 350,000 shares withdrawn, 190,000 shares were allocated to 14 employees by the Employee Stock Ownership Plan Management Committee ex officio, leaving the remaining 160,000 shares to be distributed.

Other incentives

√Yes No

In 2019, in order to motivate the company's senior executives and core personnel, the company's actual controller Chu Jian transferred 39.5 million shares of the company to Hangzhou Yuancheng Enterprise Management Partnership (Limited Partnership) controlled by him for the purpose of incentivizing senior executives and core personnel. excitation. The incentive objects contribute capital to subscribe for the limited partnership shares of Deqing Jiafu Enterprise Management Partnership (Limited Partnership), and Deqing Jiafu Enterprise Management Partnership (Limited Partnership) contributes capital to subscribe for the limited partnership shares of Hangzhou Yuancheng Enterprise Management Partnership (Limited Partnership). The incentive The subject indirectly holds the company's shares through Deqing Jiafu Enterprise Management Partnership (Limited Partnership) and Hangzhou Yuancheng Enterprise Management Partnership (Limited Partnership).

As of the end of the reporting period, the company's 41 incentive targets were limited partners of Deqing Jiafu Enterprise Management Partnership (Limited Partnership), with a total investment of 26.5788 million yuan.

(3) Equity incentives granted to directors, senior managers and core technical personnel during the reporting period

1) stock options

√Yes No

Unit : Share

Name	Position	Number of stock options held at the beginning of	Number of newly granted stock options	Shares exercisable during the	Stock option exercise shares during the	Stock option exercise price (yuan)	Number of stock options held at the end of the	Market price at the end of the reporting

		the year	during the reporting period	reporting period	reporting period		period	period (yuan)
CUI SHAN	Chairman and CEO	50,000	0	25,000	25,000	11.38147	36,250	45.35
Yu Haibin	Senior Vice President	100,000	0	50,000	50,000	11.38147	72,500	45.35
Guo Biao	Senior Vice President	25,000	0	12,500	12,500	11.38147	18,125	45.35
Mo wei	Senior Vice President	100,000	0	50,000	50,000	11.38147	72,500	45.35
Fang Yongsheng	Vice President, Secretary of the Board of Directors, Chief Financial Officer	50,000	0	25,000	25,000	11.38147	36,250	45.35
Zhang Lei	Vice President	50,000	0	25,000	25,000	11.38147	36,250	45.35
Lu Weijun	Vice President, Core Technical Personnel	25,000	0	12,500	12,500	11.38147	18,125	45.35
Chen Jiangyi	Vice President	35,000	0	17,500	17,500	11.38147	25,375	45.35
Wu Yucheng	Vice President	50,000	0	25,000	25,000	11.38147	36,250	45.35
Wu Caibao	Vice President	35,000	0	17,500	17,500	11.38147	25,375	45.35
Qiu Kun	Core technical personnel	100,000	0	50,000	50,000	11.38147	72,500	45.35
Yao Jie	Core technical personnel	25,000	0	12,500	12,500	11.38147	18,125	45.35
Chen Yu	Core technical personnel	25,000	0	12,500	12,500	11.38147	18,125	45.35
Shen Hui (resigned)	Senior Vice President	125,000	0	62,500	62,500	11.38147	90,625	45.35
Lai Jingyu (resigned)	Vice President	100,000	0	50,000	50,000	11.38147	72,500	45.35
Shentu Jiuhong (resigned)	Vice President	10,000	0	5,000	5,000	11.38147	7,250	45.35

Total	/	905,000	0	452,500	452,500	/	656,125	/

Note: As the company implements the annual equity distribution in 2022 and uses capital reserve funds to increase 0.45 shares per share to all shareholders, the company adjusts the number of unexercised options from 2.8125 million to 4.078125 million in accordance with relevant regulations. The "end of period" in the above table "Number of stock options held" is the adjusted amount.

2) Class I restricted stock

Yes √No

3) Class II restricted stock

√Yes No

Unit: Share

Name	Position	Number of restricted shares granted at the beginning of the year	Number of newly granted restricted shares during the reporting period	Grant price of restricted shares (yuan)	Attributable quantity during the reporting period	Amount vested during the reporting period	Number of restricted shares granted at the end of the period	Market price at the end of the reporting period (yuan)
Lin Weiqing	Vice President	7,000	0	39.14	1,400	980	8,120	45.35
Ding Xiaobo	Vice President	80,000	0	39.14	16,000	16,000	92,800	45.35
TEO KIMHOCK	Vice President	50,000	0	39.14	10,000	10,000	58,000	45.35
Total	/	137,000	0	/	27,400	26,980	158,920	/

Note: Due to the company's implementation of the 2022 annual equity distribution, capital reserve funds will be transferred to all shareholders to increase 0.45 shares per share. The company will adjust the number of granted and unvested restricted stocks from 2.3048 million shares to 3.34196 million shares in accordance with relevant regulations. The "number of restricted shares granted at the end of the period" in the table is the adjusted number.

(4) senior managers during the reporting period , as well as the establishment and implementation of the incentive mechanism

√Yes No

During the reporting period, the company's board of directors and the remuneration and assessment committee of the board of directors reviewed and formulated the " 2023 Senior Management Remuneration Assessment Plan". According to the company's "2023 Senior Management Salary Assessment Plan", the Remuneration and Assessment Committee of the Board of Directors is responsible for organizing and implementing the senior management salary assessment, and the company's Human Resources Department is the specific office; during the reporting period, the company's president, senior vice president, and vice president annual Remuneration is linked to the company's annual operating performance. The company's senior vice president, vice president, secretary to the board of directors, and financial director take into account international and domestic market practices and the company's conditions, and refer to the standards of comparable companies in the same industry and the same region. The remuneration is based on an annual salary system. Position annual salary performance and annual salary composition.

14. Construction and implementation of internal control system during the reporting period

√Yes No

refer to the "2023 Internal Control Evaluation Report of SUPCON Technology Co., Ltd." disclosed by the company on the Shanghai Stock Exchange website (www.sse.com.cn) on April 9, 2024.

Explanation of major deficiencies in internal control during the reporting period

Yes √No

15. Management and control of subsidiaries during the reporting period

√Yes No

The company's subsidiaries have always adhered to the principle of sound operations and strictly followed the "Company Law of the People's Republic of China", "Securities Law of the People's Republic of China" and other laws and regulations as well as the company's articles of association to standardize business activities and strengthen internal management. The company has established a "Subsidiary Management System" to manage and restrict subsidiaries through standardized operations, personnel management, financial management, business decision-making management, information reporting, audit supervision and assessment rewards and punishments to protect the company and investors. legitimate rights and interests to ensure the standardized, orderly and healthy development of each subsidiary.

16. Relevant explanation of internal control audit report

√Yes No

Tianjian Accounting Firm (Special General Partnership) hired by the company conducted an independent audit on the effectiveness of the company's internal control in 2023. For details, please refer to the "Supcon Technology Co., Ltd. Internal Control Audit Report" disclosed by the company on the website of the Shanghai Stock Exchange. 》.

Whether to disclose the internal control audit report: Yes

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

17. Rectification of self-examination issues under special action on governance of listed companies

There is no rectification of self-examination problems.

18. Other

Yes √No

Section 5 Environmental , Social Responsibility and Other Corporate Governance

1. Board Statement on E SG Situation

The company's board of directors made the following statement in accordance with the requirements of the Shanghai Stock Exchange's "Stock Listing Rules on the Science and Technology Innovation Board".

The Board of Directors of SUPRON Technology commits: The Company and the Board of Directors will comply with the requirements of the China Securities Regulatory Commission's "Governance Code for Listed Companies" and the Shanghai Stock Exchange's "Stock Listing Rules on the Science and Technology Innovation Board" and continue to promote the company to improve environmental, social and corporate governance (hereinafter referred to as " ESG") . ") governance system, strengthen the supervision and participation of the board of directors in the company's ESG affairs, incorporate ESG into the company's development strategy, and promote the company's sustainable development.

Board of Directors ESG Governance Role

The board of directors bears the ultimate responsibility for SUPCON Technology's ESG work. The company has an Environmental, Social and Corporate Governance Committee, with the chairman of the company serving as the chairman. The ESG Committee is responsible for studying and formulating the company's ESG strategic plan, management system, goals, strategies and structure, ensuring that ESG goals are consistent with the company's long-term strategy and in compliance with international and domestic laws, regulations and regulatory requirements; responsible for identifying the company's stakeholders and ESG important issues, conduct research and make suggestions on related businesses, and coordinate and promote implementation; responsible for analyzing and evaluating the company's performance data in environmental, social and governance aspects, identifying and supervising ESG-related risks and opportunities that have a significant impact on the company's business, Guide and propose areas that need improvement in ESG management and measures to be taken ; responsible for researching and analyzing the ESG development of the industry and market, the company's ESG development, and taking measures to promote the company's ESG innovation and improvement; responsible for reviewing and submitting ESG-related reports to the board of directors, including but not Limited to the annual ESG report; the ESG Committee convenes at least one plenary meeting of the ESG Committee every six months. The chairman of the committee convenes ad hoc meetings on relevant issues based on actual needs, and communicates with the board of directors on key ESG issues in a timely manner.

ESG management

The company attaches great importance to ESG work and deepens the concept of sustainable development. Establish a three-layer management structure of decision-making (board of directors) - management (ESG committee) - executive level (related business departments) to ensure the implementation of various ESG work. By building a tracking and implementation mechanism for key ESG matters, we regularly carry out ESG risk identification, analysis and response, continue to improve and optimize key ESG issues, and continuously improve the company's ESG management.

Goals, indicators and review progress

Through the annual ESG report, the company regularly publicly discloses ESG key performance indicators from aspects such as "energy conservation and emission reduction, green and low-carbon, safe production, anti-corruption and compliance, employee care, customer responsibility, supply chain management" and conducts research on key performance indicators. Benchmarking analysis, continuous optimization and improvement of key indicator scores, and continuous promotion of the company's sustainable development. The company signs annual performance appraisal responsibility letters with management members and affiliated companies every year, and incorporates ESG performance indicators such as production safety, energy conservation and environmental protection, and compliance operations into the assessment system for key managers to promote the company's ESG goals.

2. Environmental information situation

Whether to establish relevant mechanisms for environmental protection	yes
Investment in environmental protection funds during the reporting period (unit: 10,000 yuan)	95.04

(1) Whether it is a key pollutant discharging unit announced by the environmental protection department

Yes √No

The company's main business is to provide industrial enterprises mainly in the process industry with intelligent manufacturing products and solutions based on automation control systems, covering industrial software, instrumentation and operation and maintenance services. The company's main business does not fall into the heavily polluting industries specified by the state, and its production and operation activities do not involve environmental pollution or related environmental pollutants and treatment facilities.

(2) Administrative penalties due to environmental problems during the reporting period

During the reporting period, the company strictly implemented environmental protection laws and regulations and did not receive administrative penalties due to environmental problems.

(3) Resource, energy consumption and emissions information

√Yes No

During the reporting period, the company continued to control energy consumption in production and operations through equipment updates, technology research and development, production management and other measures, and implemented various energy saving and consumption reduction measures. At the same time, we actively explore new production technologies and new raw materials to gradually reduce pollutant emissions. In order to ensure that the company's various emissions meet standards, during the reporting period, qualified third-party testing units were entrusted to test the company's various pollutant emissions and issue test reports. The emissions of waste water, waste gas, noise and other pollutants are in compliance with laws and regulations. .

1) Greenhouse gas emissions

√Yes No

The company has established a greenhouse gas emission team to carry out scope 1 and scope 2 greenhouse gas inventory work of China National Technology and its subsidiaries with reference to ISO 14064-1:2018 and the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standards, sorting out the period from 2019 to 2023. Annual greenhouse gas emission data are statistically calculated.

2) Energy resource consumption

√Yes No

The company's main business is to provide industrial enterprises mainly in the process industry with intelligent manufacturing products and solutions with automation control systems as the core, covering industrial software, automation instruments and operation and maintenance services. The raw materials in the production process are mainly cabinets, chip memories, conformal paint, etc. The main energy required is electric energy. During the reporting period, the company consumed approximately 15.01 million kilowatt hours of electric energy.

3) Waste and pollutant emissions

√Yes No

In response to the environmental impact caused by the production and operation process, the company has adopted corresponding environmental protection measures. Industrial waste gas and boiler waste gas all comply with emission standards. The painting waste gas in the valve production line is sprayed with water curtains and then used together with the drying waste gas to use low-temperature plasma + activated carbon adsorption. The coated waste gas in electrical and industrial automation control systems is discharged at high altitude after activated carbon adsorption and purification treatment; the production wastewater in the valve production line is recycled after being treated through regulating pools, integrated sewage treatment equipment, multi-stage filtration systems, etc. Utilization; domestic wastewater enters the municipal sewage pipe network after collection and treatment; general industrial solid waste such as tin slag is purchased by waste material recycling companies; hazardous wastes such as waste electronic components, waste activated carbon, waste packaging barrels are entrusted to units with hazardous waste disposal qualifications Processing; domestic waste is classified and collected and entrusted to the environmental sanitation department for regular removal; noise levels are reduced by taking measures such as sound insulation, silencing and vibration reduction. The company has hired a third-party agency to conduct regular testing of pollutant emissions. The discharge of major pollutants complies with relevant national laws and regulations.

Company environmental management system, etc.

√Yes No

The company pays attention to ecological environmental protection during the production and development process, adheres to the path of green and sustainable development, continues to improve the environmental protection system, strengthens environmental management and construction work, and has passed ISO14000 environmental management system certification. The company strictly abides by the "Environmental Protection Law of the People's Republic of China" and other regulations, regularly identifies regulatory requirements, conducts environmental compliance evaluations on the company's entire production and operation process, converts regulatory requirements into the company's internal systems, and formulates and publishes the "Quality/Environment/Professional" "Health and Safety Management Manual", "Environmental Factor Identification and Evaluation Procedures", "Waste Management System", "Energy Management System", "Production Safety Accident Emergency Plan" and other environmental documents to ensure that the company is comprehensive in all aspects of production and office Implement environmental protection measures and strengthen ecological protection.

(4) Measures taken to reduce its carbon emissions during the reporting period and their effects

Whether to take carbon reduction measures	yes
Reduced emissions of carbon dioxide equivalent (unit: tons)	885.5
Types of carbon reduction measures (such as using clean energy to generate electricity, using carbon reduction technologies in the production process, developing and producing new products that help reduce carbon emissions, etc.)	The company actively promotes clean energy, using a total of 1.55 million kilowatt hours of green electricity in 2023, reducing greenhouse gas emissions by 885.5 tons of carbon dioxide/MWh.

Specific instructions
√Yes No

The company aims at energy conservation, emission reduction and environmental protection, and is supported by scientific and technological progress to build a green and sustainable development park. Comprehensively promote the layout and implementation of the company's digital intelligent source platform to achieve all-round monitoring of water and electricity usage. The company planned and implemented the "Supcon Technology Park Lightweight Digital Energy Saving Renovation Application Scenario" project through energy consumption monitoring system upgrades, energy-saving transformation of central air-conditioning refrigeration systems and boiler heating systems, energy-saving transformation of air conditioning system terminals and intelligent lighting systems, etc. After taking major measures to save energy and reduce carbon, the comprehensive energy saving is about 102 tons of standard coal per year, and it was successfully shortlisted for the "Top Ten Low-Carbon Application Scenarios in Hangzhou in 2023".

The company advocates a new trend of low-carbon life, actively carries out diversified low-carbon publicity activities, shares energy-saving tips every day during the energy-saving publicity week, and shares simple and easy energy-saving methods and habits with employees through multiple channels to improve energy conservation among all employees. Awareness of carbon reduction; organize the "Come on! Low Carbon Master" series of energy saving and consumption reduction activities, carry out recycling markets, renovate old items, and "CD-ROM" actions, encourage walking more, take less elevators, and advocate green commuting. The company calls on employees to actively join In green actions, help employees establish the awareness that "saving is benefit", create a strong energy-saving, low-carbon and environmentally friendly atmosphere through various activities, and advocate everyone to start from themselves, start from details, start from every day, and jointly practice low-carbon The concept of carbon environmental protection forms a long-lasting and effective green corporate culture.

The company actively practices "green office, low-carbon life" and takes multiple measures to promote green office. The office area adopts new energy-saving induction lamps, which turn off the lights when people leave, reducing office energy consumption; continue to promote video conferencing and paperless office, and double-sided printing of paper; comprehensively implement garbage classification, accurate classification, and turn waste into treasure; the air conditioner is set to a reasonable temperature , no lower than 26 degrees Celsius in summer and no higher than 20 degrees Celsius in winter; implement turning off lights for one hour during lunch break; 5S store services are localized and remotely maintained to reduce travel; rational and effective use of energy, continuous improvement of water, electricity and other resource management Measures are taken to maximize energy efficiency, give priority to water-saving and energy-saving equipment, and embrace a new healthy and low-carbon office experience.

The company has always been committed to sustainable manufacturing, and successfully applied for the "Hangzhou Green Low-Carbon Factory" in 2023. The company actively promotes the research and exploration of new processes and technologies, optimizes their introduction in the production and manufacturing process, promotes energy conservation and emission reduction in production lines, and increases green efficiency. (1) Optimize the raw materials and change the cabinet lights from fluorescent lights to LED lights. The energy consumption of a single lighting lamp is reduced from 15W to 8W, and the maximum life is increased from 10000H to 50000H, achieving energy saving and consumption reduction; (2) Curing link configuration A UV curing oven and UV anti-corrosion paint are used, which does not produce VOC volatilization; (3) Carry out technological innovation and continuously improve production efficiency and reduce energy consumption through PCB imposition optimization, "one flow", aging process optimization and other operations. (4) Make the process lead-free to reduce environmental damage and human damage caused by lead and other harmful substances, while improving product reliability; (5) Optimize process technology, change galvanized parts to spray-coated parts, and improve the salt spray test of assembly auxiliary materials Grade, meets the 72H salt spray test, no white rust, no red rust, enhanced environmental performance. (6) Introduce new environmentally friendly equipment to replace manual welding, reduce personnel's inhalation of tin fume, and protect employee health. (7) Temperature and humidity control in the production area. Closed management is implemented for positions with extremely high environmental temperature and humidity requirements and high energy consumption, to achieve fully automatic monitoring and digital control of environmental temperature and humidity, to ensure the environmental consistency required for the production process and reduce the corresponding energy consumption in the process. (8) Use clean energy, adopt photovoltaic power generation, solar street lights and other facilities to improve the utilization rate of renewable resources and reduce greenhouse gas emissions.

(5) New services in carbon emission reduction

√Yes No

1) Industrial energy saving optimization system

Based on the InPlant Utilities software product, an efficient operation model algorithm is built by integrating "mechanism + AI" to realize closed-loop optimized control applications in major public engineering systems such as steam, refrigeration, circulating water, and compressed air, effectively improving the operating efficiency of the system and reducing energy consumption and carbon emissions. Focusing on the integration of technologies in various aspects such as process and equipment, automatic control, and operation optimization, SUPCON Technology's industrial energy-saving optimization system has achieved a number of technological breakthroughs in the closed-loop optimization control of complex large-scale public engineering systems such as circulating chilled water and steam. It has also been used in chemical and food industries. and the pharmaceutical industry have created a number of public engineering optimization model projects.

2) One-stop service of carbon energy steward for industrial enterprises

Taking consulting planning as the starting point, we have a deep insight into the needs, pain points and opportunities of low-carbon development and near-zero carbon construction of industrial enterprises, and provide a top-level plan for low-carbon/near-zero carbon construction that is both scientific, forward-looking and feasible. Fully integrate SUPCON's own products and services and ecological resources to provide customers with professional and efficient one-stop carbon energy stewardship services, specifically covering system construction, training and empowerment, energy efficiency improvement, energy structure optimization, low-carbon processes, and energy-saving and emission-reduction technologies. , carbon offset implementation, assessment and certification support and other service contents, a multi-pronged approach to collaborative carbon reduction, comprehensively helping industrial enterprises achieve "energy saving, cost reduction and efficiency improvement, sustainable high-quality development, breaking through green barriers, and improving brand value."

(6) Relevant information that is conducive to protecting ecology, preventing pollution, and fulfilling environmental responsibilities

√Yes No

The company pays attention to ecological environmental protection, adheres to the path of green and sustainable development, continues to improve the environmental protection system, strengthens environmental management and construction work, and continues to pass ISO14000 environmental management system certification. The company strictly abides by laws and regulations related to environmental protection, regularly identifies regulatory requirements, conducts environmental compliance evaluations on the company's entire production and operation process, converts regulatory requirements into the company's internal systems, and formulates and publishes the "Quality/Environment/Occupational Health and Safety Management Manual" , "Environmental Factor Identification and Assessment Procedures", "Waste Management System", "Energy Management System", "Production Safety Accident Emergency Plan" and other environmental protection documents to ensure that the company fully implements environmental protection measures in all aspects of production and office, and strengthens Ecological Protection.

The company pays attention to ecological and environmental protection, and has established an energy management team. Each department has set up energy administrators to give full play to the collective strength, jointly formulate energy conservation and emission reduction plans, and supervise each other's implementation; it has established a remote energy consumption detection system to monitor energy consumption in each region in real time. ; Establish a working group, all employees participate in and share the experience, ideas and actions of energy conservation and carbon reduction, incorporate energy conservation goals into assessments and strengthen energy inspections daily to avoid waste of resources, handle waste in compliance with regulations, and continue to carry out energy conservation and emission reduction work. The comprehensive energy consumption of output value decreased by 8.43% year-on-year. A small action every day accumulates a big achievement, and all employees work together to create a beautiful, green, low-carbon, and energy-saving central control.

The company regularly organizes the identification and evaluation of environmental factors in the entire business process, focuses on the management and control of important environmental factors, formulates management plans, clarifies responsible departments, conducts regular assessment and supervision, and takes measures to prevent and reduce possible environmental impacts. In response to environmental emergencies, the company has formulated a "Special Emergency Plan for Environmental Accidents", regularly organizes emergency drills in scenarios of environmental emergencies such as chemical leaks, improves emergency procedures through practical drills, and effectively tests the compliance of emergency plans. Through the development of relevant emergency activities, we will improve the emergency response capabilities of on-site personnel, strengthen the construction of emergency teams, truly prevent problems before they occur, and build a solid line of defense for ecological and environmental protection.

In 2023, the company had no environmental violations, did not receive any administrative penalties due to environmental issues, and actively practiced the concept of environmental protection.

3. Social responsibility work status

(1) Social contribution of main business and key industry indicators

The company is oriented towards empowering industrial enterprises to achieve green and low-carbon transformation, attaches great importance to clean technology R&D investment, increases low-carbon business and technology research and development, has insight into the current situation of China's process industry and future low-carbon development needs, and continues to empower the process industry and society to achieve energy conservation and reduction. carbon. Based on PT (process technology) and ET (equipment technology), with OT (operational technology) as the guarantee, and with AT (automation technology) and IT (information technology) as the support, we will vigorously strengthen 5T technology integration and innovation research and development, and actively promote digitalization. Technology is deeply integrated with production processes and corporate operations to comprehensively help the process industry save energy and reduce carbon emissions. It is proposed to take "improving energy efficiency" as the priority path, focus on the core business of "carbon energy management + energy conservation and carbon reduction", and actively explore "low-carbon development consulting" to promote the development of low-carbon business and the construction of SUPCON's low-carbon ecology, and help customers reduce carbon dioxide emissions, and work with upstream and downstream partners in the value chain to actively address climate change. According to preliminary estimates, projects officially put into operation by SUPCON Technology in 2023 have helped customers avoid 80.5278 million tons of carbon dioxide emissions throughout their life cycles. Accompanying process industry enterprises from energy conservation and emission reduction to deep decarbonization, and from pollution reduction to high-quality green development, SUPCON Technology has always adhered to the path of technological innovation and continued to contribute SUPCON wisdom and power to the harmonious coexistence of man and nature. In 2023, it won the "Energy Saving and Emission Reduction Enterprise Contribution Award" issued by the China Energy Conservation Association.

(2) Types and contributions of public welfare and charity activities

Type	Quantity	Situation description
external donation		
Including : Funds (10,000 yuan)	56	Donated 500,000 yuan to China University of Geosciences (Wuhan) Education Foundation. Donated 60,000 yuan to Zhejiang University Education Foundation.
Material discount (10,000 yuan)	107.07	Donated controllers and other equipment to Shenyang Institute of Technology with a total value of approximately 1.0073 million yuan. Together with the Zhejiang Provincial Zhihang Education Foundation, we have donated money

		to Tibet Nagqu No. 3 Primary School, Yunnan Maitreya No. 3 Middle School (junior high school), Yunnan Maitreya No. 4 Middle School (high school), Gansu Tongweimaying Middle School, Gansu Tongwei Siyuan School, Guizhou Tai Six schools in Jiangsan Middle School donated a total of 28 idle computer equipment, worth approximately 63,400 yuan.
charitable projects		
Including : Funds (10,000 yuan)	3	Donated 30,000 yuan to Hangzhou Fuyang District Charity Federation.
Number of people rescued (people)	/	/
rural revitalization		
Including : Funds (10,000 yuan)	10	Together with the Zhejiang Zhihang Education Foundation, we donated a student aid fund to Chengnan Middle School in Changshan County, Quzhou City, Zhejiang Province.
Material discount (10,000 yuan)	/	/
helped to find employment (person)	/	/

1) on engaging in public welfare and charity activities

√Yes No

The company takes "fulfilling social responsibility" as its own responsibility and actively carries out various social welfare activities :

1. Welcome to the 19th Asian Games in Hangzhou. During the Asian Games, the company organized 53 volunteer service teams to protect the "fire" of the Asian Games; 267 serving party members participated in the "Red Lead Hangzhou and Dedication to the Asian Games" in various communities. Volunteer service activities; provide network security work and industrial control security and data security assurance tasks in key industrial fields for the Asian Games and Asian Para Games, and provide strong support for escorting the Asian Games and Asian Para Games.

2. The "I Donate Blood for July 1st" campaign has been carried out for 20 consecutive years. The cumulative blood donation volume in 2023 will be 13,000 ml.

3. Visit the Hangzhou Caring Language Training Center for Deaf Children to carry out the "Building Dreams with Benefit and Walking with Love for Children" public welfare activity to care for hearing-impaired children, and send condolences and school supplies to the children.

4. Organize a tree planting activity of "Care for every piece of green with love and embrace every spring with heart".

5. In order to help rural revitalization and support education in remote or underdeveloped areas, Changshan County Chengnan Middle School will be funded to build the "Zhihang Teaching Assistant Base School" and the "Zhihang Education Laboratory" for technology maker teaching and student assistance. Scholarship work.

6. In 2023, we will actively carry out scholarships and assistance work with various universities and colleges, and donate scholarships and teaching equipment to China University of Geosciences (Wuhan), Zhejiang University, Shenyang Institute of Technology and other universities, with a total amount of approximately 1.5673 million yuan.

7. Donate 30,000 yuan to the Hangzhou Fuyang District Charity Federation for daily operation and maintenance of the Dream House.

2) Consolidate and expand the results of poverty alleviation, rural revitalization and other work details

√Yes No

Poverty alleviation and rural revitalization projects	Quantity/content	Situation description
Total investment (10,000 yuan)	10	Cooperate with Zhejiang Zhihang Education Foundation to carry out targeted assistance and donations to help revitalize rural maker education.
Including: Funds (10,000 yuan)	10	Together with the Zhejiang Zhihang Education Foundation, we donated a student aid fund to Chengnan Middle School in Changshan County, Zhejiang Province.
Material discount (10,000 yuan)	/	/
Number of people benefited (person)	/	/
Forms of assistance (such as industrial poverty alleviation, employment poverty alleviation, education poverty alleviation, etc.)	Poverty alleviation through education	/

Specific instructions

√Yes No

Changshan County is one of the 26 mountainous counties in Zhejiang Province that are focused on the development of pioneering modernization and common prosperity demonstration zones. In order to help rural revitalization, support education in remote areas or underdeveloped areas, focus on youth education in remote areas and unbalanced educational development, use technology to assist education in remote areas, and let education keep up with technological development. Driven by the concepts of "teaching a man to fish is worse than teaching him to fish" and "education first", in 2023, the company and the Zhejiang Zhihang Education Foundation jointly selected Chengnan Middle School in Changshan County to carry out Zhihang education and teaching assistance activities. Fund the construction of the "Zhihang Teaching Assistant Base School" and the "Zhihang Education Laboratory" to be used for technology maker teaching and student assistance and scholarship work, and to help the development of science and technology education in remote areas.

At the same time, in order to more effectively support the Zhihang Foundation in revitalizing the development of rural maker education . The company has joined hands with the Zhejiang Zhihang Education Foundation to provide donations to Tibet Nagqu No. 3 Primary School, Yunnan Maitreya No. 3 Middle School (junior high school), Yunnan Maitreya No. 4 Middle School (high school), Gansu Tongweimaying Middle School, Gansu Tongwei Siyuan School, Guizhou Six schools in Taijiang No. 3 Middle School donated a total of 28 idle computer equipment to optimize the scientific and technological innovation teaching experience, allowing children to more intuitively feel the power of scientific and technological development, and contributing to the revitalization of rural maker education.

(3) Interests of shareholders and creditors

The company fully respects and safeguards the legitimate rights and interests of shareholders and creditors, and actively communicates with relevant parties. The company has established a relatively complete corporate governance structure and a modern enterprise management system in accordance with the requirements of laws and regulations such as the Company Law, Securities Law, Shanghai Stock Exchange Science and Technology Innovation Board Stock Listing Rules, and the Articles of Association and other systems. , continue to strengthen the implementation of laws, regulations and policies, risk management and internal control, and effectively protect the legitimate rights and interests of shareholders and creditors.

During the reporting period, the company strengthened the management of information disclosure affairs in accordance with the requirements of relevant laws and regulations, strictly performed its information disclosure obligations, and disclosed information truthfully, accurately, completely and timely. At the same time, the company has established and continued to improve a long-term, stable and scientific return mechanism for investors. During the reporting period, the company formulated and implemented a reasonable profit distribution and capital reserve conversion plan for 2022, which fully enhanced shareholders' confidence in the company's development. confidence and recognition of the company’s value.

In order to allow shareholders to share the company's operating and development results, the company attaches great importance to shareholder returns and takes practical actions to give back to the company's shareholders, based on full consideration of the company's actual operating conditions and future development needs. In accordance with the "Company Law", the China Securities Regulatory Commission's "Notice on Further Implementing Matters Related to Cash Dividends of Listed Companies", the "Shanghai Stock Exchange Science and Technology Innovation Board Stock Listing Rules" and other relevant regulations, the company has further made further arrangements for profit distribution in the "Articles of Association" Agreement to better safeguard the interests of investors and provide investors with stable and reasonable returns. In 2020, the company formulated the "Shareholder Dividend Return Plan for the Next Three Years after the Company's Initial Public Offering of Stocks and Listing on the Science and Technology Innovation Board", and approved a cash dividend of 7.5 yuan per 10 shares at the 2022 Annual General Meeting of Shareholders held in 2023. (tax included), and at the same time , the profit distribution plan of converting capital reserve to increase 4.5 shares for every 10 shares to all shareholders and the plan of converting capital reserve into share capital were completed within the specified time, which fully enhanced the confidence of the company's shareholders in the company's development. and recognition of the company’s value.

(4) Protection of employees’ rights and interests

The company is always committed to safeguarding the basic rights and interests of its employees and eliminating any form of misconduct. The company strictly abides by the provisions and requirements of China's labor law, labor contract law and supporting laws and regulations, eliminates the employment of child labor and opposes forced labor ; advocates an equal and respectful workplace environment and opposes any form of sexual harassment and workplace bullying. The company protects the legitimate rights and interests of female employees and prohibits them from engaging in labor-intensive labor and taboo labor prohibited by the state.

2023 , the company found no violations of employment policies (labor rights protection policy and child labor or forced labor prevention policy).

To further standardize the rights and obligations between the company and its employees, establish harmonious and stable labor relations and protect employees' labor rights and interests, the company's labor union, as an employee representative, signs the "Collective Contract", "Special Agreement on the Protection of the Rights and Interests of Female Employees" and "Labor Safety" with the company every year "Special Health Collective Contract", etc., which stipulates that the two parties will negotiate on labor contracts, salary adjustment negotiations, insurance benefits, labor safety and health, special protection for female workers and other matters involving the vital interests of employees based on the actual situation of the company and on the basis of mutual respect and friendly cooperation. Equal consultation. After the above contract is signed, it will serve as the basis for the company to formulate labor rules and regulations, and any rules, regulations and major decisions that involve the vital interests of employees should be notified to employees through public announcements and other forms.

The company's labor union adheres to the work policy of "working happily, creating beauty, actively safeguarding rights, and building harmony". It holds employee representative conferences regularly and with high quality, giving full play to the role of the main channel for democratic management; the employees' congress has a dedicated working committee, also known as the proposal committee. It plays the role of extending the functions of the workers' congress; it streamlines problem solving, organizes regular direct dialogues between the company's senior leaders and employee representatives, allows employee representatives to fully understand the development of the enterprise, guides employee representatives to contribute ideas and suggestions to the enterprise, and stimulates employees to participate in the democratic management of the enterprise endogenous power to further enhance the level of corporate democratic management.

by heart-warming service , we become a "hand-warmer" for employees . Regularly organize education and health lectures, such as: "Good Sleep, the Source of Health" health lectures, "Adult Stress Reduction Oil Painting Training Class", etc.; regularly organize employee recuperation, spring (autumn) travel, summer nursery classes for employees' children, and summer drop-off Qingliang and Fang Huichun Hall weekend free medical clinics, "winter disease and summer treatment" special patch sessions, single employee gatherings, etc.; provide condolences to employees on marriage, childbirth, hospitalization, and employees in need; organize national-free pre-marital examinations and pre-pregnancy examinations to solve problems for the children of central control employees Schooling issues, condolences to retired employees at the end of each year (distribution of new year's goods), etc.

Use cultural and sports activities as a carrier to stimulate employees' internal drive. Spring long-distance running, Mid-Autumn Garden Party, Zhongkong Music Festival, singing competition, river plowing competition, badminton competition, photography competition, movie viewing activities, group birthday party, reading sharing meeting, parent-child activities, March 8th Women's Day, Dragon Boat Festival, etc. are regularly organized every year. Various festival activities such as Mother’s Day, Father’s Day, Chinese Valentine’s Day, “June 1st” Day, Thanksgiving Day, Lantern Festival, Programmer’s Day, “Blue Collar Day”; biennial basketball games and football games; organizing dances, choruses, Badminton, tennis, football, running, cycling and other club activities.

Through skill exchange , SUPCON's "craftsman spirit" is tempered to help employees realize value. Regularly organize production skills competitions, forklift driving, assembly electrician, argon arc welding, electronic welding skills competitions, etc.; organize emergency rescue qualification certificates, quality knowledge competitions, product skills competitions, computer programmer vocational skills competitions and other types of training and competition.

Employee shareholding status

Number of employees holding shares (person)	1,348
Proportion of employee stockholdings to the total number of employees in the company (%)	2 0.82
Number of shares held by employees (10,000 shares)	7,208.4170
Proportion of employee shareholdings to total share capital (%)	9.13

(5) Protection of rights and interests of suppliers , customers and consumers

1) Protection of suppliers' rights and interests

In its long-term cooperation with suppliers, SUPCON Technology has always adhered to the principles of honest management, benefit sharing, and mutual benefit. 》 and other relevant regulations to carry out procurement business, forming a stable and reliable procurement management system. In 2021, a supplier relationship management platform (SRM) will be introduced to effectively improve the efficient collaboration capabilities of both purchasers and suppliers by relying on information technology, standardize the procurement process and supplier life cycle management, realize the standardization of business processes, and establish sunny, transparent, fair and just procurement. business platform. Zhongkong Technology implements audit access, classification and hierarchical management of suppliers, strictly selects suppliers, and comprehensively evaluates suppliers' price, quality, delivery and other capabilities, system construction, business cooperation, after-sales service , etc., and through multi-dimensional comprehensive evaluation, it will meet the requirements Suppliers required by the company's review will be introduced and managed, and "Integrity Agreements" will be signed with the suppliers to ensure the legality, fairness and impartiality of the entire procurement process. When purchasing major raw materials, engineering materials, fixed assets and other materials, we will give priority to selecting them from the "Qualified Supplier List", conduct performance evaluations of suppliers through regular reviews, on-site certification, etc., actively expand and develop strategic partners, and work with Core suppliers continue to carry out joint customized development projects to promote win-win cooperation and common growth with suppliers.

2) Interests of customers and consumers

The company takes " customer success " as its core value and always practices the quality purpose of " technology leadership, quality first, and providing customers with satisfactory solutions and services " . It builds a company based on ISO9001 standards that focuses on prevention, source control, and process Monitoring, after-sales tracking, and a quality management system covering the entire product life cycle, establishing a complete quality assurance structure, protecting the rights and interests of customers, and helping customers achieve intelligent "quality" manufacturing. Multi-channel customer demand and service response mechanism. Based on the service concept of "industrial partner, intelligent expert", we create "two major platforms and one center". Through the 400 call center platform, user needs are carefully managed through multiple channels and one-stop dispatch management is achieved; through intelligent docking, demand solutions are quickly and accurately formed, and electronic monitoring and management of the entire process is realized. Provide customers with 24 (hours) × 7 (days) year-round technical support, troubleshooting, and real-time product maintenance response to ensure orderly production for users. SUPCON has established an online customer satisfaction survey platform to provide customers with zero-distance feedback channels in pre-sales support, user training, delivery, service and other aspects. The company's quality department will directly accept the feedback to ensure that customers' voices are heard promptly and effectively. Respond to customers' difficulties and make improvements through statistical analysis ; Zhongkong has also established a Voice of Customer (VOC) management system, proactively and comprehensively collects customer voices, and continues to track the processing of customer voices until the loop is closed to continue to better Protect customer rights and interests.

(6) Product safety assurance status

The company advocates the quality culture of "continuous improvement and pursuit of excellence", practices the quality purpose of "technology leadership, quality first, and provides customers with satisfactory solutions and services", and adheres to the principle of providing customers with "safety, green, quality improvement, and growth". With the product and service concept of "efficiency", we continue to optimize the "Five Domains and Five Forces Quality Management Innovation Model Based on the 5GAP Model" (won the National Quality Benchmark in 2023), integrating IPD, CMMI, V&V, test verification and reliability verification in the R&D and design domain. and other systems, proposed the SupIPD system framework, realized the rapid transformation of customer needs into R&D designs and monitored quality, ensuring high agility and customer satisfaction; optimized PLM, R&D data cockpit, ZenTao, SVN and other platforms, and implemented multi-platform Linkage ensures information consistency, ensures design code quality and enables intelligent monitoring of the R&D process. In the manufacturing field, a zero-defect quality competition model has been established, the ANSI/ESD S20.20 electrostatic protection management system has been introduced, and the implementation of the IATF 16949 quality management system has been promoted to improve risk prevention capabilities; the real-time collection of information from raw materials to manufacturing processes has been improved, Achieve accurate traceability of quality information. In the engineering service domain, we will promote the integrated capability building of "engineering chess", release a unified engineering baseline and monitoring indicator system, plan and build a digital platform for project delivery, and create "templates + tools" to create engineering design standard actions that can be generated in batches with one click to realize project implementation. Delivery capabilities, efficiency and quality are simultaneously improved. Increase the promotion and application of advanced quality management technologies and methods, integrate Six Sigma, QCC, Lean and other technical methods, solve and overcome problems in a hierarchical and hierarchical manner, and help improve quality and efficiency. Improve the quality process, optimize the process-focused customer satisfaction management and control system, plan and carry out diversified quality month activities with the theme of "Integration and Co-Creation, Quality Wins and Goes Ahead", subtly solidifying the mission of continuous improvement and excellent quality Keep it in mind, practice it in action, and improve the maturity of total quality management.

Product safety operation guarantee and innovation. "Safety, stability, longevity, fullness and excellence" are the key requirements for the production process of the process industry. The OMC products launched by the company based on automation, digitalization and intelligent technology adhere to the product concept of "open and intelligent", among which the alarm management APP relies on Intelligent analysis and optimization of a large amount of real data from the factory can reduce operator load, improve production management capabilities, and avoid user losses. Based on the concept of safety protection layer, the company has launched TCS-900, TCS-500, G5Pro Safety and other functional safety products for different industrial control scenarios, which have the characteristics of dual integration of functional safety and information security, and can still protect the process when the process control fails. Production equipment safety. At the same time, focusing on industrial control security protection strategies and needs, the company launched information security products such as security management centers, early warning centers, and operation centers, forming a three-level operation solution of "device level - factory level - group level". Based on SUPCON's commitment to provide control system spare parts, SUPCON will provide spare parts or alternative upgrade solutions within ten years (or nine years after SUPCON's official website publishes a discontinuation notice) to ensure the safe operation of user sites.

The company has always adhered to the policy of "safety first , prevention first , and comprehensive management". On the basis of implementing safety production laws and regulations at all levels, the company successfully passed the "safety production standardization secondary certificate renewal review." The company fully implements the safety production responsibility system, builds a safety management team with safety and emergency professional talents as the core, and encourages all employees to participate by improving the system and implementing responsibilities, and actively carries out hidden danger investigation and management, safety training, emergency response preparation and other work. Continue to improve the construction of safety production standardization in a standardized, standardized and systematic manner, maintain occupational health and safety, and improve safety management levels. Taking the production safety month and fire protection publicity month as an opportunity, we will continue to carry out diversified safety activities, promote safety knowledge through online and offline channels, and carry out various activities from hidden danger investigation, safe viewing, emergency drills, safety competitions, etc. A total of more than 4,000 people participated in the activities throughout the year, creating a strong atmosphere of "safety is important to everyone and safety is emphasized in everything", promoting the development of corporate safety culture, and providing guarantee for the safe and steady development of the company.

(7) Social responsibility

√Yes No

In 2023, the company will take advantage of opportunities such as rural revitalization, the Asian Games, and the Asian Paralympic Games to actively carry out social welfare activities in various forms with extensive employee participation. In addition, we will continue to strengthen communication with the outside world, maintain long-term and good exchanges with local governments, industry associations, regulatory agencies and media channels, and establish and improve public affairs working mechanisms. At the same time, the company actively fulfills its social responsibility information disclosure responsibilities, actively accepts supervision from the whole society, and continuously improves the transparency of the company's operation and management process. In 2023, the company will publish the "2022 Environmental, Social and Corporate Governance (ESG) Report" through its official website. In 2023, the company's ESG rating has been improved to varying degrees by various domestic and foreign rating agencies. Among them, MSCI upgraded the company's ESG rating to "BBB " and was selected as the outstanding practice case of listed companies in 2023 by the China Listed Companies Association.

4. Other corporate governance conditions

(1) Party building situation

√Yes No

2023 will be the 30th anniversary of SUPCON’s founding. The Central Control Party Organization adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implements the spirit of the 20th National Congress of the Party, closely focuses on the business development goals of the enterprise, takes "Red Intelligent Control·Innovation Driven" as the main line of work, and coordinates the promotion of thematic education New progress and new results have been achieved in key tasks such as party building, joint party building, business integration, and cultural activities.

1) Carry out in-depth education on the study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era

Looking back on the original intention of joining the party, feeling the brilliance of truth, absorbing spiritual strength, and organizing the Red Yan'an trip to "continue the red blood and inherit the Yan'an spirit"; in order to deeply study and implement the spirit of General Secretary Xi Jinping's important speech during his inspection of Zhejiang, and promote Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era To internalize, transform and expand the results of thematic education, organize a visit to the "Journey to the Avenue - a large-scale theme exhibition for the 20th anniversary of the implementation of the '88 Strategy'"; give full play to the role of new media and coordinate the theme education publicity, especially in the "Red Intelligent Control" "The WeChat public account opened a "Theme Education" column to create a strong learning atmosphere; it also carried out activities such as special party classes on the theme of "Perceiving the Power of Thought and Gathering the Power of Forging ahead".

2) Party building leads the way to promote business

Focus on and adhere to the guidance of party building, set the political direction, and give full play to the role of party building in determining the direction. All party (general) branches actively carry out the study of party history and theoretical knowledge, and study "Xi Jinping: The Governance of China", "Thematic Excerpts of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era" and the 2023 Government Work Report. There are many forms of activities, such as red tours, branch secretaries giving party classes, etc.

All party (general) branches conscientiously implement party building and joint building, integrate party building with business, and give full play to the "booster" role of party building in corporate innovation and development. Actively carry out a series of cross-branch, cross-business, and cross-company multi-form and diversified pairing and co-construction activities. Among them, the 10th Party Branch jointly carried out the high-tech industry development (Xinhe Community Party Branch) to carry out a special red education lecture on "High-tech Industrial Development"; the Domestic Marketing Party Committee jointly organized the Xinhe Community Party Branch and the Puyan Street Police Station in Binjiang District. Anti-fraud publicity and movie viewing activities; the Fifth Party Branch, in conjunction with the Party Branch of the Software Division of the Zhejiang Provincial Department of Economy and Information Technology and the Party Branch of the Zhejiang Provincial Software Industry Association, held a party-building exchange event with the theme of "Restarting with Strength and Responsibility". Branch party members, administrative leaders and party building evaluators spoke highly of it.

3) Cultural activities promote harmony

Each party (general) branch carried out a variety of cultural activities through a combination of online and offline methods and the branch party member responsibility system, which greatly increased the participation rate and improved the effectiveness of the activities. The Lantern Festival lantern riddles party will be held in conjunction with traditional national festivals, all-member fitness activities will be held in conjunction with the Asian Games theme, and "immersive" tea-picking and tea-making experience activities will be held in conjunction with the season, etc. Most activities are led by branches and jointly organized by mass organizations, which enhances the connection and communication between party members and the masses.

Honors:

In January 2023, it was rated as a "High-tech Zone (Binjiang) Six-Star Party Organization" by the Hangzhou Municipal Party Committee.

In July 2023, it was listed as a quality on-site teaching site for theme education by the High-tech Zone (Binjiang).

In August 2023, it was awarded "Good Partner for Party Building Integration" by Xinhe Community, Puyan Street, Binjiang District.

4) Public welfare action areas

SUPCON Technology always adheres to the vision & mission of "making industry smarter and life easier" and actively fulfills its corporate social responsibility.

The company organizes "July 1st" voluntary blood donation every year, and has been carrying out the "I donate blood for July 1st" activity for 20 years. The cumulative blood donation volume in 2023 is 13,000ml, which is a "golden business card" of SUPCON's voluntary blood donation work.

In 2023, three emergency first aid skills training and examinations were organized, and a total of 43 people obtained emergency first aid skills qualification certificates, accumulating emergency first aid capabilities for society.

We donated picture books, oil pastels, teaching aids, biscuits, candies, bread and other school supplies and condolence materials to the Hangzhou Love Language Training Center for Deaf Children. This very meaningful love activity, Celebrating its 16th year.

During the 19th Asian Games, 53 volunteer service teams were organized to protect the "fire" of the Asian Games; 267 serving party members participated in the "Red Leader and Dedication to the Asian Games" volunteer service activities in various communities.

On the 45th Arbor Day, the Engineering 5T Party Committee of SUPCON Technology Corporation and the Engineering 5T Branch Labor Union jointly held a tree planting activity of "Care for every piece of green with love and embrace every spring with heart".

(2) Investor Relations and Protection

Type	Frequency	Related situations
Hold performance briefing meeting	3	The performance briefing meeting for 2022 and the first quarter of 2023, the half-year performance briefing meeting for 2023 and the third quarter performance briefing meeting for 2023 will be held respectively .
Relations management activities with the help of new media	7	1. Convened 3 performance briefings and the 2023 Shanghai Stock Exchange Company High-Quality Development Collective Roadshow in an interactive online manner at the Shanghai Stock Exchange Roadshow Center - an industry leader. " One Picture to Understand " visual report and annual report video for the 2022 annual report and 2023 semi-annual report to show investors

		the key points of the company's regular reports and business development in a more vivid and three-dimensional way.
An investor relations column is set up on the official website	√Yes No	the "Investor Relations" column on the company's official website www.supcon.com.

Carrying out investor relations management and protection
√Yes No
The company attaches great importance to investor relations management. The designated website for company information disclosure is the Shanghai Stock Exchange website www.sse.com.cn. The designated newspapers and periodicals for company information disclosure are China Securities Journal, Shanghai Securities News and Securities Times. Securities Daily ensures that all shareholders of the company have fair access to company information. At the same time, the company communicates with investors through various forms such as performance briefings, Shanghai Stock Exchange e-interactive platform, investor contact mailboxes, investor consultation hotlines, and on-site investor surveys, and actively maintains good relations between the company and investors. Improve the company's information transparency and protect the legitimate rights and interests of all shareholders, especially small and medium-sized shareholders.

Other ways to communicate with investors
Yes √No

(3) Information disclosure transparency

√Yes No

The company has formulated information disclosure-related systems such as the "Information Disclosure Management System", "Internal Reporting System for Major Matters", and "Insider Information Insider Registration Management System" to fully ensure the legality and legality of the company's information disclosure through system construction, process sorting and working mechanisms. Regularity. The company designates "China Securities Journal", "Shanghai Securities News", "Securities Daily", "Securities Times" and the Shanghai Stock Exchange website (www.sse.com.cn) as the newspapers and websites for company information disclosure. On the premise that technical secrets and business secrets are not leaked, the disclosure content should be true, accurate, timely and complete, and the disclosure language should be easy to understand, avoid using a large number of professional terms or other obscure words, enhance the readability of information disclosure, and ensure that all shareholders of the company Fair access to relevant information .

(4) Intellectual property and information security protection

√Yes No

SUPCON Technology always attaches great importance to the protection of intellectual property rights, strictly abides by intellectual property laws and regulations, and comprehensively does a good job in the creation, application, protection and management of intellectual property rights. In 2023, we will continue to improve the intellectual property management system, revise and publish a series of intellectual property management systems such as the "General Principles of Intellectual Property Management", "Patent Management Measures", "Trademark Management Measures", and "Intellectual Property Risk and Dispute Handling and Control Procedures". Launched an intellectual property management platform to implement every aspect of intellectual property protection and management into every node of daily management. Before, during, and at the end of a R&D project, we monitor intellectual property rights and formulate intellectual property results and risk assessment reports in a timely manner; during the procurement process, we effectively avoid the risk of intellectual property infringement and prevent the leakage of commercial secrets; before sales , during the sales process, promptly review and analyze the status of intellectual property rights in the current market environment, and propose countermeasures. While protecting domestic intellectual property rights, we will further carry out the protection of overseas intellectual property rights and carry out the layout of PCT patents and the registration of overseas trademarks.

(5) Institutional investors' participation in corporate governance

√Yes No

During the reporting period, the company held a total of four general meetings of shareholders, and various types of institutional investors such as public funds, private equity funds, securities companies, insurance institutions, and QFIIs participated in the voting. The company maintains good communication with institutional investors, promotes the company's business highlights and strategic plans, and conveys the voice from the capital market to the management to understand the outside world's views, opinions and suggestions on the company, and promote the further improvement of corporate governance.

(6) Other corporate governance conditions

Yes √No

Section 6 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 into the reporting period

√Yes No

Commitment background	Promise type	Commitment party	Promise content	Commitment time	Is there a deadline for performance?	Commitment period	Whether it is performed promptly and strictly	If timely performance is not possible, the specific reasons for failure to	If it cannot be fulfilled in time, the next step plan should be

								complete the performance should be stated.	explained.
Commitments related to initial public offerings	Restricted sale of shares	The company's controlling shareholder and actual controller: Chu Jian	Note 1	February 28, 2020	yes	36 months from the date of listing of the company's shares	yes	not applicable	not applicable
	Restricted sale of shares	The company's controlling shareholder and actual controller: Chu Jian	Remark 2	February 28, 2020	yes	2 years from the date of expiration of the restricted sales period of the shares held	yes	not applicable	not applicable
	Restricted sale of shares	The company's controlling shareholder and actual controller: Chu Jian	Note 3	February 28, 2020	no	long	yes	not applicable	not applicable
	Restricted sale of shares	Person acting in concert with the company's controlling shareholder and actual controller: Hangzhou Yuancheng	Note 4	February 28, 2020	yes	36 months from the date of listing of the company's shares	yes	not applicable	not applicable
	Restricted sale of shares	Person acting in concert with the company's controlling shareholder and actual controller: Hangzhou	Note 5	February 28, 2020	yes	2 years from the date of expiration of the restricted sales period of the shares held	yes	not applicable	not applicable

		Yuancheng							
	Restricted sale of shares	Person acting in concert with the company's controlling shareholder and actual controller: Hangzhou Yuancheng	Note 6	February 28, 2020	no	long	yes	not applicable	not applicable
	Restricted sale of shares	Outgoing Director: Chu Min	Note 7	February 28, 2020	yes	36 months from the date of listing of the company's shares	yes	not applicable	not applicable
	Restricted sale of shares	Outgoing Director: Chu Min	Note 8	February 28, 2020	yes	2 years from the date of expiration of the restricted sales period of the shares held	yes	not applicable	not applicable
	Restricted sale of shares	Outgoing Director: Chu Min	Note 9	February 28, 2020; long term	no	yes	yes	not applicable	not applicable
	Restricted sale of shares	Directors and senior managers: CUI SHAN; Director: Jin Jianxiang; Senior managers: Yu Haibin, Shen Hui, Mo Wei, Lai Jingyu, Fang Yongsheng; Retired directors and senior	Note 10	February 28, 2020	yes	2 years from the date of expiry of the restricted sales period of the shares held	yes	not applicable	not applicable

		managers: Jia Xunhui; Retired executives: Xie Min, Li Hongbo, Jiang Xiaoning							
	Restricted sale of shares	Directors and senior managers: CUI SHAN; Director: Jin Jianxiang; Senior managers: Yu Haibin, Shen Hui, Mo Wei, Lai Jingyu, Fang Yongsheng; Retired directors and senior managers: Jia Xunhui; Retired executives: Xie Min, Li Hongbo, Jiang Xiaoning	Note 11	February 28, 2020	no	long	yes	not applicable	not applicable
	Restricted sale of shares	Core technical personnel: Qiu Kun, Lu Weijun, Yao Jie, Chen Yu	Note 12	February 28, 2020	no	long	yes	not applicable	not applicable
	Restricted sale of shares	Core technical personnel: Qiu Kun, Lu Weijun, Yao Jie, Chen Yu	Note 13	February 28, 2020	yes	4 years from the date of expiration of the restricted sales period of the shares held	yes	not applicable	not applicable
	Restricted sale of shares	Core technical personnel: Qiu Kun, Lu Weijun,	Note 14	February 28, 2020	no	long	yes	not applicable	not applicable

		Yao Jie, Chen Yu							
	Restricted sale of shares	Shareholders holding more than 5% of shares: Chint Electric	Note 15	February 28, 2020	no	long	yes	not applicable	not applicable
	Restricted sale of shares	Shareholders who increased their holdings of company shares within 6 months: Sinopec Capital, CNNC Fund	Note 16	February 28, 2020	no	long	yes	not applicable	not applicable
	Restricted sale of shares	Shareholders who acquired all the shares held by the controlling shareholder within 6 months: Lenovo Beijing	Note 17	February 28, 2020	no	long	yes	not applicable	not applicable
	Restricted sale of shares	Shareholders who acquired part of their holdings through the transfer of shares from the controlling shareholder within 6 months: Shanghai Tanying, Lanxi Yihui	Note 18	February 28, 2020	no	long	yes	not applicable	not applicable
	Restricted sale of shares	Managers of the employee stock ownership asset	Note 19	February 28, 2020	yes	36 months from the date of listing of	yes	not applicable	not applicable

		management plan: Shenwan Hongyuan Securities Co., Ltd., CITIC Securities Co., Ltd.				the company's shares			
	Restricted sale of shares	Managers of the employee stock ownership asset management plan: Shenwan Hongyuan Securities Co., Ltd., CITIC Securities Co., Ltd.	Remark 20	February 28, 2020	no	long	yes	not applicable	not applicable
	Restricted sale of shares	14 other legal person shareholders including Intel R&D and Xizi Fuxin	Note 21	February 28, 2020	no	long	yes	not applicable	not applicable
	Restricted sale of shares	82 other natural person shareholders including Sun Youxian and Qiu Feng	Note 22	February 28, 2020	no	long	yes	not applicable	not applicable
	other	Shareholders holding more than 5% of the shares before the public offering: Chu Jian, Hangzhou Yuancheng,	Remarks 2 3	February 28, 2020	no	long	yes	not applicable	not applicable

		Chint Electric Appliances							
	other	The company and its controlling shareholder, actual controller (Chu Jian), company directors (non-independent directors), and senior managers	Note 24	February 28, 2020	yes	36 months from the date of listing of the company's shares	yes	not applicable	not applicable
	other	The company and its controlling shareholder and actual controller Chu Jian, and persons acting in concert Hangzhou Yuancheng	Remark 25	February 28, 2020	no	long	yes	not applicable	not applicable
	other	The company and its controlling shareholder and actual controller Chu Jian, persons acting in concert Hangzhou Yuancheng, directors and senior managers	Note 26	February 28, 2020	no	long	yes	not applicable	not applicable
	Solve industry	The company's controlling	Note 27	February 28, 2020	no	long	yes	not applicable	not applicable

	competition	shareholder and actual controller Chu Jian, and person acting in concert Hangzhou Yuancheng							
	Resolve related party transactions	The company's controlling shareholder and actual controller Chu Jian, and person acting in concert Hangzhou Yuancheng	Note 28	February 28, 2020	no	long	yes	not applicable	not applicable
	other	Central control technology	Note 29	February 28, 2020	yes	36 months from the date of listing of the company's shares	yes	not applicable	not applicable
	other	Central control technology	Note 30	February 28, 2020	no	long	yes	not applicable	not applicable
	other	The company's controlling shareholder and actual controller Chu Jian, and person acting in concert Hangzhou Yuancheng	Note 31	February 28, 2020	no	long	yes	not applicable	not applicable
	other	Shareholders holding more than 5% of the company's shares	Note 32	February 28, 2020	no	long	yes	not applicable	not applicable

	other	Directors, Supervisors and Senior Management	Note 33	February 28, 2020	no	long	yes	not applicable	not applicable
Commitments related to equity incentives	other	Central control technology	Note 34	December 16, 2021	yes	During the validity period of the 2021 Restricted Stock Incentive Plan	yes	not applicable	not applicable
	other	Incentive objects of the 2021 restricted stock incentive plan	Note 35	December 16, 2021	yes	During the validity period of the 2021 Restricted Stock Incentive Plan	yes	not applicable	not applicable

Note 1: Within 36 months from the date of listing of the company's shares, I will not transfer or entrust others to manage the company's shares that I directly or indirectly held before the issuance, nor will the company repurchase the shares.
Note 2: If the company stocks held by me are reduced within 2 years after the expiration of the lock-up period, the price of the share reduction shall not be lower than the issue price of the company's initial public offering of stocks (if the company's stocks are paid dividends, gifts, etc. during this period) If there are any ex-rights or dividend events such as converting shares or capital reserves into share capital, the issue price should be adjusted accordingly).
Note 3: (1) If the above commitments are not fulfilled, I will publicly explain the specific reasons for not fulfilling the commitments at the company's shareholders' meeting and in newspapers designated by the China Securities Regulatory Commission and apologize to other shareholders of the company and public investors. If the above commitments are violated, the proceeds will belong to the company. If the above commitments are not fulfilled and investors suffer losses in securities transactions, I will compensate investors for their losses in accordance with the law; (2) During my shareholding period, if the laws, regulations, normative documents, If the policies and requirements of securities regulatory agencies change, I am willing to automatically apply the changed laws, regulations, normative documents, policies and requirements of securities regulatory agencies.
Note 4: Within 36 months from the date of listing of the company's stocks, the company will not transfer or entrust others to manage the company's shares directly or indirectly held by the company before the issuance, nor will the company repurchase the shares.
Note 5: If the company's shares held by the company are reduced within 2 years after the expiration of the lock-up period, the price of the share reduction shall not be lower than the issue price of the company's initial public offering of shares (if the company's shares pay dividends, In the event of ex-rights and dividends such as bonus shares, transfer of capital reserves to share capital, etc., the issue price should be adjusted accordingly).

Note 6: (1) If the above commitments are not fulfilled, the company will publicly explain the specific reasons for not fulfilling the commitments at the company's shareholders' meeting and in newspapers designated by the China Securities Regulatory Commission and apologize to other shareholders of the company and public investors. If the above commitments are violated, the proceeds will belong to the company. If the above commitments are not fulfilled, causing investors to suffer losses in securities transactions, the company will compensate investors for their losses in accordance with the law; (2) During the company's shareholding period, if the laws, regulations, and norms governing share lock-up and reduction If documents, policies and the requirements of securities regulatory agencies change, the company is willing to automatically apply the changed laws, regulations, normative documents, policies and requirements of securities regulatory agencies.
Note 7: Within 36 months from the date of listing of the company's shares, I will not transfer or entrust others to manage the company's shares that I directly or indirectly held before the issuance, nor will the company repurchase the shares.
Note 8: If the company stocks held by me are reduced within 2 years after the expiration of the lock-up period, the price of the share reduction shall not be lower than the issue price of the company's initial public offering (if the company's stocks are subject to dividends, gifts, etc. during this period) If there are any ex-rights or dividend events such as converting shares or capital reserves into share capital, the issue price should be adjusted accordingly).
Note 9: (1) After the expiration of the above-mentioned share lock-up period, during my tenure as a director/supervisor/senior manager of the issuer, and on the premise of meeting the share lock-up commitments, I will directly or indirectly transfer the issuer shares held by me every year not exceeding 25% of the total number of shares of the issuer that I directly or indirectly hold; (2) If I resign before the expiration of my term, I shall abide by the following restrictive provisions during the term determined when I take office and within 6 months after the expiration of my term. : ① The shares transferred each year shall not exceed 25% of the total number of shares of the issuer held directly or indirectly by the person; ② Within six months after leaving the company, the shares of the issuer held directly or indirectly by the person shall not be transferred; (3) During my tenure as a director/supervisor/senior manager of the issuer, I will strictly abide by the relevant provisions of laws, regulations, and normative documents regarding the shareholdings and share changes of directors, supervisors, and senior managers, and perform my duties as a director, supervisor, and senior manager with integrity. Personnel's obligations are to truthfully and promptly report the shares of the issuer that they directly or indirectly hold and their changes. I will not refuse to fulfill the above commitments due to job changes, resignation, etc. I agree to bear and compensate for all losses caused to the issuer and the companies it controls due to violation of the above commitments; (4) If the above commitments are not fulfilled, the company will publicly explain the failure at the company's shareholders' meeting and in newspapers designated by the China Securities Regulatory Commission. Provide specific reasons for fulfilling the commitment and apologize to other shareholders of the company and public investors. If the above commitments are violated, the proceeds will belong to the company. If the above commitments are not fulfilled and investors suffer losses in securities transactions, the company will compensate investors for their losses in accordance with the law; (5) During the company's shareholding period, if the laws, regulations, and norms governing share lock-up and reduction If documents, policies and the requirements of securities regulatory agencies change, the company is willing to automatically apply the changed laws, regulations, normative documents, policies and requirements of securities regulatory agencies.
Note 10: If the company stocks held by me are reduced within 2 years after the expiration of the lock-up period, the price of the reduction of the shares shall not be lower than the issue price of the company's initial public offering of stocks (if the company's stocks pay dividends, giveaways, etc. during this period) If there are any ex-rights or dividend events such as converting shares or capital reserves into share capital, the issue price should be adjusted accordingly).
Note 11: (1) After the expiration of the above-mentioned share lock-up period, during my tenure as a director/supervisor/senior manager of the company, and on the premise of meeting the share lock-up commitments, I will directly or indirectly transfer the company shares held by me each year not exceeding my direct or 25% of the total number of company shares held indirectly; (2) If I resign before the expiration of my term, I shall abide by the following restrictive regulations during the term determined when I take office and within 6 months after the expiration of my term: a. The shares transferred each year shall not exceed 25% of the total number of shares of the company held directly or indirectly by the person; b. Within six months after leaving the job, the shares of the company held directly or

indirectly by the person shall not be transferred; (3) While serving as a director of the company /Supervisor/Senior Manager, I will strictly abide by the relevant provisions of laws, regulations, and normative documents on the shareholding and share changes of directors, supervisors, and senior managers, and perform the obligations of directors, supervisors, and senior managers in good faith, Report truthfully and promptly the company shares held directly or indirectly by the person and their changes. I will not refuse to fulfill the above commitments due to job changes, resignation, etc. I agree to bear and compensate for all losses caused to the company and the companies it controls due to violation of the above commitments; (4) If the above commitments are not fulfilled, I will publicly explain the failure to fulfill the commitments at the company's shareholders' meeting and in newspapers designated by the China Securities Regulatory Commission. specific reasons and apologized to other shareholders of the company and public investors. If the above commitments are violated, the proceeds will belong to the company. If the above commitments are not fulfilled and investors suffer losses in securities transactions, I will compensate investors for their losses in accordance with the law; (5) During my shareholding period, if the laws, regulations, normative documents, If the policies and requirements of securities regulatory agencies change, I am willing to automatically apply the changed laws, regulations, normative documents, policies and requirements of securities regulatory agencies.

Note 12: Within six months after my resignation, I will not transfer or entrust others to manage the company shares I held directly or indirectly before the issuance, nor will the company repurchase the shares.

Note 13: Within 4 years from the date of expiration of the restricted sale period of the shares held, the shares transferred each year shall not exceed 25% of the total number of pre-IPO shares held by the company when the company is listed, and the reduction ratio can be used cumulatively.

Note 14: (1) If the above commitments are not fulfilled, I will publicly explain the specific reasons for the failure at the company's shareholders' meeting and in newspapers designated by the China Securities Regulatory Commission and apologize to other shareholders of the company and public investors. If the above commitments are violated, the proceeds will belong to the company. If the above commitments are not fulfilled and investors suffer losses in securities transactions, I will compensate investors for their losses in accordance with the law; (2) During my shareholding period, if the laws, regulations, normative documents, If the policies and requirements of securities regulatory agencies change, I am willing to automatically apply the changed laws, regulations, normative documents, policies and requirements of securities regulatory agencies.

Note 15: The Company will strictly abide by the relevant provisions of laws, regulations, and normative documents regarding shareholder shareholdings and shareholding changes (including shareholding reductions), and perform the obligations of shareholders in a standardized and honest manner. During the shareholding period, if the laws, regulations, normative documents, policies and requirements of securities regulatory agencies change on share lock-up and reduction, the company is willing to automatically apply the changed laws, regulations, normative documents, policies and securities regulatory agency requirements.

Note 16: (1) If the above commitments are not fulfilled, the company will publicly explain the specific reasons for not fulfilling the commitments at the company's shareholders' meeting and in newspapers designated by the China Securities Regulatory Commission and apologize to other shareholders of the company and public investors. If the above commitments are violated, the proceeds will belong to the company. If the above commitments are not fulfilled, causing investors to suffer losses in securities transactions, the company will compensate investors for their losses in accordance with the law; (2) During the company’s shareholding period, if the laws, regulations, and norms governing share locking and shareholding reduction are If the documents, policies and requirements of securities regulatory agencies change, the Company is willing to automatically apply the changed laws, regulations, normative documents, policies and requirements of securities regulatory agencies.

Note 17: 1) If the above commitments are not fulfilled, the company will publicly explain the specific reasons for not fulfilling the commitments at the company's shareholders' meeting and in newspapers designated by the China Securities Regulatory Commission and apologize to other shareholders of the company and public investors. If the above commitments are violated, the proceeds will belong to the company. If the above commitments are not fulfilled and investors suffer losses in securities transactions, the company will compensate investors for their losses in accordance with the law; (2) During the company’s shareholding period, if the laws, regulations, and norms governing share lock-up and shareholding reduction are If documents, policies and the requirements of securities regulatory agencies change, the Company is willing to automatically apply the changed laws, regulations, normative documents, policies and requirements of securities regulatory agencies.

Note 18: (1) If the above commitments are not fulfilled, the partnership will publicly explain the specific reasons for not fulfilling the commitments at the company's shareholders' meeting and in newspapers designated by the China Securities Regulatory Commission and apologize to other shareholders of the company and public investors. If the above commitments are violated, the proceeds will belong to the company. If the above commitments are not fulfilled, causing investors to suffer losses in securities transactions, the partnership will compensate investors for their losses in accordance with the law; (2) During the partnership's shareholding period, if the laws, regulations, and If the regulatory documents, policies and requirements of securities regulatory agencies change, the Company is willing to automatically apply the changed laws, regulations, normative documents, policies and requirements of securities regulatory agencies.

Note 19: Within 36 months from the date of listing of the company's stocks, the manager will not transfer or entrust others to manage the shares of the company that the manager has managed before the issuance, nor will the company repurchase the shares.

Note 20: (1) If the above commitments are not fulfilled, the manager will publicly explain the specific reasons for the failure to fulfill the commitments at the company's shareholders' meeting and in newspapers designated by the China Securities Regulatory Commission and apologize to other shareholders of the company and public investors. If the above commitments are violated, the proceeds will belong to the company. If the above commitments are not fulfilled, causing investors to suffer losses in securities transactions, the manager will compensate investors for their losses in accordance with the law; (2) During the period when the manager manages the employee stock ownership plan, if the legal requirements for share locking and reduction are , regulations, normative documents, policies and the requirements of securities regulatory agencies change, the Manager is willing to automatically apply the changed laws, regulations, normative documents, policies and requirements of securities regulatory agencies.

Note 21: During the period of the company/partnership’s shareholding, if the laws, regulations, normative documents, policies and securities regulatory authorities’ requirements for share lock-up and shareholding reduction change, the company is willing to automatically apply the changed laws and regulations. Regulations, normative documents, policies and requirements of securities regulatory agencies.

Note 22: During my shareholding period, if the laws, regulations, normative documents, policies and requirements of securities regulatory agencies change on share lock-up and reduction, I am willing to automatically apply the changed laws, regulations, normative documents, policies and requirements of securities regulatory authorities.

Note 23: (1) If after the expiration of the lock-up period, the company/the enterprise/I plan to reduce the company's shares, it will seriously abide by the relevant regulations of the China Securities Regulatory Commission and the exchange on shareholder reduction, and combine the company's stock price stabilization and development To meet the needs of business and capital operation, we should prudently formulate a stock reduction plan and gradually reduce our stock holdings after the stock lock-up period expires; (2) The company/the enterprise/I should reduce the company's shares held in compliance with the provisions of laws and regulations. The specific methods include: It is not limited to exchange centralized bidding transactions, bulk transactions, agreement transfers, etc.; (3) From the expiration date of the lock-up period for the company shares held by the company/the enterprise/I, the total number of company shares transferred within every twelve months shall not exceed Exceed the restrictions of relevant laws, regulations and rules. If the company's public reserve fund or undistributed profits are converted into equity in the year of reduction, the calculation base of the total equity at the end of the previous year must be adjusted accordingly; (4) The company/the enterprise/I reduce the company/I's shares in the company Before that, information disclosure obligations shall be performed promptly and accurately in accordance with the Company Law, Securities Law, and the then-effective regulations of the regulatory authorities; (5) If the company/enterprise/I fail to fulfill the above-mentioned intention to reduce holdings, the company/ The company/I will publicly explain the specific reasons for failing to fulfill its commitments at the

general meeting of shareholders and the disclosure media designated by regulatory agencies, apologize to the company's shareholders and public investors, and assume all legal responsibilities arising therefrom.
Note 24: SUPCON Technology and the company’s controlling shareholder, actual controller (Chu Jian), company directors (non-independent directors), and senior managers have made the following commitments regarding stabilizing the company’s stock price:
1. Conditions for starting and stopping stock price stabilization measures
(1) Starting conditions
Within 36 months after the company's initial public offering of RMB ordinary shares (A shares) and listing on the Science and Technology Innovation Board (hereinafter referred to as the "Issuance and Listing"), if the closing price of the company's stock is lower than the previous year's performance for 20 consecutive trading days, Audited net assets per share (if the company goes ex-rights or ex-dividend due to distribution of cash dividends, bonus shares, capitalization, issuance of new shares, etc., it will be the adjusted net assets per share, the same below) (hereinafter referred to as "Startup" Conditions" or "Stabilizing Stock Price Startup Conditions"), except due to force majeure factors, on the premise of complying with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange on share repurchases, shareholding increases, information disclosure, etc., the company and relevant entities shall comply with Stabilize the company's stock price in the following ways:
(1) The company repurchases shares;
(2) Controlling shareholders and actual controllers increase their shareholdings;
(3) Directors (non-independent directors) and senior managers increase their holdings of company shares;
(4) Other laws, regulations, rules, normative documents and measures permitted by the China Securities Regulatory Commission and stock exchanges.
If the company repurchases shares after the triggering conditions are triggered, the company shall convene a board of directors within 10 days and a shareholders' meeting within 30 days to review specific plans for stabilizing the stock price, clarify the implementation period of such specific plans, and after the shareholders' meeting has reviewed and approved such plans The implementation of the specific plan to stabilize the stock price will be launched within 5 trading days.
(2) Stop conditions
Before or during the implementation of the stock price stabilization measures, if the closing price of the company's stock for 20 consecutive trading days is higher than the audited net assets per share of the most recent year, the implementation of the stock price stabilization measures will be stopped. However, laws, regulations, rules and regulations Except where the relevant documents stipulate that relevant measures shall not be stopped. After the specific plan to stabilize the stock price is implemented or stopped, if the starting conditions are triggered again, the stock price stabilization plan will be started again.
2. Specific measures to stabilize the company’s stock price
When the above triggering conditions are triggered, the company, controlling shareholders, actual controllers, directors (non-independent directors) and senior managers will promptly take some or all of the following measures to stabilize the company's stock price:
(1) The company repurchases shares
1. The company's repurchase of shares for the purpose of stabilizing stock prices should comply with the "Company Law of the People's Republic of China", the "Securities Law of the People's Republic of China", the "Administrative Measures for the Repurchase of Public Shares by Listed Companies (Trial)" and the "Regulations on the Repurchase of Public Shares by Listed Companies" Supplementary Provisions on the Repurchase of Shares by Centralized Bidding Transactions", "Opinions on Supporting the Repurchase of Shares by Listed Companies", "Detailed Implementation Rules for the Repurchase of Shares by Listed Companies of the Shanghai Stock Exchange" and other relevant laws, regulations, rules and normative documents. .
2. The company's repurchase of shares for the purpose of stabilizing the stock price must meet the following conditions:

(1) The company’s shares have been listed for one year;
(2) After repurchasing shares, the company has the ability to repay debts and continue to operate;
(3) After repurchasing shares, the company’s equity distribution should in principle meet the listing conditions;
(4) Other conditions specified by the China Securities Regulatory Commission.
If a company repurchases shares for the purpose of stabilizing stock prices and uses them to reduce registered capital, the requirement in the preceding paragraph that the company's shares have been listed for one year does not apply.
3. The resolution of the company's shareholders' meeting on the share repurchase plan must be approved by more than two-thirds of the voting rights held by shareholders attending the meeting. The company's controlling shareholders and actual controllers promise to vote in favor of the review of the share repurchase proposal. .
4. The company’s general meeting of shareholders may authorize the board of directors to make a resolution on the share repurchase plan. The authorization proposal and the resolution of the general meeting of shareholders clearly specify the specific circumstances of authorization and the authorization period. The resolution of the company's board of directors on the share repurchase plan must be passed by a board meeting attended by more than two-thirds of the directors. The company's non-independent directors promise to vote in favor (if they have the right to vote or vote) when reviewing the share repurchase proposal.
5. After the shareholders’ meeting considers and approves the share repurchase plan, the company should notify creditors in accordance with the law, submit relevant materials to the China Securities Regulatory Commission, Shanghai Stock Exchange and other competent authorities, and go through the approval or filing procedures. After completing the necessary approval, filing, information disclosure and other procedures, the company can implement the corresponding share repurchase plan. If the shareholders' meeting fails to pass the share repurchase plan, the company should urge the controlling shareholders and actual controllers to fulfill their obligations to increase their holdings of the company's shares in accordance with their commitments.
6. If a company conducts share repurchases for the purpose of stabilizing stock prices, in addition to complying with the requirements of relevant laws, regulations, rules and normative documents, it must also comply with the following:
(1) The company repurchases shares through the secondary market through centralized bidding or tender offer;
(2) The total amount of funds used by the company to repurchase shares shall not exceed 80% of the net funds raised by the company through this issuance and listing;
(3) The cumulative proportion of shares repurchased by the company within 12 consecutive months does not exceed 2% of the company’s total share capital at the end of the previous year;
(4) In principle, the funds used by the company to repurchase shares in a single transaction shall not be less than 5% of the audited net profit attributable to shareholders of the parent company in the previous fiscal year, but shall not exceed the audited net profit attributable to the parent company in the previous fiscal year. 10% of shareholders’ net profit. The above ratio can be increased upon review and approval by the company's board of directors;
When there is a conflict between the above two conditions (3) and (4), the requirement of condition (3) shall take precedence.
(5) The company can use its own funds, funds raised from the issuance of preferred stocks and bonds, excess funds obtained from the issuance of ordinary shares, surplus funds from investment projects, raised funds that have been changed into permanent supplementary working capital in accordance with the law, loans from financial institutions, and Other legal funds are used to repurchase shares.
7. The company's board of directors should pay full attention to the company's capital situation, debt repayment ability and sustainable operating ability, prudently formulate and implement a share repurchase plan, and the number of shares repurchased and the scale of funds should match the company's actual financial status. When the company repurchases shares, it will establish a standardized and effective internal control system, formulate specific operating plans, and prevent insider

trading and other unfair trading practices. It shall not use the repurchased shares to manipulate the company's stock price, or use the repurchased shares to manipulate the company's stock price, or disclose information to directors, supervisors, senior managers, or controlling shareholders. Shareholders, actual controllers, etc. transfer interests.
(2) Controlling shareholders and actual controllers increase their holdings of company shares
1. When the conditions for stabilizing the stock price are triggered but the company is unable to implement share repurchase, the controlling shareholder and actual controller shall comply with the conditions and requirements of laws, regulations, rules and normative documents such as the "Measures for the Administration of Acquisitions of Listed Companies" and will not As a result, the company's equity distribution does not meet the listing conditions and/or the controlling shareholder will increase its holdings of the company's shares on the premise that it fulfills its tender offer obligations.
2. When the provisions of item 1 above are met, the company’s controlling shareholders and actual controllers shall, within 10 trading days after the triggering conditions for stabilizing the stock price, submit their specific plans to increase their shareholdings (including but not limited to the range of the number of shares to be increased). , the planned increase price limit, completion time limit, etc.) shall be notified to the company in writing, and the company shall make an announcement within 3 trading days before the start of the increase.
3. Controlling shareholders and actual controllers can increase their holdings of company stocks through centralized bidding or other legal methods through the secondary market.
4. When the controlling shareholders and actual controllers implement the stock price stabilization plan, they should also meet the following items:
(1) The funds used by controlling shareholders and actual controllers to increase their shareholdings in a single transaction shall not be less than 20% of the cumulative amount of after-tax cash dividends received from the company since the company was listed;
(2) The cumulative funds used by the controlling shareholder or actual controller to increase the company’s shares in a single transaction or within twelve consecutive months do not exceed 50% of the cumulative after-tax cash dividend amount received from the company since the company’s listing;
(3) The total number of shares held by the controlling shareholder and actual controller in a single increase in the company shall not exceed 2% of the total number of shares of the company;
(4) The holding price of the controlling shareholder and actual controller shall not be higher than 100% of the company’s audited net assets per share in the most recent year.
When there is a conflict between the above two conditions (1) and (3), the requirement of condition (3) shall take precedence.
5. The controlling shareholders and actual controllers shall bear joint and several liability for the performance of such shareholding increase obligations.
(3) Directors (non-independent directors) and senior managers increase their holdings of company shares
1. When the conditions for stabilizing the stock price are triggered, but the company is unable to implement share repurchase and the company's controlling shareholders and actual controllers are unable to increase their holdings of the company's shares, or the company's controlling shareholders and actual controllers fail to promptly propose or implement a plan to increase their holdings of the company's shares, then Initiating the increase of shareholdings by directors (non-independent directors) and senior managers shall comply with laws, regulations and rules such as the "Measures for the Administration of Acquisitions of Listed Companies" and the "Rules for the Management of Company Shares Held by Directors, Supervisors and Senior Managers of Listed Companies and Their Changes" and the requirements and conditions of regulatory documents, and should not cause the company’s equity distribution to fail to meet listing conditions.
2. When the provisions of item 1 above are met, the company’s directors (non-independent directors) and senior managers shall, within 10 trading days when the conditions for stabilizing the stock price are triggered, submit their specific plans to increase their shareholdings (including but not limited to increasing stock prices). The range of the number of shares held, the upper limit of the planned shareholding increase price, the completion time limit, etc.) shall be notified to the

company in writing, and the company shall make an announcement within 3 trading days before the start of the shareholding increase.
3. When the company’s directors (non-independent directors) and senior managers implement the stock price stabilization plan, they should also meet the following items:
(1) The funds used by the company's directors (non-independent directors) and senior managers in a single transaction to increase their holdings of the company's stocks shall not be less than the after-tax cash dividends (if any) and remuneration received by these directors and senior managers from the company in the previous year. (if any) and 20% of the total amount of allowance (if any);
(2) The cumulative funds used by the company’s directors (non-independent directors) and senior managers to increase their holdings of the company’s stocks in a single transaction or within twelve consecutive months shall not exceed the after-tax cash received by these directors and senior managers from the company in the previous year. 50% of the total amount of dividends (if any), salary (if any) and allowances (if any);
(3) The shareholding price of the company's directors (non-independent directors) and senior managers shall not be higher than 100% of the company's audited net assets per share in the most recent year.
4. Before the company appoints new directors (non-independent directors) and senior managers within three years after this issuance and listing, it will require them to sign a letter of commitment to ensure that they fulfill the obligations of directors (non-independent directors) and senior managers at the time of this issuance and listing. Corresponding commitments that management has made.
(4) Other laws, regulations, rules, normative documents and measures permitted by the China Securities Regulatory Commission and stock exchanges
The company and relevant entities can take one or more of the above measures to maintain the stability of the company's stock price based on the company and market conditions. Specific measures should be implemented based on the principles of maintaining the company's listing status and protecting the interests of the company and investors, and in compliance with laws and regulations. Laws, regulations, normative documents and relevant provisions of the exchange, and shall fulfill its corresponding information disclosure obligations.
3. Safeguard Measures of the Stock Price Stabilization Plan When the conditions for initiating stock price stabilization measures are met, if the company, controlling shareholders, actual controllers, directors (non-independent directors), and senior managers fail to take the above specific measures to stabilize the stock price, these units and personnel commit to accept the following restraint measures:
1. The company, controlling shareholders, actual controllers, directors (non-independent directors), and senior managers will publicly explain the specific reasons for not taking the above measures to stabilize stock prices at the company’s shareholders’ meeting and the information disclosure media designated by the China Securities Regulatory Commission and report to the company’s shareholders We apologized to public investors and the company voluntarily assumed corresponding legal responsibilities.
2. If the controlling shareholders, actual controllers, directors (non-independent directors), and senior managers fail to fulfill the above-mentioned shareholding increase commitments, the company may delay the payment of cash dividends (if any) in the year and the following year when their shareholding increase obligations are triggered. and 50% of the total salary and allowances for the year. At the same time, the company shares held by it will not be transferred until it takes corresponding measures to stabilize the stock price and implement them in accordance with the provisions of the above plan.
3. The company will remind and urge the company’s newly appointed directors (non-independent directors) and senior managers to fulfill the corresponding commitment requirements regarding stock price stabilization measures made by the directors (non-independent directors) and senior managers when the company is issued and listed.
Controlling shareholder and actual controller of the company
Chu Jian, the company’s controlling shareholder and actual controller, has made the following commitments to stabilize the stock price:

“1. When the company convenes a general meeting of shareholders to make a resolution on the share repurchase plan for the purpose of stabilizing the stock price, I promise to vote in favor of the review of the share repurchase proposal.
2. When the conditions for stabilizing stock prices are triggered but the company is unable to implement share repurchases, I should comply with the conditions and requirements of laws, regulations, rules and normative documents such as the "Measures for the Administration of Acquisitions of Listed Companies" and will not cause the company's equity distribution to be inconsistent. Under the premise that the listing conditions are met and/or the controlling shareholder fulfills its tender offer obligations, the company's stock holdings will be increased.
3. When complying with the provisions of item 1 above, I shall, within 10 trading days after triggering the conditions for stabilizing the stock price, submit my specific plan to increase my stock holdings (including but not limited to the range of the number of shares to be increased and the planned increase price). upper limit, completion time limit, etc.) shall be notified to the company in writing, and the company shall make an announcement within 3 trading days before the start of the shareholding increase.
4. I can increase my holdings of company stocks through the secondary market through centralized bidding or other legal methods.
5. When I implement the stock price stabilization plan, I should also meet the following items:
(1) The funds I use to increase my shareholding in a single transaction shall not be less than 20% of the cumulative amount of after-tax cash dividends received from the company since the company was listed;
(2) The cumulative funds used by me to increase my shareholding in the company in a single transaction or within twelve consecutive months do not exceed 50% of the cumulative after-tax cash dividends received from the company since the company was listed;
(3) The total number of shares held by me in a single increase in the company does not exceed 2% of the total number of shares in the company;
(4) The price of my additional holdings shall not be higher than 100% of the company's audited net assets per share in the most recent year.
When there is a conflict between the above two conditions (1) and (3), the requirement of condition (3) shall take precedence.
6. I am jointly and severally responsible for the performance of such shareholding obligations.
7. When the conditions for initiating stock price stabilization measures are met, if I fail to take the above-mentioned specific measures to stabilize the stock price, I will publicly explain the specific reasons for not taking the above-mentioned stock price stabilization measures at the company's shareholders' meeting and the information disclosure media designated by the China Securities Regulatory Commission. Apologize to the company's shareholders and public investors, and voluntarily assume corresponding legal responsibilities. "
Company directors (non-independent directors) and senior managers
The company's directors (non-independent directors) and senior managers have committed to the following on stabilizing the stock price:
“1. When the company convenes the board of directors to make a resolution on the share repurchase plan for the purpose of stabilizing the stock price, the directors (non-independent directors) and senior managers promise to vote in favor of the review of the share repurchase proposal (if they have the right to vote or vote) .
2. When the conditions for stabilizing the stock price are triggered, but the company is unable to implement share repurchase and the company's controlling shareholders and actual controllers are unable to increase their holdings of the company's shares, or the company's controlling shareholders and actual controllers fail to timely propose or implement a plan to increase their holdings of the company's shares, then Initiating the increase of shareholdings by directors and senior managers, but it should comply with laws, regulations, rules and normative documents such as the "Measures for the Administration of Acquisitions of Listed Companies" and the "Rules for the Management of Company Shares Held by Directors, Supervisors and Senior Managers of Listed Companies and their Changes" requirements and conditions, and should not cause the company's equity distribution to be incompatible with listing conditions.
3. When complying with the provisions of item 1 above, I shall, within 10 trading days after triggering the conditions for stabilizing the stock price, submit my

specific plan to increase my stock holdings (including but not limited to the range of the number of shares to be increased and the planned increase price). upper limit, completion time limit, etc.) shall be notified to the company in writing, and the company shall make an announcement within 3 trading days before the start of the shareholding increase.
4. When I implement the stock price stabilization plan, I should also meet the following items:
(1) The funds I use to increase the company's stock holdings in a single transaction shall not be less than the after-tax cash dividends (if any), remuneration (if any) and allowances (if any) received by the directors and senior managers from the company in the previous year. 20% of the total amount;
(2) The cumulative funds used by me to increase the company's stock holdings in a single transaction or within twelve consecutive months shall not exceed the after-tax cash dividends (if any) and remuneration (if any) received by the directors and senior managers from the company in the previous year.) and 50% of the total amount of allowance (if any);
(3) The shareholding price of the company’s directors and senior managers shall not be higher than 100% of the company’s audited net assets per share in the most recent year.
5. When the conditions for initiating stock price stabilization measures are met, if the company, the controlling shareholder, the actual controller, and I do not take the above-mentioned specific measures to stabilize the stock price, the company can delay the payment of cash dividends in the current year and the following year when my obligation to increase my shareholding is triggered. (if any), and 50% of the total salary and allowances for the year. At the same time, the company shares held by me will not be transferred until the stock price stabilization measures are implemented. "
Note 25: The company, controlling shareholders, actual controllers and persons acting in concert have made the following commitments regarding share repurchases related to fraudulent issuance and listing:
1. The company promises the following:
“(1) Ensure that the company’s public issuance of shares and listing on the Science and Technology Innovation Board do not involve any fraudulent issuance.
(2) If the company does not meet the conditions for issuance and listing, uses deceptive means to obtain issuance registration and has already issued and listed the company, the company will initiate the share repurchase procedure within five working days after confirmation by the China Securities Regulatory Commission and other competent authorities, and repurchase the company's original shares. All new shares issued in the secondary public offering. "
2. Controlling shareholders, actual controllers and persons acting in concert
Chu Jian, the company’s controlling shareholder and actual controller, and Hangzhou Yuancheng, persons acting in concert, have committed to the following:
“(1) Ensure that the company’s public issuance of shares and listing on the Science and Technology Innovation Board do not involve any fraudulent issuance.
(2) If the company does not meet the conditions for issuance and listing, uses deceptive means to obtain issuance registration and has already issued and listed, I/the company will initiate the share repurchase procedure within five working days after confirmation by the China Securities Regulatory Commission and other competent authorities. Return all the new shares issued by the company this time. "
Note 26: 1. The company’s measures and commitments to make up for amortized current returns
“In order to reduce the impact of this public issuance on diluting current returns, the company promises to improve asset quality and sales by strengthening the management of raised funds, accelerating the investment progress of raised investment projects, increasing market development efforts, and strengthening investor return mechanisms. income, thereby increasing future earnings and achieving sustainable development to make up for diluted immediate returns. The company is committed to taking the following specific measures:
(1) Strengthen the management of raised funds
The company has formulated the "Zhejiang Zhongkong Technology Co., Ltd. Raised Funds Management System". After the raised funds are received, they will be

deposited in a special account designated by the board of directors. The company will regularly check the use of raised funds to strengthen the supervision of raised investment projects and ensure that the raised funds are used reasonably and legally.
(2) Accelerate the investment progress of fundraising projects
After the funds raised from this issuance are in place, the company will allocate various internal resources, accelerate the construction of raised investment projects, improve the efficiency of the use of raised funds, and strive to achieve early completion of the raised investment projects and achieve expected benefits, so as to enhance the company's profitability. Before the funds raised are in place, in order to realize the profitability of the investment project as soon as possible, the company plans to actively raise funds through various channels, actively allocate resources, carry out preliminary preparations for the investment project, enhance project-related talent and technology reserves, and strive to realize it as soon as possible The project's expected income will enhance shareholder returns in the next few years and reduce the risk of immediate return dilution caused by issuance.
(3) Increase market development efforts
The company will improve and expand its global business layout based on the existing sales and service network, and is committed to providing reliable products and high-quality services to more customers around the world. The company will continue to improve and improve its products, technology and service systems, expand the coverage of international and domestic sales channels and service networks, and promote market expansion with first-class technology and services, thereby optimizing the company's strategic layout in domestic and international markets.
(4) Strengthen investor return mechanism
The company implements an active profit distribution policy, attaches great importance to reasonable investment returns for investors, and maintains continuity and stability. In accordance with the relevant provisions and regulatory requirements of the China Securities Regulatory Commission, the company has formulated the "Articles of Association (Draft)" applicable after listing, made detailed provisions and public commitments on profit distribution policy matters, and passed the "Articles of Association (Draft)" on the company's post-listing dividend distribution policy. Proposal", fully safeguard the rights of the company's shareholders to asset income and other rights according to law, and improve the company's future return capabilities.
(5) If the company violates the foregoing commitments, it will promptly announce the facts and reasons for the violation. Unless it is due to force majeure or other reasons not attributable to the company, it will apologize to the company's shareholders and public investors, and at the same time make a request to investors. Supplementary commitments or alternative commitments shall be made to protect the interests of investors as much as possible, and the supplementary commitments or alternative commitments shall be implemented after consideration and approval by the company's general meeting of shareholders. "
2. Commitments of the company’s controlling shareholders, actual controllers and persons acting in concert
Chu Jian, the company’s controlling shareholder and actual controller, and Hangzhou Yuancheng, the person acting in concert, promise:
(1) I/this company will not interfere with the company’s business management activities beyond its authority or infringe on the company’s interests.
(2) I/this company will earnestly implement the measures formulated by the company to cover the diluted immediate returns and any commitments made by the company regarding measures to fill the returns. If I/the company violates these commitments and gives the company or If investors cause losses, I/this company is willing to bear the liability for compensation to the company or investors in accordance with the law.
3. Commitment of all directors and senior managers of the company
(1) I will not transfer benefits to other units or individuals for free or on unfair terms, nor will I harm the interests of the company in other ways;
(2) Restrict my personal consumption behavior;
(3) Do not use company assets to engage in investment or consumption activities that have nothing to do with the performance of my duties;
(4) The remuneration system formulated by the board of directors or the remuneration committee is linked to the implementation of the company's measures to

cover diluted immediate returns;
(5) If the company implements an equity incentive plan in the future, the exercise conditions of the future equity incentive plan will be linked to the implementation of the company's measures to cover diluted immediate returns;
(6) After the China Securities Regulatory Commission or the stock exchange separately releases relevant opinions or implementation details on the filling measures and commitments to dilute current returns, if the company's relevant regulations and my commitment cannot meet these regulations, I promise to immediately follow the instructions. These regulations issue supplementary commitments and actively promote the company to make new regulations to comply with the requirements of the China Securities Regulatory Commission and stock exchanges.
As one of the parties responsible for the repayment measures, if I violate the above commitments or refuse to perform the above commitments, I agree to take disciplinary measures against me in accordance with the relevant regulations and rules formulated or issued by the China Securities Regulatory Commission, Shanghai Stock Exchange and other institutions. Relevant penalties or relevant management measures will be taken.
Note 27: (1) I/my company and other companies controlled by me/my company are not currently engaged in the same or similar business as Sukong Technology and its controlled subsidiaries that would have a significant adverse impact on Sukong Technology. (2) I/this company and other companies controlled by me/this company will not engage in the same or similar activities as SUPCON Technology and its controlled subsidiaries in any form (including but not limited to establishment, investment, acquisition, merger, etc.) in the future. Businesses that are similar and have significant adverse effects. (3) I/this company will supervise and restrict the production and operation activities of other companies that I currently control and may control in the future. On the premise that there will be no horizontal competition with the company's related parties, if SUPCON Technology and its holding subsidiaries further expand their products and business scope, I/this company will fulfill the obligations of the actual controller and persons acting in concert and require me/this company Other companies under my control will not compete with the expanded products or businesses of SUPCON Technology and its holding subsidiaries; if there is a situation that may compete with the expanded products or businesses of SUPCON Technology and its holding subsidiaries, I/this company will To fulfill the obligations of the actual controller and persons acting in concert, require me/other companies controlled by this company to withdraw from competition with Zhongkong Technology and its holding subsidiaries in the following ways: A. Stop producing or operating products that constitute competition or may constitute competition. , business; B. Incorporate competing businesses into SUPCON Technology and its holding subsidiaries to operate; C. Transfer competing businesses to unrelated third parties; If other companies controlled by me/this company follow their legal If the decision-making process cannot approve the above request, I/the company can solve the potential horizontal competition risk by exiting the relevant shares. (4) I/this company promise not to seek business opportunities belonging to SUPCON Technology and its holding subsidiaries for myself or others, or to operate the same business as SUPCON Technology and its holding subsidiaries on its own or for others. If a business opportunity obtained from any third party competes or may compete with the business operated by SUPCON Technology and its holding subsidiaries, I/our company will immediately notify SUPCON Technology and facilitate the transfer of the business opportunity to SUPCON Technology Or adopt any other plan that can be recognized by the regulatory authorities to ultimately exclude the promisee from the actual management and operation rights of the assets/equity/business involved in such business opportunities, thereby avoiding horizontal competition with SUPRON TECHNOLOGY. (5) I/this company will not use any method to engage in business or activities that have or may have an adverse impact on the normal operation and development of Sukong Technology, and will not harm the interests of Sukong Technology and other shareholders. Such methods include but are not limited to: Use my/the company's social resources and customer resources to hinder or restrict the independent development of Sukko Technology; spread news or information that is unfavorable to Skoco Technology in society and among customers; use my/the company's control position to exert influence, causing Abnormal changes or fluctuations in the technical management personnel and R&D technical personnel of Zhongkong are not conducive to the development of Zhongkong technology. (6) If I/the company violates the above commitments and causes losses to SUPCON Technology and other shareholders, I/the company will voluntarily bear the losses caused to SUPCON Technology and other shareholders.

Remarks 28: (1) As of the date of issuance of this commitment, except for the circumstances that have been disclosed, there are no other major related transactions between myself/our company and the companies controlled by me/my company and Zhongkong Technology; (2) I/my company I will not carry out any behavior that affects the independence of SCT, and I will maintain the independence of SCT in terms of assets, personnel, finance, business and institutions; (3) I/the company will try to avoid any interactions with SCT. Related party transactions arise between the parties. Unavoidable related business transactions or transactions will be carried out on an equal and voluntary basis and in accordance with the principles of fairness, equity and equal compensation, and the transaction price will be determined in accordance with the reasonable price recognized by the market; (4) I/this company will strictly abide by the avoidance provisions on related-party transactions in the articles of association of Zhongkong Technology. All related-party transactions involved will be carried out in accordance with the decision-making procedures for related-party transactions of Zhongkong Technology, and legal procedures will be performed to promptly resolve related-party transactions. (5) I/this company and the companies controlled by me/this company guarantee that they will not use related transactions to transfer the profits of Zhongkong Technology, and will not harm Zhongkong Technology and others by affecting the business decisions of Zhongkong Technology. the legitimate rights and interests of shareholders. (6) I/this company and the companies controlled by me/my company will not illegally and illegally occupy the funds of Zhongkong Technology in any way and require Zhongkong Technology to provide guarantees in violation of regulations.

Note 29: Constraint measures for violating commitments to stabilize stock price

If, within three years after the company's listing, the closing price of the company's A shares is lower than the audited net asset value per share at the end of the previous year for 20 consecutive trading days (the 20th trading day), other than force majeure or malicious speculation by a third party, constitutes the "day to trigger the stock price stabilization plan", if the company has ex-rights and ex-dividend events such as dividend distribution, bonus shares, transfer of capital reserves to share capital, share subdivision, additional issuance, allotment or reduction of shares, resulting in changes in the company's net assets or total number of shares , the net assets per share need to be adjusted accordingly, the same below), if the company's stock price stabilization measure plan reviewed and approved by the company's board of directors and shareholders' meeting requires the company to repurchase shares but fails to actually implement it, the company will publish it in the shareholders' meeting and the newspapers designated by the China Securities Regulatory Commission. Publicly explain the specific reasons for failing to fulfill its commitments and apologize to shareholders and public investors; at the same time, if the company's directors and senior managers fail to perform their duties on timely formulating stock price stabilization measures and submitting them to the shareholders' meeting for review, the relevant directors and senior managers will Suspended from receiving salary or allowances from the company until relevant responsibilities are fulfilled.

Note 30: (1) Restraint measures for violating the promise that the prospectus contains no false records, misleading statements or major omissions

If the company violates this commitment, the company will publicly apologize to shareholders and public investors for failing to perform the above-mentioned measures to repurchase new shares and compensate for losses at the general meeting of shareholders and in newspapers designated by the China Securities Regulatory Commission, and compensate investors in accordance with the law. Disclose in regular reports the performance of the company's commitments to repurchase shares, compensate for losses, etc., as well as the remedies and corrections made when commitments are not fulfilled.

(2) Constraint measures that violate other commitments

If other types of commitments made by the company for this issuance and listing fail to be fulfilled, are indeed unable to be performed, or cannot be performed on time, the company will take the following measures: ① The company shall promptly and fully disclose that the commitments cannot be performed, cannot be performed, or cannot be performed on time The specific reasons for the performance and apology to shareholders and public investors; ② Propose supplementary commitments or alternative commitments to investors to protect the legitimate rights and interests of investors as much as possible; ③ Submit the above supplementary commitments or alternative commitments to the company’s shareholders’ meeting for review; ④ If the company fails to fulfill relevant commitments and causes losses to investors, the company will be liable for damages in accordance with the law.

Note 31: The company’s controlling shareholders, actual controllers and persons acting in concert have committed themselves to the following restraint measures for failure to perform relevant commitments:
I/this company will actively fulfill all the commitments made regarding the initial public offering and listing of SUPCON Technology's A-shares, voluntarily accept the supervision of regulatory authorities, the public and investors, and assume corresponding responsibilities in accordance with the law. If relevant commitments are not fulfilled, I/this company undertakes to take the following remedial measures:
(1) I/the company shall promptly and fully disclose the specific reasons for failure to fulfill commitments, inability to perform or failure to perform on schedule at the general meeting of shareholders and the disclosure media designated by the China Securities Regulatory Commission, and apologize to shareholders and public investors. ;
(2) Propose supplementary commitments or alternative commitments to investors to protect the legitimate rights and interests of investors as much as possible;
(3) If I/the company obtains income due to failure to fulfill its commitments, such income shall belong to Sakcon Technology;
(4) The shares of Zhongkong Technology held directly or indirectly by myself/our company shall not be transferred until I/this company fulfills relevant commitments or makes supplementary commitments or alternative commitments;
(5) If I/this company fails to fulfill relevant commitments and causes losses to SUPCON Technology and investors, I/this company will bear liability for damages in accordance with the law.
Note 32: Shareholders holding more than 5% of the company’s shares have committed to the following restraint measures for failure to fulfill relevant commitments:
The Company will actively fulfill all commitments made regarding the initial public offering of A-shares by SUPCON Technology and its listing on the Science and Technology Innovation Board, voluntarily accept the supervision of regulatory authorities, the public and investors, and assume corresponding responsibilities in accordance with the law. If relevant commitments are not fulfilled, the company promises to take the following remedial measures:
(1) The company shall promptly and fully disclose the specific reasons for failure to fulfill its commitments, inability to perform or failure to perform on schedule at the general meeting of shareholders and the disclosure media designated by the China Securities Regulatory Commission, and apologize to shareholders and public investors;
(2) Propose supplementary commitments or alternative commitments to investors to protect the legitimate rights and interests of investors as much as possible;
(3) If the company obtains income due to failure to fulfill its commitments, such income shall belong to Sakcon Technology;
(4) The shares of Zhongkong Technology held directly or indirectly by the company shall not be transferred until the company fulfills the relevant commitments or makes supplementary commitments or substitute commitments;
(5) If the company fails to fulfill relevant commitments and causes losses to SUPCON Technology and investors, the company will bear liability for damages in accordance with the law.
Note 33: The company’s directors (non-independent directors), supervisors and senior managers have committed to the following restraint measures for failure to fulfill relevant commitments:
I will actively fulfill all the commitments I have made regarding this initial public offering and listing, voluntarily accept the supervision of regulatory authorities, the public and investors, and assume corresponding responsibilities in accordance with the law. If relevant commitments are not fulfilled, I promise to take the following remedial measures:
(1) I shall timely and fully disclose the specific reasons for failure to fulfill my commitments, inability to perform or failure to perform on time at the general meeting of shareholders and the disclosure media designated by the China Securities Regulatory Commission, and apologize to shareholders and public investors;

(2) Propose supplementary commitments or alternative commitments to investors to protect the legitimate rights and interests of investors as much as possible;
(3) If I receive income due to failure to fulfill my commitment, such income shall belong to Zhongkong Technology;
(4) I will stop receiving salary, dividends or subsidies from Zhongkong Technology, and the stocks of Zhongkong Technology held directly or indirectly by me shall not be transferred until I fulfill relevant commitments or make supplementary or alternative commitments;
(5) If I fail to fulfill relevant commitments and cause losses to SUPCON Technology and investors, I will be liable for damages in accordance with the law.
Note 34: Loans or any other form of financial assistance will not be provided to incentive targets to obtain restricted stocks under this plan, including providing guarantees for their loans.
Note 35: If the company does not comply with the grant of rights or vesting arrangements due to false records, misleading statements or major omissions in the information disclosure documents, the incentive recipients should be confirmed to have false records, misleading statements or major omissions from the relevant information disclosure documents. Upon omission, all benefits received from the equity incentive plan will be returned to the company.

(2) If 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 will Explain whether the original profit forecast has been achieved and the reasons why.

Yes No √Not applicable

(3) Completion of performance commitments and its impact on goodwill impairment testing

Yes √No

2. Non-operating capital occupation by controlling shareholders and other related parties during the reporting period

Yes √No

3. Illegal guarantee situation

Yes √No

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

Yes √No

5. The company's analysis and explanation of the causes and effects of changes in accounting policies, accounting estimates, or corrections of major accounting errors

(1) The company's analysis and explanation of the reasons and impacts of changes in accounting policies and accounting estimates

√Yes No

See Section 10, Note 5, " 40. Changes in Important Accounting Policies and Accounting Estimates" for details.

(2) analysis and explanation of the causes and effects of correction of major accounting errors

Yes √No

(3) Communication status with previous accounting firm

Yes √No

(4) Approval procedures and other instructions

Yes √No

6. Appointment and dismissal of accounting firms

Unit:Yuan Currency: RMB

	Currently employed
Name of domestic accounting firm	Tianjian Accounting Firm (Special General Partnership)
Domestic accounting firm remuneration	123
Auditing years of domestic accounting firms	6
Name of CPA of domestic accounting firm	Ye Weimin, Lai Xingkai
Cumulative number of years of CPA audit services provided by domestic accounting firms	Ye Weimin (2), Lai Xingkai (4)

	Name	Remuneration
Internal control audit accounting firm	Tianjian Accounting Firm (Special General Partnership)	21
Sponsor	Shenwan Hongyuan Securities Underwriting and Sponsoring Co., Ltd.	/

Explanation of appointment and dismissal of accounting firms

√Yes No

On May 17, 2023 , the company held the 2022 annual shareholders' meeting, reviewed and approved the "Proposal on Renewal of the Accounting Firm for 2023", and decided to hire Tianjian Accounting Firm (Special General Partnership) as the company's 2023 Audit agency.

Explanation on the change of accounting firm during the audit period

Yes √No

Explanation of audit fees falling by more than 20% (inclusive) compared with the previous year

Yes √No

7. Facing the risk of delisting

(1) Reasons for delisting risk warning

Yes √No

(2) The company's planned response measures

Yes √No

(3) Situations and reasons for termination of listing

Yes √No

8. Matters related to bankruptcy and reorganization

Yes √No

9. Major litigation and arbitration matters

Yes √No

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

Yes √No

11. Explanation of the integrity status of the company, its controlling shareholders and actual controllers during the reporting period

Yes √No

12. Significant related transactions

(1) Related party transactions related to daily operations

1) Matters that have been disclosed in temporary announcements and have no progress or changes in subsequent implementation

√Yes No

Overview of the matter	Query index
The company held the 20th meeting of the fifth board of directors on April 26, 2023, the 17th meeting of the fifth board of supervisors and the 2022 annual shareholders' meeting on May 18, 2023, and reviewed and approved the "About the Expected 2023 "Proposal on the Annual Daily Related Transaction Quota", the estimated amount of this daily related transaction is 1.088 billion yuan .	"Announcement of SUPCON Technology Co., Ltd. on the Estimated Amount of Routine Related Transactions in 2023" disclosed on the Shanghai Stock Exchange website (www.sse.com.cn), announcement number: 2023-021.

2) Matters that have been disclosed in temporary announcements but have subsequent progress or changes in implementation

Yes √No

3) Matters not disclosed in temporary announcements

Yes √No

(2) Related transactions involving asset or equity acquisition and sale

1) Matters that have been disclosed in temporary announcements and have no progress or changes in subsequent implementation

Yes √No

2) Matters that have been disclosed in temporary announcements but have subsequent progress or changes in implementation

Yes √No

3) Matters not disclosed in temporary announcements

Yes √No

4) If a performance agreement is involved, the performance achievement during the reporting period should be disclosed.

Yes √No

(3) Major related-party transactions involving joint external investments

1) Matters that have been disclosed in temporary announcements and have no progress or changes in subsequent implementation

Yes √No

2) Matters that have been disclosed in temporary announcements but have subsequent progress or changes in implementation

Yes √No

3) Matters not disclosed in temporary announcements

Yes √No

(4) Related claims and debts

1) Matters that have been disclosed in temporary announcements and have no progress or changes in subsequent implementation

Yes √No

2) Matters that have been disclosed in temporary announcements but have subsequent progress or changes in implementation

Yes √No

3) Matters not disclosed in temporary announcements

Yes √No

(5) Financial business between the company and related financial companies, company-controlled financial companies and related parties

Yes √No

(6) Other

Yes √No

13. Major contracts and their performance

(1) Trusteeship, contracting and leasing matters

1) Hosting status

Yes √No

2) Contracting situation

Yes √No

3) Rental status

Yes √No

(2) Guarantee status

√Yes No

Unit : Currency : RMB

The company's external guarantees (excluding guarantees for subsidiaries)														
Guarantor	The relationship between the guarantor and the listed company	Secured party	Guaranteed amount	Guarantee occurrence date (agreement signing date)	Guarantee start date	Guarantee expiry date	Guarantee type	Collateral (if any)	Has the guarantee been fulfilled?	Is the guarantee overdue ?	Guaranteed overdue amount	Counter guarantee situation	Whether it is a guarantee for related parties	association relation
SUPCON Technology Co., Ltd.	Company headquarters	Shandong Jingbo Petrochemical Co., Ltd.	6,000,000.00	2023/8/23	2023/8/23	The guarantee period is calculated on the basis of each financing provided by the creditor to the debtor under the master contract, and in the case of each financing, the guarantee period is three years from the date of	Joint liability guarantee	/	no	no	0	Shandong Dongbo Holding Group Co., Ltd. provides counter guarantee	no	none

						expiry of the term of performance of the debt under that financing								

Total amount of guarantees incurred during the reporting period (excluding guarantees for subsidiaries)						6,000,000.00						
Total guarantee balance at the end of the reporting period (A) (excluding guarantees for subsidiaries)						3,570,230.15						
Guarantees provided by the company and its subsidiaries to subsidiaries												
Guarantor	The relationship between the guarantor and the listed company	Secured party	The relationship between the secured party and the listed company	Guaranteed amount	Guarantee occurrence date (agreement signing date)	Guarantee start date	Guarantee expiration date	Guarantee type	Has the guarantee been fulfilled?	Is the guarantee overdue?	Guaranteed overdue amount	Is there a counter guarantee?
SUPCON Technology Co., Ltd.	Company headquarters	Zhejiang Zhongkong Fluid Technology Co., Ltd.	Holding subsidiaries	10,000,000.00	2023/5/10	2023/5/10	2024/5/17	joint liability guarantee	no	no	0	no
SUPCON Technology Co., Ltd.	Company headquarters	Zhejiang Zhongkong Software Technology Co., Ltd.	Wholly owned subsidiary	5,000,000.00	2023/5/10	2023/5/10	2024/5/17	joint liability guarantee	no	no	0	no
SUPCON Technology Co., Ltd.	Company headquarters	Zhejiang Central Control System Engineering Co., Ltd.	Wholly owned subsidiary	8,000,000.00	2023/5/10	2023/5/10	2024/5/17	joint liability guarantee	no	no	0	no

SUPCON Technology Co., Ltd.	Company headquarters	Zhejiang Zhongkong Automation Instrument Co., Ltd.	Wholly owned subsidiary	11,000,000.00	2023/5/10	2023/5/10	2024/5/17	joint liability guarantee	no	no	0	no
SUPCON Technology Co., Ltd.	Company headquarters	Zhejiang Gongziyi Network Co., Ltd.	Wholly owned subsidiary	50,000,000.00	2023/6/2	2023/5/11	2024/5/10	joint liability guarantee	no	no	0	no
SUPCON Technology Co., Ltd.	Company headquarters	Zhejiang Zhongkong Fluid Technology Co., Ltd.	Holding subsidiaries	15,000,000.00	2023/5/24	2023/5/19	2024/5/19	joint liability guarantee	no	no	0	no
SUPCON Technology Co., Ltd.	Company headquarters	Zhejiang Zhongkong Software Technology Co., Ltd.	Wholly owned subsidiary	15,000,000.00	2023/5/19	2023/5/19	2024/5/19	joint liability guarantee	no	no	0	no
SUPCON Technology Co., Ltd.	Company headquarters	Zhejiang Central Control System Engineering Co., Ltd.	Wholly owned subsidiary	15,000,000.00	2023/5/19	2023/5/19	2024/5/19	joint liability guarantee	no	no	0	no
SUPCON Technology Co., Ltd.	Company headquarters	Zhejiang Zhongkong Automation Instrument Co., Ltd.	Wholly owned subsidiary	15,000,000.00	2023/5/24	2023/5/19	2024/5/19	joint liability guarantee	no	no	0	no
SUPCON Technology Co., Ltd.	Company headquarters	Zhejiang Gongziyi Network Co., Ltd.	Wholly owned subsidiary	50,000,000.00	2023/5/24	2023/5/19	2024/5/19	joint liability guarantee	no	no	0	no
SUPCON Technology Co., Ltd.	Company headquarters	Zhejiang Zhongkong Xizi	Holding subsidiaries	5,000,000.00	2023/5/19	2023/5/19	2024/5/19	joint liability guarantee	no	no	0	no

		Technology Co., Ltd.						e				
SUPCON Technolog y Co., Ltd.	Company headquarte rs	SUPCON Innovation (Beijing) Source Technology Co., Ltd.	Holding subsidiaries	6,000,000.00	2023/10/23	2023/5/19	2024/5/1 9	joint liability guarante e	no	no	0	no
SUPCON Technolog y Co., Ltd.	Company headquarte rs	Zhejiang Central Control System Engineering Co., Ltd.	Wholly owned subsidiary	10,000,000.0 0	2023/10/16	2023/10/1 6	2024/5/3 1	joint liability guarante e	no	no	0	no
SUPCON Technolog y Co., Ltd.	Company headquarte rs	Zhejiang Zhongkong Fluid Technology Co., Ltd.	Holding subsidiaries	10,000,000.0 0	2023/6/2	2023/6/2	2024/4/3 0	joint liability guarante e	no	no	0	no
SUPCON Technolog y Co., Ltd.	Company headquarte rs	Zhejiang Gongziyi Network Co., Ltd.	Wholly owned subsidiary	100,000,000. 00	2023/7/11	2023/5/29	2024/5/2 8	joint liability guarante e	no	no	0	no

The total amount of guarantees issued to subsidiaries during the reporting period	325,000,000.00
Total balance of guarantees for subsidiaries at the end of the reporting period (B)	325,000,000.00
Total amount of company guarantees (including guarantees to subsidiaries)	
Total guarantee (A+B)	328,570,230.15
Proportion of total guarantees to the company’s net assets (%)	3.34%
in:	
Amount of guarantee provided to shareholders, actual controllers and their related parties (C)	
The amount of debt guarantee provided directly or indirectly for a guaranteed object with an asset-liability ratio exceeding 70 % (D)	2.89%

50 % of the net assets (E)	
The total amount of the above three guarantees (C+D+E)	2.89%
Explanation on possible joint and several liability for repayment of unexpired guarantees	
Guarantee description	

(3) Entrusting others to manage cash assets

1) Entrusted financial management situation

1.1 Overall situation of entrusted financial management

√Yes No

Unit: Yuan Currency: RMB

Type	Sources of funds	Amount	Undue balance	Overdue amount not recovered
Bank financial products	Private capital	2,149,000,000.00	930,000,000.00	0.00
Bank financial products	Idle raised funds	210,000,000.00	0.00	0.00
Bank financial products	GDR funds	350,000,000.00	350,000,000.00	0.00
Brokerage financial products	Private capital	1,100,000,000.00	1,020,000,000.00	0.00

Other cases

Yes √No

1.2 Individual entrusted financial management status

√Yes No

Unit: Currency: RMB

Trustee	Entrusted financial management type	Amount of entrusted financial management	Start date of entrusted financial management	End date of entrusted financial management	funds source	funds invest in	Are there any restrictions?	How to determine remuneration	annualized rate of return	Expected return (if any)	actual gain or loss	Amount not due	Overdue amount not recovered	Whether it has gone through legal procedures	Do you have any entrusted financial management plan in the future?	Amount of impairment provision (if any)
Zheshang Bank	Bank financial products	100,000,000.00	2023/5/10	Redeem based on product performance	private capital		no	contract	3.15%			Not expired	yes	yes		
CITIC Bank	Bank financial products	50,000,000.00	2023/10/19	Apply for redemption during the open period, and the account will be credited in T+2 after the end of the open period.	private capital		no	contract	net worth method			Not expired	yes	yes		
CITIC Bank	Bank financial products	50,000,000.00	2023/11/27	Apply for redemption during the open period, and the account will be credited in T+2 after the	private capital		no	contract	net worth method			Not expired	yes	yes		

Trustee	Entrusted financial management type	Amount of entrusted financial management	Start date of entrusted financial management	End date of entrusted financial management	funds source	funds invest in	Are there any restrictions?	How to determine remuneration	annualized rate of return	Expected return (if any)	actual gain or loss	Amount not due	Overdue amount not recovered	Whether it has gone through legal procedures	Do you have any entrusted financial management plan in the future?	Amount of impairment provision (if any)
				end of the open period.												
Hangzhou Bank	Bank financial products	50,000,000.00	2023/12/8	Redeem based on product performance	private capital		no	contract	3.10%			Not expired	yes	yes		
Hangzhou Bank	Bank financial products	50,000,000.00	2023/12/8	Redeem based on product performance	private capital		no	contract	3.20%			Not expired	yes	yes		
China Everbright Bank	Bank financial products	30,000,000.00	2023/12/18	Apply for redemption during the open period, and the account will be credited in T+2 after the end of the open period.	private capital		no	contract	net worth method			Not expired	yes	yes		
Indu	Bank	50,000,000.00	2023/12/20	Apply for	private		no	contract	net			Not	yes	yes		

Trustee	Entrusted financial management type	Amount of entrusted financial management	Start date of entrusted financial management	End date of entrusted financial management	funds source	funds invest in	Are there any restrictions?	How to determine remuneration	annualized rate of return	Expected return (if any)	actual gain or loss	Amount not due	Overdue amount not recovered	Whether it has gone through legal procedures	Do you have any entrusted financial management plan in the future?	Amount of impairment provision (if any)
strial Bank	financial products			redemption during the open period, and the account will be credited on T+1 after the end of the open period.	capital				worth method			expired				
Industrial Bank	Bank financial products	100,000,000.00	2023/12/21	Apply for redemption during the open period, and the account will be credited on T+1 after the end of the open period.	private capital		no	contract	net worth method			Not expired	yes	yes		
China Constructi	Bank financial produ	150,000,000.00	2023/12/22	Redeem based on product performance	private capital		no	contract	2.99%			Not expired	yes	yes		

Trustee	Entrusted financial management type	Amount of entrusted financial management	Start date of entrusted financial management	End date of entrusted financial management	funds source	funds invest in	Are there any restrictions?	How to determine remuneration	annualized rate of return	Expected return (if any)	actual gain or loss	Amount not due	Overdue amount not recovered	Whether it has gone through legal procedures	Do you have any entrusted financial management plan in the future?	Amount of impairment provision (if any)
on Bank	cts															
ICBC	Bank financial products	200,000,000.00	2023/12/28	Redeem based on product performance	private capital		no	contract	3.00%			Not expired	yes	yes		
Bank of Communications	Bank financial products	50,000,000.00	2023/12/29	2024/3/26	private capital		no	contract	1.55%-2.60%			Not expired	yes	yes		
Bank of Communications	Bank financial products	50,000,000.00	2023/12/29	2024/6/26	private capital		no	contract	1.55%-2.60%			Not expired	yes	yes		
Bank of Ningbo	Bank financial produ	150,000,000.00	2023/12/15	2024/3/18	GDR funds		no	contract	1.50%-2.90%			Not expired	yes	yes		

Trustee	Entrusted financial management type	Amount of entrusted financial management	Start date of entrusted financial management	End date of entrusted financial management	funds source	funds invest in	Are there any restrictions?	How to determine remuneration	annualized rate of return	Expected return (if any)	actual gain or loss	Amount not due	Overdue amount not recovered	Whether it has gone through legal procedures	Do you have any entrusted financial management plan in the future?	Amount of impairment provision (if any)
	cts															
Bank of China	Bank financial products	200,000,000.00	2023/12/21	2024/3/25	GDR funds		no	contract	1.00%-3.15%			Not expired	yes	yes		
Harvest Fortune	Brokerage financial products	30,000,000.00	2023/3/28	Apply for redemption during the open period, and the account will be credited in T+2 after the end of the open period.	private capital		no	contract	net worth method			Not expired	yes	yes		
Harvest Fortune	Brokerage financial products	30,000,000.00	2023/4/18	Apply for redemption during the open period, and the account will be credited in	private capital		no	contract	net worth method			Not expired	yes	yes		

Trustee	Entrusted financial management type	Amount of entrusted financial management	Start date of entrusted financial management	End date of entrusted financial management	funds source	funds invest in	Are there any restrictions?	How to determine remuneration	annualized rate of return	Expected return (if any)	actual gain or loss	Amount not due	Overdue amount not recovered	Whether it has gone through legal procedures	Do you have any entrusted financial management plan in the future?	Amount of impairment provision (if any)
				T+2 after the end of the open period.												
Anyou Fund	Brokerage financial products	50,000,000.00	2023/5/19	Apply for redemption during the open period, and the account will arrive in T+5 after the end of the open period.	private capital		no	contract	net worth method			Not expired	yes	yes		
Anyou Fund	Brokerage financial products	50,000,000.00	2023/5/19	Apply for redemption during the open period, and the account will arrive in T+5 after the end of the open period.	private capital		no	contract	net worth method			Not expired	yes	yes		

Trustee	Entrusted financial management type	Amount of entrusted financial management	Start date of entrusted financial management	End date of entrusted financial management	funds source	funds invest in	Are there any restrictions?	How to determine remuneration	annualized rate of return	Expected return (if any)	actual gain or loss	Amount not due	Overdue amount not recovered	Whether it has gone through legal procedures	Do you have any entrusted financial management plan in the future?	Amount of impairment provision (if any)
Anyou Fund	Brokerage financial products	50,000,000.00	2023/6/7	Apply for redemption during the open period, and the account will arrive in T+5 after the end of the open period.	private capital		no	contract	net worth method			Not expired	yes	yes		
Anyou Fund	Brokerage financial products	50,000,000.00	2023/6/14	Apply for redemption during the open period, and the account will arrive in T+5 after the end of the open period.	private capital		no	contract	net worth method			Not expired	yes	yes		
Anyou Fund	Brokerage finan	50,000,000.00	2023/6/14	Apply for redemption during the	private capital		no	contract	net worth method			Not expired	yes	yes		

Trustee	Entrusted financial management type	Amount of entrusted financial management	Start date of entrusted financial management	End date of entrusted financial management	funds source	funds invest in	Are there any restrictions?	How to determine remuneration	annualized rate of return	Expected return (if any)	actual gain or loss	Amount not due	Overdue amount not recovered	Whether it has gone through legal procedures	Do you have any entrusted financial management plan in the future?	Amount of impairment provision (if any)
	cial products			open period, and the account will arrive in T+5 after the end of the open period.												
Anyou Fund	Brokerage financial products	50,000,000.00	2023/6/16	Apply for redemption during the open period, and the account will arrive in T+5 after the end of the open period.	private capital		no	contract	net worth method			Not expired	yes	yes		
Anyou Fund	Brokerage financial products	100,000,000.00	2023/7/14	Apply for redemption during the open period, and the account will	private capital		no	contract	net worth method			Not expired	yes	yes		

Trustee	Entrusted financial management type	Amount of entrusted financial management	Start date of entrusted financial management	End date of entrusted financial management	funds source	funds invest in	Are there any restrictions?	How to determine remuneration	annualized rate of return	Expected return (if any)	actual gain or loss	Amount not due	Overdue amount not recovered	Whether it has gone through legal procedures	Do you have any entrusted financial management plan in the future?	Amount of impairment provision (if any)
				arrive in T+5 after the end of the open period.												
Anyou Fund	Brokerage financial products	100,000,000.00	2023/7/14	Apply for redemption during the open period, and the account will arrive in T+5 after the end of the open period.	private capital		no	contract	net worth method			Not expired	yes	yes		
CITIC Securities	Brokerage financial products	50,000,000.00	2023/8/30	Apply for redemption during the open period, and the account will be credited in T+2 after the end of the	private capital		no	contract	net worth method			Not expired	yes	yes		

Trustee	Entrusted financial management type	Amount of entrusted financial management	Start date of entrusted financial management	End date of entrusted financial management	funds source	funds invest in	Are there any restrictions?	How to determine remuneration	annualized rate of return	Expected return (if any)	actual gain or loss	Amount not due	Overdue amount not recovered	Whether it has gone through legal procedures	Do you have any entrusted financial management plan in the future?	Amount of impairment provision (if any)
				open period.												
CITIC Securities	Brokerage financial products	30,000,000.00	2023/9/19	Apply for redemption during the open period, and the account will be credited in T+2 after the end of the open period.	private capital		no	contract	net worth method			Not expired	yes	yes		
CITIC Securities	Brokerage financial products	40,000,000.00	2023/10/13	Apply for redemption during the open period, and the account will be credited in T+2 after the end of the open period.	private capital		no	contract	net worth method			Not expired	yes	yes		
CITIC	Brokerage	50,000,000.00	2023/10/18	Apply for redemption	private capital		no	contract	net worth			Not expi	yes	yes		

Trustee	Entrusted financial management type	Amount of entrusted financial management	Start date of entrusted financial management	End date of entrusted financial management	funds source	funds invest in	Are there any restrictions?	How to determine remuneration	annualized rate of return	Expected return (if any)	actual gain or loss	Amount not due	Overdue amount not recovered	Whether it has gone through legal procedures	Do you have any entrusted financial management plan in the future?	Amount of impairment provision (if any)
Securities	financial products			during the open period, and the account will be credited in T+2 after the end of the open period.					method			red				
CITIC Securities	Brokerage financial products	50,000,000.00	2023/11/13	Apply for redemption during the open period, and the account will be credited in T+2 after the end of the open period.	private capital		no	contract	net worth method			Not expired	yes	yes		
CITIC Securities	Brokerage financial produ	30,000,000.00	2023/12/5	Apply for redemption during the open period, and the	private capital		no	contract	net worth method			Not expired	yes	yes		

Trustee	Entrusted financial management type	Amount of entrusted financial management	Start date of entrusted financial management	End date of entrusted financial management	funds source	funds invest in	Are there any restrictions?	How to determine remuneration	annualized rate of return	Expected return (if any)	actual gain or loss	Amount not due	Overdue amount not recovered	Whether it has gone through legal procedures	Do you have any entrusted financial management plan in the future?	Amount of impairment provision (if any)
	cts			account will be credited in T+2 after the end of the open period.												
CITIC Securities	Brokerage financial products	30,000,000.00	2023/12/18	Apply for redemption during the open period, and the account will be credited in T+2 after the end of the open period.	private capital		no	contract	net worth method			Not expired	yes	yes		
CITIC Securities	Brokerage financial products	50,000,000.00	2023/12/27	2024/1/3	private capital		no	contract	4.315%			Not expired	yes	yes		
CITIC	Brokerage	50,000,000.00	2023/12/27	2024/1/3	private capital		no	contract	4.300%			Not expi	yes	yes		

Trustee	Entrusted financial management type	Amount of entrusted financial management	Start date of entrusted financial management	End date of entrusted financial management	funds source	funds invest in	Are there any restrictions?	How to determine remuneration	annualized rate of return	Expected return (if any)	actual gain or loss	Amount not due	Overdue amount not recovered	Whether it has gone through legal procedures	Do you have any entrusted financial management plan in the future?	Amount of impairment provision (if any)
Securities	financial products											red				
CICC Fortune	Brokerage financial products	30,000,000.00	2023/10/10	Apply for redemption during the open period, and the account will be credited in T+2 after the end of the open period.	private capital		no	contract	net worth method			Not expired	yes	yes		
foreign trade trust	Brokerage financial products	20,000,000.00	2023/11/15	Apply for redemption during the open period, and the account will be credited in T+2 after the end of the	private capital		no	contract	net worth method			Not expired	yes	yes		

Trustee	Entrusted financial management type	Amount of entrusted financial management	Start date of entrusted financial management	End date of entrusted financial management	funds source	funds invest in	Are there any restrictions?	How to determine remuneration	annualized rate of return	Expected return (if any)	actual gain or loss	Amount not due	Overdue amount not recovered	Whether it has gone through legal procedures	Do you have any entrusted financial management plan in the future?	Amount of impairment provision (if any)
				open period.												
Huatai Securities	Brokerage financial products	30,000,000.00	2023/12/5	Apply for redemption during the open period, and the account will be credited in T+2 after the end of the open period.	private capital		no	contract	net worth method			Not expired	yes	yes		

Other cases

Yes √No

1.3 Impairment provision for entrusted financial management

Yes √No

2) Entrusted loan situation

2.1 Overall situation of entrusted loans

Yes √No

Other cases
Yes √No

2.2 Individual entrusted loans

Yes √No

Other cases
Yes √No

2.3 provisions for entrusted loans

Yes √No

3) Other cases

Yes √No

(4) Other major contracts

√Yes No

Serial number	Buyer	Seller	Contract amount (Yuan)	Subject of the contract	Signing date	Performance
1	Shandong Yulong Petrochemical Co., Ltd.	SUPCON Technology Co., Ltd.	208,000,000	Industrial software	February 28, 2023	In progress
2	Lubei Wanrun Smart Energy Technology (Shandong) Co., Ltd.	SUPCON Technology Co., Ltd.	154,593,681	Control systems, instrumentation, third parties	23, 2023	In progress
3	Comprehensive Management Department of Datong Economic and Technological Development	Zhejiang Central Control System Engineering Co., Ltd.	65,104,390	Industrial software	September 13, 2023	In progress

Serial number	Buyer	Seller	Contract amount (Yuan)	Subject of the contract	Signing date	Performance
	Zone					
4	COFCO Sugar (Zhangzhou) Co., Ltd.	SUPCON Technology Co., Ltd.	63,698,894	Control systems, industrial software, instrumentation, third parties	October 18, 2023	In progress
5	Anhui Yiyi Dairy Co., Ltd.	SUPCON Technology Co., Ltd.	53,984,550	control system, third party	March 28, 2023	In progress
6	Shanxi Shuangyan Pharmaceutical Co., Ltd.	Zhejiang Central Control System Engineering Co., Ltd.	53,843,082	Control systems, industrial software, instrumentation, third parties	May 15, 2023	In progress
7	Cangzhou Huayu Special Gas Technology Co., Ltd.	SUPCON Technology Co., Ltd.	50,000,000	Control systems, instrumentation, third parties	October 24, 2023	In progress
8	National Pipeline Group Eastern Crude Oil Storage and Transportation Co., Ltd.	SUPCON Technology Co., Ltd.	34,361,960	Control systems, industrial software	December 26, 2023	In progress
9	INTERNATIONAL MARITIME INDUSTRIES COMPANY	SUPCON SAUDI CO.,LTD.	40,032,812	Industrial software	July 2023	In progress

14. Instructions on progress of use of raised funds

√Yes No

(1) Overall usage of raised funds

√Yes No

unit : yuan

Source of funds raised	Time to receive funds raised	Total funds raised	Including: Amount of excess funds raised	Net amount of funds raised after deducting issuance expenses	Total amount of committed investment from raised funds	Total committed investment of raised funds after adjustment (1)	The total amount of raised funds invested as of the end of the reporting period (2)	Cumulative investment progress as of the end of the reporting period (%) (3) = (2)/(1)	Amount invested this year (4)	Proportion of investment amount this year (%) (5) = (4)/(1)	Total amount of raised funds changed use
Initial public offering	November 17, 2020	1,755,414,900.00	30,716,500.00	1,637,326,117.14	1,606,609,600.00	1,606,609,600.00	1,553,617,488.38	96.70%	371,610,079.47	23.13%	none
Other	April 18,2023	3,885,297,069.53	0	3,834,603,871.75	3,834,603,871.75	3,834,603,871.75	251,044,883.05	6.55	251,044,883.05	6.55	none

(2) Fundraising project details

√Yes No

unit : yuan

Project name	Project nature	Does it involve a change in investment direction?	Source of funds raised	Time to receive funds raised	Whether to use super-raised funds	The total amount of investment commitments raised by the project	Total investment of raised funds after adjustment(1)	Amount invested this year	The total amount of raised funds invested as of the end of the reporting period (2)	Cumulative investment progress as of the end of the reporting period (%) (3) = (2)/(1)	The date when the project reaches its intended usable status	Whether the item has been closed	Whether the investment progress is in line with the planned progress	Specific reasons why investment progress fell short of plan	Benefits realized during the year	The benefits or R&D achievements achieved by this project	Has there been any significant change in project feasibility? If so, please explain the specific circumstances.	Saving amount
New generation control system R&D and industrialization project	R&D	no	initial public offering	November 17, 2020	no	435,589,800.00	435,589,800.00	50,167,274.71	446,010,838.63	102.39%	June 2023	yes	yes	none	/	/	no	0
Intelligent industrial software R&D and industrialization	R&D	no	initial public offering	November 17, 2020	no	260,502,200.00	260,502,200.00	85,779,579.18	271,103,881.39	104.07%	June 2023	yes	yes	none	/	/	no	0

projects																		
Annual production of 200,000 high-precision pressure transmitters project		no	initial public offering	November 17, 2020	no	109,342,700.00	109,342,700.00	27,722,306.53	70,729,971.39	64.69%	June 2025	no	yes	none	/	/	no	38,612,728.61
Annual production of 100,000 units/sets of intelligent control valve projects		no	initial public offering	November 17, 2020	no	193,038,300.00	193,038,300.00	40,682,792.41	138,911,230.79	71.96%	June 2025	no	yes	none	/	/	no	54,127,069.21
Automated housekeeper 5S one-stop service platform construction project		no	initial public offering	November 17, 2020	no	366,892,000.00	366,892,000.00	167,258,126.64	384,640,965.36	104.84%		yes	yes	none	/	/	no	0
Intelligent manufacturing cutting-edge technol	R&D	no	initial public offering	November 17, 2020	no	101,244,600.00	101,244,600.00	-	101,837,034.31	100.59%		yes	yes	none	/	/	no	0

ogy research and develop ment project																		
Supple mentary working capital items	make up flow	no	initial public offerin g	Nove mber 17, 2020	no	140,00 0,000. 00	140,00 0,000. 00	-	140,38 3,566. 51	100.27%	not appl icab le	not applica ble	not applica ble	not applica ble	/	/	no	0

(3) Changes or termination of investment during the reporting period

Yes √No

(4) Other information on the use of raised funds during the reporting period

1) Advance investment and replacement of raised funds in investment projects

Yes √No

2) Use idle raised funds to temporarily supplement working capital

Yes √No

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

√Yes No

Unit: 10,000 yuan Currency: RMB

Board review date	Effective review amount of raised funds for cash management	start date	end date	Cash management balance at the end of the reporting period	Whether the maximum balance during the period exceeds the authorized limit
November 24, 2022	600,000,000.00	2022/11/24	2023/11/23	100,000,000.00	no
November 22, 2023	100,000,000.00	2023/11/22	2024/11/21	100,000,000.00	no

Other instructions

None

4) Use super-raised funds to permanently supplement working capital or return bank loans

√Yes No

Overall usage of super-raised funds

Unit: 10,000 yuan Currency: RMB

Source of super-raised funds	Amount of excess raised funds (1)	As of the end of the reporting period , the total amount of excess raised funds invested (2)	Cumulative investment progress as of the end of the reporting period (%) (3)=(2)/(1)
Initial public offering	30,716,500.00	30,716,500.00	100.00

Usage details of super-raised funds

Unit: 10,000 yuan Currency: RMB

Usage	Nature	The total amount of funds planned to be invested exceeds the amount raised (1)	As of the end of the reporting period , the total amount of excess raised funds invested (2)	Cumulative investment progress as of the end of the reporting period (%) (3)=(2)/(1)	Remark
Stock repurchase with excess raised funds	Repurchase	30,716,500.00	30,716,500.00	100.00	

Other instructions

None

5) Other

Yes √No

15. Other major matters that have a significant impact on investors' value judgments and investment decisions

Yes √No

Section 7 Share changes and shareholder status

1. Changes in share capital

(1) Statement of share changes

1) Statement of share changes

Unit: Share

	Before this change		This change increases or decreases (+, -)					After this change	
	quantity	Proportion(%)	issue new shares	Bonus shares	Conversion of Provident Fund into Shares	other	Subtotal	quantity	Proportion(%)
1. Shares subject to sales restrictions	170,454,861	34.31	2,743,000		77,939,037	-239,136,699	-158,454,662	12,000,199	1.53
1. State shareholding									
2. Shareholding by state-owned legal persons									
3. Other domestic shareholdings	170,454,861	34.31	2,743,000		77,939,037	-239,136,699	-158,454,662	12,000,199	1.53
Including: shares held by domestic non-state-owned legal persons	71,936,563	14.48			32,371,453	-104,308,016	-71,936,563	0	0.00
Domestic natural person shareholding	98,518,298	19.83	2,743,000		45,567,584	-134,828,683	-86,518,099	12,000,199	1.53
4. Foreign shareholding									
Including: shares held by overseas legal persons									

Shareholding by foreign natural persons									
2. Circulable shares without selling restrictions	326,368,139	65.69	42,451,018		165,968,621	239,136,699	447,556,338	773,924,477	98.47
1. RMB ordinary shares	326,368,139	65.69	42,451,018		165,968,621	239,136,699	447,556,338	773,924,477	98.47
2. Domestic-listed foreign shares									
3. Foreign-invested stocks listed overseas									
4. Others									
3. Total number of shares	496,823,000	100.00	45,194,018		243,907,658	0	289,101,676	785,924,676	100.00

2) Explanation of share changes

√Yes No

As of December 31, 2023, the company has completed the exercise of the third exercise period of the 2019 stock option incentive plan, and the additional 2,743,000 shares have been exercised at the China Securities Depository and Clearing Co., Ltd. Shanghai on February 13, 2023. The registration of the branch was completed, and the company's total share capital was changed from 496,823,000 shares to 499,566,000 shares. For details, please refer to the "Exercise Results of the Third Exercise Period of the 2019 Stock Option Incentive Plan of Zhejiang SUPCON Technology Co., Ltd." published on the website of the Shanghai Stock Exchange (www.sse.com.cn) on February 15, 2023. Announcement of Share Changes" (Announcement No.: 2023-005).

As of December 31, 2023, the company has completed the issuance of global depositary receipts GDR, corresponding to the new number of A shares of underlying securities, 41,916,000 shares. As of June 30, 2023, the company has completed the issuance of global depositary receipts GDR, corresponding to the new number of A shares. The number of A shares of Basic Securities was increased to 41,916,000 shares. Registration and custody were completed at the Shanghai Branch of China Securities Depository and Clearing Co., Ltd. on April 12, 2023, and they were listed on the Swiss Stock Exchange on April 17, 2023. The company's total share capital was changed from 499,566,000 shares to 541,482,000 shares. For details, please refer to the "Announcement of Zhejiang Supcon Technology Co., Ltd. on the Issuance of GDRs and Listing and Trading on the Swiss Stock Exchange" published on the website of the Shanghai Stock Exchange (www.sse.com.cn) on April 18, 2023 (Announcement No.: 2023-013).

As of December 31, 2023, the company has completed the share registration for the first vesting period of the 2021 Restricted Stock Incentive Plan, and 535,018 additional shares have been registered with the Shanghai Branch of China Securities Depository and Clearing Co., Ltd. on June 5, 2023. Upon completion of registration, the company's total share capital was changed from 541,482,000 shares to 542,017,018 shares. For details, please refer to the "Vesting Results and Shares of the First Vesting Period of the 2021 Restricted Stock Incentive Plan of Zhejiang Supcon Technology Co., Ltd." published on the website of the Shanghai Stock Exchange (www.sse.com.cn) on June 7, 2023. Announcement on the Listing" (Announcement No.: 2023-032).

As of December 31, 2023, the company has completed the implementation of the 2022 equity distribution. The transfer of 243,907,658 shares was completed at the Shanghai Branch of China Securities Depository and Clearing Co., Ltd. on June 21, 2023. The company's total share capital changed from 542,017,018 shares. 785,924,676 shares. For details, please refer to the company's "Zhejiang Supcon Technology Co., Ltd. 2022 Annual Equity Distribution Implementation Announcement" published on the Shanghai Stock Exchange website (www.sse.com.cn) on June 16, 2023 (announcement number: 2023-034) .

On November 24, 2023, the company's initial public offering of some restricted shares was listed and circulated. The number of shareholders of restricted shares in this listing was 5. The restricted period was 36 months from the date of listing of the company's shares. This part is restricted. The number of restricted shares corresponding to the selling shareholders totaled 239,136,699 shares, accounting for 30.43% of the company's total share capital at the time of listing. For details, please refer to the company's "Announcement on the Listing and Circulation of Certain Restricted Shares in the Initial Public Offering of SUPRON Technologies Co., Ltd." published on the website of the Shanghai Stock Exchange (www.sse.com.cn) on November 16, 2023 (Announcement No.: 2023- 074).

3) share changes on financial indicators such as earnings per share and net assets per share in the most recent year and period (if any)

√Yes No

Project	2023	Same caliber in 2023 (note)
Basic earnings per share	1.44	1.52
Diluted earnings per share	1.43	1.51
Net assets per share attributable to common shareholders of listed companies	12.47	12.07

Note:

(1) The basic earnings per share, diluted earnings per share, and net assets per share attributable to ordinary shareholders of listed companies of the same caliber in 2023 are calculated based on the situation where no shares are issued in 2023 ;

(2) During the reporting period, the company completed the issuance of Global Depositary Receipts (GDR), corresponding to the newly added number of A-shares of 41,916,000 underlying securities, an increase in share capital of RMB 41,916,000.00 , and an increase in capital reserve of RMB 3,792,687,871.75 ;

(3) During the reporting period, the conditions for the first vesting period of the company’s 2021 restricted stock incentive plan were met. The company has received subscription funds of 20,940,608.12 yuan during the reporting period , of which 535,018.00 yuan was included in the share capital . , included in the capital reserve (equity premium) 20 , 405 , 590.12 yuan ;

(4) During the reporting period, the company has completed the implementation of the 2022 equity distribution. The transfer of 243,907,658 shares was completed at the Shanghai Branch of China Securities Depository and Clearing Co., Ltd. on June 21, 2023. The company’s total share capital was changed from 542,017,018 shares to 785,924,676 shares ;

(5) During the reporting period, the company repurchased a total of 1,972,133 shares of the company through centralized bidding transactions through the Shanghai Stock Exchange trading system , with a total transaction amount of RMB 89,159,943.10 ;

(6) During the reporting period, the exercise conditions for the fourth exercise period of the company's 2019 stock option incentive plan were met. The company has received exercise payments of RMB 29,257,903.12 during the reporting period , of which RMB 3,990 was included in the share capital . , 412.00 yuan, included in the capital reserve (equity premium) 25 , 267 , 491.12 yuan. Basic earnings per share, diluted earnings per share, and net assets per share attributable to ordinary shareholders of the listed company in 2023 are based on the paid-in share capital minus the share capital in the company's repurchased special securities account : 787 , 942 , 955.00 Metacomputing.

4) Other content that the company deems necessary or required to be disclosed by securities regulatory authorities

Yes √No

(2) Changes in restricted shares

√Yes No

Unit: Share

Shareholder name	Number of restricted shares at the beginning of the year	Number of shares released from trading restrictions this year	Increase in the number of restricted shares this year	Number of restricted shares at the end of the year	Reasons for sales restrictions	Release date
Incentive objects of the 2019 Stock Option Incentive Plan	5,533,000	0	6,467,199	12,000, 199	Option exercise right to sell	1 shares will be lifted on January 8, 2024 ; On January 21, 2025, 3,971,5 47 shares were released from selling restrictions ; 1 share will be lifted on February 13, 2026
Chu Jian	72,361,750	104,924,538	32,562,788	0	Initial public offering restrictions	November 24, 2023
Hangzhou Yuancheng	39,500,000	57,275,000	17,775,000	0	Initial public	November 24, 2023

Enterprise Management Partnership (Limited Partnership)					offering restrictions	
Chu Min	20,623,548	29,904,145	9,280,597	0	Initial public offering restrictions	November 24, 2023
Shenwan Hongyuan Securities - Zhejiang Zhongkong Technology Co., Ltd. Phase 1 Employee Stock Ownership Plan - Shenwan Hongyuan Zhongkong Technology Employee Stock Ownership No. 1 Single Asset Management Plan	20,436,563	29,633,016	9,196,453	0	Initial public offering restrictions	November 24, 2023
CITIC Securities - Zhejiang Zhongkong Technology Co., Ltd. Phase 2 Employee Stock Ownership Plan - CITIC	12,000,000	17,400,000	5,400,000	0	Initial public offering restrictions	November 24, 2023

Securities Zhongkong Technology Employee Stock Ownership No. 2 Single Asset Management Plan						
total	170,454,861	239,136,699	80,682,037	12,000, 199	/	/

2. Securities issuance and listing status

(1) Securities issuance status as of the reporting period

√Yes No

Unit: Share Currency: RMB

Stocks and derivatives Type of security	issue date	Issue price (or interest rate)	issue number	Listing date	Quantity approved for listing and trading	deal end date
Depository receipts						
GDR	April 12 , 2023	$13.47 / share	41,916,000	April 17, 2023	41,916,000	/

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

√Yes No

As the company implements the annual equity distribution in 2022 and uses capital reserve funds to increase 0.45 shares per share to all shareholders, the company adjusts the number of G DR issuance from 41,916,000 shares to 60,778,200 shares in accordance with relevant regulations, an increase of 18,862,200 shares .

(2) Changes in the company's total number of shares and shareholder structure, as well as changes in the company's asset and liability structure

√Yes No

On February 13, 2023, the third exercise period of the company's 2019 stock option incentive plan was completed. A total of 204 people exercised their options. The number of stock options exercised this time was 2,743,000 shares, accounting for 10% of the company's total share capital before exercise. The ratio is approximately 0.55%. After the new shares are listed after this exercise of rights, the company's total share capital will be changed from 496,823,000 shares to 499,566,000 shares.

On April 17, 2023, the company issued global depositary receipts GDR and were listed and traded on the Swiss Stock Exchange, corresponding to the newly added number of A shares of basic securities of 41,916,000 shares. The aforementioned shares have been registered and settled in China Securities

Regulatory Commission on April 12, 2023. Co., Ltd.'s Shanghai Branch has completed registration and custody. After the listing of the new A-share underlying securities corresponding to GDR on April 17, 2023, the company's total share capital has been changed from 499,566,000 shares to 541,482,000 shares.

On June 5, 2023, the first vesting period of the company's 2021 restricted stock incentive plan was completed. The number of incentive objects vested this time was 945, and the number of listed and circulating vested stocks was 535,018 shares, accounting for the company's total share capital before vesting. The ratio is approximately 0.0988%. After the newly vested shares are listed, the company's total share capital will be changed from 541,482,000 shares to 542,017,018 shares.

On June 21, 2023, the company implemented the 2022 annual equity distribution plan. Based on the company's total share capital of 542,017,018 shares before the plan was implemented, a cash dividend of 0.75 yuan per share (tax included) was distributed to all shareholders with capital reserve funds. 0.45 shares were added, a total cash dividend of 406,512,763.50 yuan was distributed, and 243,907,658 shares were transferred. After the company's 2022 annual equity distribution has been implemented, the company's total share capital has been changed from 542,017,018 shares to 785,924,676 shares.

3. Shareholders and actual controllers

(1) Total number of shareholders

Common shareholders (households) as of the end of the reporting period	24,258
Total number of common shareholders (households) at the end of the previous month before the annual report disclosure date	30,010

Number of depositary receipt holders

Yes √No

(2) As of the end of the reporting period, the shareholding status of the top ten shareholders and the top ten tradable shareholders (or shareholders without selling restrictions) is as follows:

Unit: Share

Shareholding status of the top ten shareholders (excluding shares lent through refinancing)							
Shareholder name (full name)	Increase or decrease during the reporting period	Number of shares held at the end of the period	Proportion(%)	Number of restricted shares held	Staking, marking or freezing status		shareholder nature
					shares state	quantity	
Chu Jian	32,562,788	104,924,538	13.35	0	none	0	Domestic natural person

Hangzhou Yuancheng Enterprise Management Partnership (Limited Partnership)	17,775,000	57,275,000	7.29	0	none	0	other
Hong Kong Securities Clearing Company Limited	39,987,990	55,404,144	7.05	0	none	0	other
China Merchants Bank Co., Ltd. - HuaXia SSE Science and Technology Innovation Board 50-Component Traded Open-End Index Securities Investment Fund	17,805,667	36,032,327	4.58	0	none	0	other
Sinopec Group Capital Co., Ltd.	8,746,518	30,636,518	3.9	0	none	0	State-owned legal person
Shenwan Hongyuan Securities - Zhejiang Zhongkong Technology Co., Ltd. Phase 1 Employee Stock Ownership Plan - Shenwan Hongyuan Zhongkong Technology Employee Stock Ownership No. 1 Single Asset Management Plan	9,196,453	29,633,016	3.77	0	none	0	other
Chu Min	2,647,360	23,270,908	2.96	0	none	0	Domestic natural person

CITIC Securities - Zhejiang Zhongkong Technology Co., Ltd. Phase 2 Employee Stock Ownership Plan - CITIC Securities Zhongkong Technology Employee Stock Ownership No. 2 Single Asset Management Plan	5,400,000	17,400,000	2.21	0	none	0	other
Industrial and Commercial Bank of China Co., Ltd.-E Fund SSE Science and Technology Innovation Board 50-Component Traded Open-End Index Securities Investment Fund	10,103,094	15,287,163	1.95	0	none	0	other
Lanxi Puhua Yihui Investment Partnership (Limited Partnership)	-2,027,866	10,363,914	1.32	0	none	0	other

Shareholding status of the top ten shareholders without selling restrictions			
Shareholder name	Number of shares held without selling restrictions	Type and quantity of shares	
		type	quantity
Chu Jian	104,924,538	RMB ordinary shares	104,924,538
Hangzhou Yuancheng Enterprise Management Partnership (Limited Partnership)	57,275,000	RMB ordinary shares	57,275,000
Hong Kong Securities Clearing Company Limited	55,404,144	RMB ordinary shares	55,404,144

China Merchants Bank Co., Ltd. - HuaXia SSE Science and Technology Innovation Board 50-Component Traded Open-End Index Securities Investment Fund	36,032,327	RMB ordinary shares	36,032,327
Sinopec Group Capital Co., Ltd.	30,636,518	RMB ordinary shares	30,636,518
Shenwan Hongyuan Securities - Zhejiang Zhongkong Technology Co., Ltd. Phase 1 Employee Stock Ownership Plan - Shenwan Hongyuan Zhongkong Technology Employee Stock Ownership No. 1 Single Asset Management Plan	29,633,016	RMB ordinary shares	29,633,016
Chu Min	23,270,908	RMB ordinary shares	23,270,908
CITIC Securities - Zhejiang Zhongkong Technology Co., Ltd. Phase 2 Employee Stock Ownership Plan - CITIC Securities Zhongkong Technology Employee Stock Ownership No. 2 Single Asset Management Plan	17,400,000	RMB ordinary shares	17,400,000

Industrial and Commercial Bank of China Co., Ltd.-E Fund SSE Science and Technology Innovation Board 50-Component Traded Open-End Index Securities Investment Fund	15,287,163	RMB ordinary shares	15,287,163
Lanxi Puhua Yihui Investment Partnership (Limited Partnership)	10,363,914	RMB ordinary shares	10,363,914
Explanation of the special repurchase accounts among the top ten shareholders		None	
Explanation of the above-mentioned shareholders' related relationships or concerted actions		As of the date of report disclosure, among the company's top ten shareholders and top ten shareholders without sales restrictions, Hangzhou Yuancheng Enterprise Management Partnership (Limited Partnership) is a company controlled by the actual controller Mr. Chu Jian, and Mr. Chu Min is Mr. Chu Jian Apart from close family members, the company has not received any statement from the above-mentioned shareholders that there are any other related relationships or concerted action agreements.	

The top ten shareholders participating in the refinancing business and lending shares

√Yes No

Unit: Share

The top ten shareholders participating in refinancing and lending shares								
Shareholder name (full name)	Opening ordinary account and credit account holdings		Shares lent under refinancing at the beginning of the period have not been returned yet		End-of-period general account and credit account holdings		Shares lent through refinancing at the end of the period have not been returned yet	
	Total quantity	Proportion (%)	Total quantity	Proportion (%)	Total quantity	Proportion (%)	Total quantity	Proportion (%)
China Merchants	18,226,660	3.67	1,330,800	0.27	36,032,327	4.58	984,900	0.13

Bank Co., Ltd. - HuaXia SSE Science and Technology Innovation Board 50-Component Traded Open-End Index Securities Investment Fund								
Industrial and Commercial Bank of China Co., Ltd.-E Fund SSE Science and Technology Innovation Board 50-Component Traded Open-End Index Securities Investment Fund	5,184,069	1.04	1,380,800	0.28	15,287,163	1.95	344,700	0.04

Changes in the top ten shareholders compared with the previous period

√Yes No

Unit: Share

Changes in the top ten shareholders compared with the end of the previous period			
Shareholder name (full name)	Add/Exit during this reporting period	Number of shares lent through refinancing at the end of the period that have not yet been returned	Number of shares held by shareholders in ordinary accounts, credit accounts and refinancing loans that have not been returned at the end of the period

		Total quantity	Proportion(%)	Total quantity	Proportion(%)
Shanghai Tanying Investment Partnership (Limited Partnership)	-7,544,297	0	0	3,600,040	0.46
Industrial and Commercial Bank of China Co., Ltd.-E Fund SSE Science and Technology Innovation Board 50-Component Traded Open-End Index Securities Investment Fund	10,103,094	344,700	0.04	15,631,863	1.99

Number of shares held by the top ten shareholders subject to selling restrictions and conditions for selling restrictions

√Yes No

Unit: Share

Serial number	Name of shareholder subject to selling restrictions	Number of restricted shares held	Listing and trading of shares subject to selling restrictions		Sales restrictions
			Available trading time	Added number of shares that can be listed and traded	
1	Huang Wenjun	293,625	On January 8, 2024, 97,875 shares were released from sale restrictions; on January 21, 2025, 97,875 shares were released from sale restrictions; on February 13, 2026, 97,875 shares were released from sale restrictions	158,625	Each issue of exercise stock expires three years from the date of exercise.

2	Shen Hui	271,875	On January 8, 2024, 90,625 shares were released from sale restrictions; on January 21, 2025, 90,625 shares were released from sale restrictions; on February 13, 2026, 90,625 shares were released from sale restrictions	146,875	Each issue of exercise stock expires three years from the date of exercise.
3	Yu Haibin	217,500	On January 8, 2024, 72,500 shares were released from sale restrictions; on January 21, 2025, 72,500 shares were released from sale restrictions; on February 13, 2026, 72,500 shares were released from sale restrictions	117,500	Each issue of exercise stock expires three years from the date of exercise.
4	Mo wei	217,500	On January 8, 2024, 72,500 shares were released from sale restrictions; on January 21, 2025, 72,500 shares were released from sale restrictions; on February 13, 2026, 72,500 shares were released from sale restrictions	117,500	Each issue of exercise stock expires three years from the date of exercise.
5	Lai Jingyu	217,500	On January 8, 2024, 72,500 shares were released from sale restrictions; on January 21, 2025, 72,500 shares were released from sale restrictions; on February 13, 2026, 72,500 shares were released from sale restrictions	117,500	Each issue of exercise stock expires three years from the date of exercise.
6	Qiu Kun	217,500	On January 8, 2024, 72,500 shares were released from sale restrictions; on January 21, 2025, 72,500 shares were released from sale restrictions; on February 13, 2026, 72,500 shares were released from sale restrictions	117,500	Each issue of exercise stock expires three years from the date of exercise.

7	Xie Min	188,500	, 2024, 72,500 shares were lifted from selling restrictions; on January 21, 2025, 50,750 shares were lifted from selling restrictions ; on February 13, 2026, 65,250 shares were lifted from selling restrictions	103,500	Each issue of exercise stock expires three years from the date of exercise.
8	Zhang Wei	163,125	On January 8, 2024, 54,375 shares were released from sales restrictions ; on January 21, 2025, 54,375 shares were released from sale restrictions; on February 13, 2026, 54,375 shares were released from sale restrictions	88,125	Each issue of exercise stock expires three years from the date of exercise.
9	Yao Hanqi	163,125	On January 8, 2024, 54,375 shares were released from sale restrictions; on January 21, 2025, 54,375 shares were released from sale restrictions; on February 13, 2026, 54,375 shares were released from sale restrictions	88,125	Each issue of exercise stock expires three years from the date of exercise.
10	Wu Xin	163,125	On January 8, 2024, 54,375 shares were released from sale restrictions; on January 21, 2025, 54,375 shares were released from sale restrictions; on February 13, 2026, 54,375 shares were released from sale restrictions	88,125	Each issue of exercise stock expires three years from the date of exercise.
11	Shi Ying	163,125	On January 8, 2024, 54,375 shares were released from sale restrictions; on January 21, 2025, 54,375 shares were released from sale restrictions; on February 13, 2026, 54,375 shares were released from sale restrictions	88,125	Each issue of exercise stock expires three years from the date of exercise.

12	Luo Xingming	163,125	On January 8, 2024, 54,375 shares were released from sale restrictions; on January 21, 2025, 54,375 shares were released from sale restrictions; on February 13, 2026, 54,375 shares were released from sale restrictions	88,125	Each issue of exercise stock expires three years from the date of exercise.
13	Li Hongbo	163,125	On January 8, 2024, 54,375 shares were released from sale restrictions; on January 21, 2025, 54,375 shares were released from sale restrictions; on February 13, 2026, 54,375 shares were released from sale restrictions	88,125	Each issue of exercise stock expires three years from the date of exercise.
Explanation of the above-mentioned shareholders' related relationships or concerted actions		None			

As of the end of the reporting period , the company's top ten domestic custodial receipt holders are as follows:

Yes √No

The top ten depositary receipt holders participating in the refinancing business and lending depositary receipts

Yes √No

Changes in the top ten depositary receipt holders compared with the previous period

□适用 √不适用

the top ten holders of restricted depositary receipts

Yes √No

(3) Table of top ten shareholders by number of voting rights as of the end of the reporting period

Yes √No

(4) Strategic investors or general legal persons become the top ten shareholders due to the placement of new shares / depository receipts

Yes √No

(5) Initial public offering strategic placement status

1) Senior managers and core employees set up special asset management plans to participate in initial public offerings and strategic placement holdings

Yes √No

2) Shareholding status of relevant subsidiaries of sponsor institutions participating in strategic placement of initial public offerings

√Yes No

Unit: Share

Shareholder name	With sponsors	Shares / depositary receipts allocated	Available trading time	The number of increases and decreases during the reporting period	Including the number of shares / depository receipts lent out through refinancing at the end of the period
Shenyin Wanguo Innovation Securities Investment Co., Ltd.	Subsidiaries	1,679,261	2022/11/24	-1,438,261	0

4. Controlling shareholders and actual controllers

(1) Controlling shareholders

1) Legal person

Yes √No

2) Natural person

√Yes No

Name	Chu Jian
Country of Citizenship	China
Whether to obtain the right of residence in other countries or regions	no
Main occupation and position	strategic advisor

3) Special explanation of the company's absence of controlling shareholders

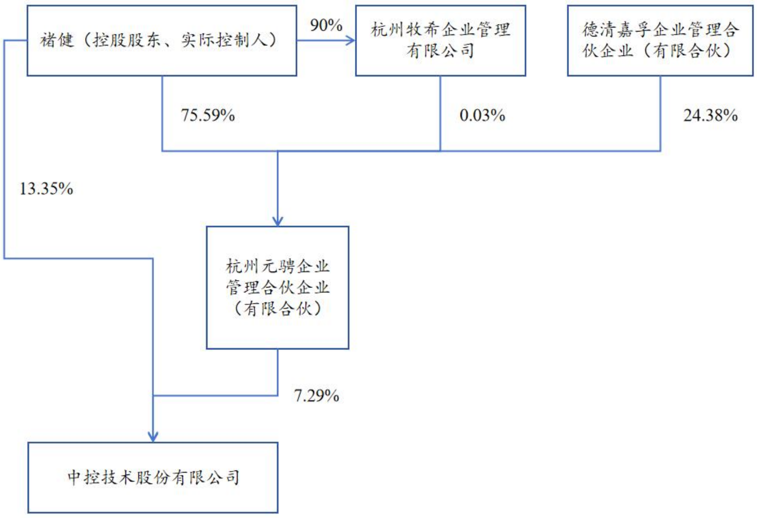
Yes √No

4) Explanation of changes in controlling shareholders during the reporting period

Yes √No

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

√Yes No



(2) Actual controller situation

1) Legal person

Yes √No

2) natural person

√Yes No

Name	Chu Jian
Country of Citizenship	China
Whether to obtain the right of residence in other countries or regions	no
Main occupation and position	strategic advisor
Information on domestic and overseas listed companies that have been controlled in the past 10 years	none

3) Special explanation of the situation where the company does not have an actual controller

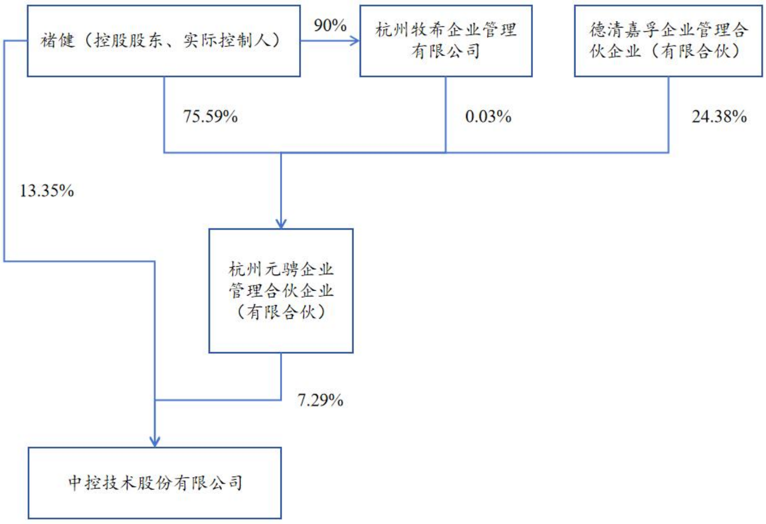
Yes √No

4) Description of changes in the company's control during the reporting period

Yes √No

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

√Yes　No



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

Yes　√No

(3) Introduction to other information about controlling shareholders and actual controllers

Yes　√No

5. The cumulative number of pledged shares by the company's controlling shareholder or largest shareholder and persons acting in concert accounts for more than 80% of the company's shares held by them.

Yes　√No

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

Yes　√No

7. Explanation on restrictions on shareholding reduction of shares /depositary receipts

Yes　√No

8. Specific implementation of share repurchases during the reporting period

√Yes　No

Unit: Yuan　Currency: RMB

Name of share repurchase plan	SUPCON Technology Co., Ltd.'s plan to repurchase the company's shares through centralized bidding transactions

Disclosure time of share repurchase plan	August 24 , 2023
Number of shares to be repurchased and proportion of total share capital (%)	0.079-0.158
Amount to be repurchased	No less than RMB 50 million (inclusive) and no more than RMB 100 million (inclusive)
Planned repurchase period	Within 12 months from the date the company's board of directors considers and approves the repurchase plan
Repurchase purpose	Used for employee stock ownership plans and /or equity incentives
Number of shares repurchased (shares)	1,972,133
The number of repurchases accounts for the proportion of the underlying stocks involved in the equity incentive plan (%) (if any)	none
The progress of the company's use of centralized bidding transactions to reduce and repurchase shares	none

Section 8 Preference shares related information

Yes √No

Section 9 Bond related information

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

Yes √No

2. Convertible corporate bonds

Yes √No

Section 10: Financial report

1. Audit Report

√applicable not applicable

Audit report

Tianjian Review〔2024〕 Number

All shareholders of SUPCON Technology Co., Ltd.:

1. Audit opinions

We have audited the financial statements of SUPCON Technology Co., Ltd. (hereinafter referred to as SUPCON Technology), including the consolidated and parent company balance sheets on December 31, 2023, the consolidated and parent company income statements, and consolidated and parent company cash in 2023 Flow statement, consolidated and parent company statement of changes in owner's equity, and notes to relevant financial statements.

We believe that the attached financial statements are prepared in accordance with the Accounting Standards for Business Enterprises in all material respects and fairly reflect the consolidated and parent company's financial status of SUPCON Technology on December 31, 2023, as well as the consolidated and parent company's operating results in 2023. and cash flow.

2. The basis for forming audit opinions

We performed the audit work in accordance with the Chinese Certified Public Accountants Auditing Standards. Our responsibilities under these standards are further described in the "CPA's Responsibilities for the Audit of Financial Statements" section of the auditor's report. In accordance with the Chinese Code of Professional Ethics for Certified Public Accountants, we are independent of SUPCON Technology and have fulfilled other responsibilities in professional ethics. We believe that the audit evidence we obtained is sufficient and appropriate and provides a basis for issuing an audit opinion.

3. Key audit matters

Key audit matters are matters that we, based on our professional judgment, consider to be most important in the audit of the current period's financial statements. The response to these matters is based on the audit of the financial statements as a whole and the formation of audit opinions. We do not express opinions on these matters individually.

(1) Revenue recognition

1. Description of the matter

For details of relevant information disclosure, please refer to Notes 3(24), 5(2)1 and 15 of the financial statements.

SUPCON Technology's operating income mainly comes from the provision of industrial automation and intelligent manufacturing solutions, instrumentation, industrial software, operation and maintenance services and S2B platform business. The amount of operating income items shown in the financial statements of SUPCON Technology in 2023 is 8.620 billion yuan.

Since operating income is one of the key performance indicators of SUPCON Technology, there may be an inherent risk that the management of SUPCON Technology (hereinafter referred to as the management) achieves specific goals or expectations through inappropriate revenue recognition. Therefore, we identified revenue recognition as a key audit matter.

2. Audit response

For revenue recognition, the audit procedures we implement mainly include:

(1) Understand the key internal controls related to revenue recognition, evaluate the design of these controls, determine whether they are implemented, and test the operating effectiveness of relevant internal controls;

(2) Check the sales contract, understand the main contract terms or conditions, and evaluate whether the revenue recognition method is appropriate;

(3) Implement substantive analysis procedures on operating income and gross profit margin by business category, customers, etc., identify whether there are major or abnormal fluctuations, and

identify the causes of fluctuations;

(4) For domestic sales revenue, the supporting documents related to revenue recognition shall be checked on a sampling basis, including sales contracts, sales invoices, goods delivery notes, unpacking acceptance reports, shipping records, other service records, etc.; for direct export revenue, Obtain electronic port information and check it with accounting records, and check supporting documents such as sales contracts, goods handover orders, export declarations, freight bills of lading, sales invoices, etc. on a sampling basis;

(5) Combined with the confirmation of accounts receivable, confirm the current sales volume, contract amount of major projects, project progress, etc. to major customers to confirm the authenticity and completeness of operating income; conduct interviews with major customers;

(6) Check the operating income recognized before and after the balance sheet date on a sampling basis to supporting documents such as sales contracts, invoices, goods handover orders, unpacking acceptance reports, and operation records, and evaluate whether the operating income is recognized in the appropriate period;

(7) Check whether information related to operating income has been appropriately presented and disclosed in the financial statements.

(2) Inventory

1. Description of the matter

For details of relevant information disclosure, please refer to Notes 3(12) and 5(1)8 of the financial statements.

As of December 31, 2023, the book balance of inventory items shown in SUPCON's financial statements was RMB 3.989 billion, the price reduction provision was RMB 47 million, and the book value was RMB 3.942 billion.

SUPCON Technology needs to provide supporting services such as installation, debugging and operation after delivering supporting products, so the products that have been sent to customers will still be accounted for in the inventory account until the system is put into operation. Due to the significant amount of inventory and the possibility of potential misstatement in its existence, we identified the inventory as a key audit matter.

2. Audit response

For inventory, the audit procedures we implement mainly include:

(1) Understand the key internal controls related to inventory, evaluate the design of these controls, determine whether they are implemented, and test the operating effectiveness of relevant internal controls;

(2) Implement substantive analysis procedures on inventory to identify whether there are significant or abnormal fluctuations and identify the causes of fluctuations;

(3) Check the key terms of the sales contract of the major customer, including inspection of delivery of goods, rights and obligations of both parties, acceptance terms, payment and settlement, etc., and evaluate whether the control of the goods shipped has been transferred;

(4) Check the sales contracts, delivery notes, goods handover notes, unpacking acceptance reports, payment receipts and other supporting evidence between SUPCON Technology and its customers on a sampling basis to check the authenticity and accuracy of the goods issued;

(5) Supervise the closing inventory and check the authenticity and accuracy of the closing inventory;

(6) Send letters to customers on a sampling basis to check the authenticity and accuracy of the ending inventory;

(7) Conduct cut-off testing on inventory incoming and outgoing before and after the balance sheet date in a sampling manner to check the authenticity and completeness of the ending inventory;

(8) Check whether inventory-related information has been appropriately presented and disclosed in the financial statements.

4. Other information

Management is responsible for other information. Other information includes information included in the annual report but does not include the financial statements and our auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated.

If we determine, based on the work we have performed, that other information is materially misstated, we should report that fact. We have nothing to report in this regard.

5. Responsibility of management and those charged with governance for financial statements

The management is responsible for preparing financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises to achieve fair reflection, and to design, implement and maintain necessary internal controls so that the financial statements do not contain material misstatements due to fraud or errors.

When preparing financial statements, management is responsible for assessing Sinotech's ability to continue as a going concern, disclosing matters related to going concern (if applicable), and applying the going concern assumption unless it plans to liquidate, terminate operations, or has no other realistic alternative.

The governance officers of SUPCON Technology (hereinafter referred to as the "Governance Officers") are responsible for supervising the financial reporting process of SUPCON Technology.

6. Responsibility of certified public accountants for auditing financial statements

Our goal is to obtain reasonable assurance as to whether the financial statements as a whole are free of material misstatements due to fraud or error, and to issue an audit report containing an audit opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements may be due to fraud or error and are generally considered material if the misstatements, individually or in aggregate, are reasonably expected to affect the economic decisions made by users of financial statements based on the financial statements.

In the process of performing audit work in accordance with the auditing standards, we use professional judgment and maintain professional skepticism. At the same time, we also perform the following tasks:

(1) Identify and assess the risks of material misstatement of financial statements due to fraud or errors, design and implement audit procedures to respond to these risks, and obtain sufficient and appropriate audit evidence as the basis for issuing audit opinions. Because fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls, the risk of failing to detect a material misstatement resulting from fraud is higher than the risk of failing to detect a material misstatement resulting from error.

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

(3) Evaluate the appropriateness of the accounting policies adopted by management and the reasonableness 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, a conclusion is drawn as to whether there are significant uncertainties in matters or conditions that may cause significant doubts about the company's ability to continue operating as a going concern. If we conclude that significant uncertainty exists, auditing standards require us to draw the attention of users to the relevant disclosures in the financial statements in our audit report; if the disclosures are insufficient, we should issue a qualified opinion. Our conclusions are based on information available as of the date of the auditor's report. However, future events or conditions may cause SUPCON Technology Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, and evaluate whether the financial statements fairly reflect relevant transactions and events.

(6) Obtain sufficient and appropriate audit evidence for the financial information of entities or business activities in Sinotech to express an audit opinion on the financial statements. We are responsible for directing, supervising and performing group audits and take full responsibility for our audit opinions.

We communicate with those charged with governance regarding, among other matters, the planned audit scope, timing and significant audit findings, including communication of significant internal control deficiencies identified during our audit.

We also provide statements to those charged with governance that we have complied with ethical requirements related to independence and communicate with those charged with governance all relationships and other matters that may reasonably be considered to affect our independence, and related safeguards, if applicable.

From the matters communicated with those charged with governance, we determine which matters are most significant to the audit of the current period's financial statements and therefore constitute key audit matters. We describe these matters in our auditor's report unless laws or regulations prohibit public disclosure of the matter or, in rare circumstances, if the adverse consequences of communicating a matter in our auditor's report are reasonably expected to outweigh the benefits in the public interest, we determine This matter should not be communicated in the audit report.

Tianjian Accounting Firm (Special General Partnership) Chinese Certified Public Accountant: Ye Weimin

(Project Partner)

Hangzhou, China Chinese Certified Public Accountant: Lai Xingkai

April 7, 2024

2. Financial Statements

Consolidated Balance Sheet

December 31, 2023

Prepared by: SUPCON Technology Co., Ltd.

Unit: Currency : RMB

project	Note	December 31 , 2023	December 31, 2022
Current assets:			
Money funds	7. 1	5,472,691,631.34	1,386,855,314.37
Settlement provisions			
Loan funds			
trading financial assets	7. 2	1,650,000,000.00	2,275,808,701.79
Derivative financial assets			
bill receivable	7. 4	790,302,714.04	752,659,672.24
accounts receivable	7. 5	2,485,404,967.58	1,732,151,960.06
Receivables Financing	Seven, 7	183,711,330.47	421,387,418.83
Prepayments	7. 8	285,016,190.20	434,768,341.54
premium receivable			
Reinsurance accounts receivable			
Receivable reinsurance contract reserves			
Other receivables	7. 9	100,620,386.87	93,303,006.06
Among them: interest receivable			
Dividends receivable			
Buy financial assets under			

resale agreements			
stock	7. 10	3,942,746,738.02	3,721,875,316.26
contract assets	7. 6	549,291,830.52	369,519,984.02
Assets held for sale			
Non-current assets due within one year			
Other current assets	7. 13	142,244,915.14	413,924,666.85
Total current assets		15,602,030,704.18	11,602,254,382.02
Non-current assets :			
Grant loans and advances			
debt investment			
Other debt investments			
Long-term receivables			
long term equity investment	7. 17	925,201,206.05	681,889,018.82
Other equity instrument investments	7. 18	26,113,692.31	14,113,692.31
Other non-current financial assets			
investment real estate	7. 20	73,758,349.74	77,039,311.06
fixed assets	7. 21	350,840,377.55	313,282,418.64
Construction in progress	7. 22	385,164,808.27	125,396,841.95
productive biological assets			
Oil and gas assets			
right-of-use assets	7. 25	32,957,898.12	29,688,696.72
intangible assets	7. 26	158,925,668.25	115,026,876.16
Development expenditure			
goodwill	7. 27	166,109,549.60	
Long-term prepaid expenses	7. 28	45,352,003.30	35,169,381.73
Deferred tax assets	7. 29	71,303,864.53	44,982,306.39
Other non-current assets	7. 30	41,895,913.39	23,780,114.04
Total non-current assets		2,277,623,331.11	1,460,368,657.82
total assets		17,879,654,035.29	13,062,623,039.84
Current liabilities :			
short-term loan	7. 32	207,964,553.66	106,230,795.38
Borrow from the central bank			
borrowing funds			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable	7. 35	723,014,307.53	992,587,518.08
accounts payable	Seven, 36	2,827,368,905.91	2,318,408,360.81
advance payment	Seven, 37	528,076.48	
Contract liabilities	7. 38	2,475,705,767.49	2,620,149,203.20
Financial assets sold and repurchased			
Deposits and deposits			
Agent for buying and selling securities			
Agent underwriting securities funds			
Employee compensation payable	7. 39	448,846,194.25	380,933,102.72
Taxes payable	7. 40	198,949,646.83	178,359,504.87
Other payables	7. 41	142,878,776.84	93,507,790.90
Among them: interest payable			
Dividends payable			
Fees and commissions			

Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	Seven, 43	13,509,742.32	514,185,196.23
Other current liabilities	Seven, 44	508,589,530.97	459,453,500.89
Total current liabilities		7,547,355,502.28	7,663,814,973.08
Non-current liabilities :			
Insurance contract reserve			
Long term loan	7. 45	300,247,500.00	
Bonds payable			
Among them: preferred shares			
perpetual bond			
Lease liability	Seven, 47	21,214,303.17	17,477,346.29
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income	7. 51	66,259,192.50	64,074,039.06
Deferred income tax liability	7. 29	5,642,391.79	1,141,316.52
Other non-current liabilities			
Total non-current liabilities		393,363,387.46	82,692,701.87
Total Liabilities		7,940,718,889.74	7,746,507,674.95
Owner's equity (or stockholders' equity):			
Paid-in capital (or equity)	Seven, 53	789,915,088.00	499,566,000.00
Other equity instruments			
Among them: preferred shares			
perpetual bond			
capital reserve	Seven, 55	6,203,096,342.31	2,538,595,263.87
Less: treasury shares	Seven, 56	89,159,943.10	
Other comprehensive income	Seven, 57	5,519,085.46	-564,553.06
Special reserves			
Surplus reserve	7. 59	339,678,417.13	249,783,000.00
general risk preparation			
undistributed profit	7. 60	2,575,908,277.31	1,970,552,725.02
Total owners' equity (or shareholders' equity) attributable to the parent company		9,824,957,267.11	5,257,932,435.83
minority interests		113,977,878.44	58,182,929.06
Total owners' equity (or stockholders' equity)		9,938,935,145.55	5,316,115,364.89
Total liabilities and owners' equity (or stockholders' equity)		17,879,654,035.29	13,062,623,039.84

Person in charge of the company: CUI SHAN Person in charge of accounting work: Fang Yongsheng Person in charge of the accounting institution: Mao Feibo

Parent Company Balance Sheet

December 31, 2023
Prepared by: SUPCON Technology Co., Ltd.
Unit: Currency : RMB

project	Note	December 31 , 2023	December 31, 2022
Current assets:			
Money funds		5,156,455,572.89	1,233,156,900.30

trading financial assets		1,650,000,000.00	2,273,994,000.00
Derivative financial assets			
bill receivable		632,475,762.93	591,008,591.21
accounts receivable	19, 1	1,845,527,195.79	1,361,886,041.95
Receivables Financing		51,365,013.75	282,147,458.65
Prepayments		77,074,187.58	117,724,208.32
Other receivables	19, 2	420,462,520.83	457,844,622.93
Among them: interest receivable			
Dividends receivable			
stock		3,109,759,502.14	3,188,253,663.73
contract assets		457,355,262.17	322,282,141.91
Assets held for sale			
Non-current assets due within one year			
Other current assets		127,117,333.33	400,388,260.31
Total current assets		13,527,592,351.41	10,228,685,889.31
Non-current assets :			
debt investment			
Other debt investments			
Long-term receivables			
long term equity investment	19, 3	2,807,773,454.98	1,248,704,863.74
Other equity instrument investments		24,916,000.00	12,916,000.00
Other non-current financial assets			
investment real estate		40,670,265.85	42,644,990.45
fixed assets		157,165,391.04	146,374,007.81
Construction in progress		14,080,666.05	
productive biological assets			
Oil and gas assets			
right-of-use assets		8,876,914.01	13,920,234.23
intangible assets		51,859,749.44	44,673,712.09
Development expenditure			
goodwill			
Long-term prepaid expenses		34,490,935.31	26,325,458.53
Deferred tax assets		30,209,878.06	23,659,249.33
Other non-current assets		32,967,185.36	7,328,777.36
Total non-current assets		3,203,010,440.10	1,566,547,293.54
total assets		16,730,602,791.51	11,795,233,182.85
Current liabilities :			
short-term loan		207,964,553.66	103,958,197.20
Trading financial liabilities			
Derivative financial liabilities			
Notes payable		756,525,697.26	1,099,210,041.44
accounts payable		1,848,900,696.27	1,513,238,063.11
advance payment			
Contract liabilities		1,977,791,682.87	2,154,007,428.56
Employee compensation payable		324,709,328.29	288,782,508.16
Taxes payable		75,219,996.43	79,187,139.84
Other payables		1,414,216,959.36	639,005,719.67
Among them: interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due		5,146,933.67	509,814,991.52

within one year			
Other current liabilities		441,171,875.64	379,797,339.21
Total current liabilities		7,051,647,723.45	6,767,001,428.71
Non-current liabilities :			
Long term loan		300,247,500.00	
Bonds payable			
Among them: preferred shares			
perpetual bond			
Lease liability		3,910,675.30	5,000,127.65
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income		51,004,177.59	57,708,745.71
Deferred income tax liability			852,473.71
Other non-current liabilities			
Total non-current liabilities		355,162,352.89	63,561,347.07
Total Liabilities		7,406,810,076.34	6,830,562,775.78
Owner's equity (or stockholders' equity):			
Paid-in capital (or equity)		789,915,088.00	499,566,000.00
Other equity instruments			
Among them: preferred shares			
perpetual bond			
capital reserve		6,237,450,351.52	2,570,579,482.30
Less: treasury shares		89,159,943.10	
Other comprehensive income		214,844.58	146,122.68
Special reserves			
Surplus reserve		339,678,417.13	249,783,000.00
undistributed profit		2,045,693,957.04	1,644,595,802.09
Total owners' equity (or stockholders' equity)		9,323,792,715.17	4,964,670,407.07
Total liabilities and owners' equity (or stockholders' equity)		16,730,602,791.51	11,795,233,182.85

Person in charge of the company: CUI SHAN Person in charge of accounting work: Fang Yongsheng Person in charge of the accounting institution: Mao Feibo

Consolidated Income Statement

January- December 2023
Unit: Currency : RMB

project	Note	2023	2022
I. Total operating income		8,619,910,802.44	6,623,856,546.82
Of which: operating income	7. 61	8,619,910,802.44	6,623,856,546.82
interest income			
Premiums earned			
Fee and commission income			
2. Total operating costs		7,759,631,763.80	6,006,958,288.54
Of which: Operating costs	7. 61	5,759,092,686.47	4,260,761,880.05
interest expense			
Handling fees and commission expenses			
surrender deposit			
Net compensation expenses			
Net withdrawal of insurance			

liability reserves			
dividend payment policy			
Reinsurance costs			
Taxes and surcharges	7. 62	58,424,187.63	49,621,692.53
sales expense	Seven, 6 3	788,845,952.87	622,761,226.40
Management costs	Seven, 6 4	450,289,004.31	377,440,940.76
R&D expenses	Seven, 6 5	907,806,992.67	692,271,597.21
Financial expenses	Seven, 6 6	-204,827,060.15	4,100,951.59
Including: interest expense		25,787,668.54	25,985,441.23
interest income		120,912,223.23	21,900,152.51
Add: other income	Seven, 6 7	290,093,229.36	249,572,232.22
Investment income (losses are listed with "-")	Seven, 6 8	181,552,623.68	90,853,758.63
Including: Investment income from associates and joint ventures		72,641,862.12	23,327,106.18
Gains from derecognition of financial assets measured at amortized cost			
Exchange gains (losses are listed with "-")			
Net exposure hedging income (losses are listed with "-")			
Gains from changes in fair value (losses are listed with "-")	Seven, 70	-72,988.41	28,704.48
Credit impairment losses (losses are listed with "-")	Seven, 71	-107,079,528.40	-68,150,632.95
Asset impairment losses (losses are listed with "-")	Seven, 72	-40,399,270.52	-17,184,106.58
Asset disposal income (losses are listed with "-")	Seven, 73	392,665.10	235,777.70
3. Operating profit (losses are listed with "-")		1,184,765,769.45	872,253,991.78
Add: non-operating income	Seven, 74	1,770,706.97	133,491.56
Less: Non-operating expenses	Seven, 75	3,768,518.55	1,983,372.92
4. Total profits (total losses are listed with " - ")		1,182,767,957.87	870,404,110.42
Deduct: income tax expense	Seven, 76	59,758,285.86	63,091,676.51
5. Net profit (net loss is listed with " - ")		1,123,009,672.01	807,312,433.91
(1) Classification by business continuity			
1. Net profit from continuing operations (net loss is listed with "-")		1,123,009,672.01	807,312,433.91
2. Net profit from discontinued operations (net loss is listed with "-")			
(2) Classification according to ownership ownership			
1. Net profit attributable to shareholders of the parent company (net loss is listed with "-")		1,101,763,732.92	797,929,183.55
2. Profit and loss of minority shareholders (net loss is listed with "-")		21,245,939.09	9,383,250.36
6. Net amount of other comprehensive income after tax	Seven, 77	6,059,015.28	-235,221.12
(1) Net after-tax amount of other comprehensive income attributable to owners of the parent company		6,083,638.52	-270,621.69
1 . Other comprehensive income that cannot be reclassified into profit or loss			
(1) Remeasurement of changes in			

defined benefit plan			
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method			
(3) Changes in fair value of other equity instrument investments			
(4) Changes in the fair value of the company's own credit risk			
2 . Other comprehensive income to be reclassified into profit or loss		6,083,638.52	-270,621.69
(1) Other comprehensive income that can be converted to profit or loss under the equity method		68,721.90	146,122.68
(2) Changes in fair value of other debt investments			
(3) The amount of financial assets reclassified and included in other comprehensive income			
(4) Credit impairment provisions for other debt investments			
(5) Cash flow hedging reserve			
(6) Translation differences of foreign currency financial statements		6,014,916.62	-416,744.37
(7) Others			
(2) Net after-tax amount of other comprehensive income attributable to minority shareholders		-24,623.24	35,400.57
7. Total comprehensive income		1,129,068,687.29	807,077,212.79
(1) Total comprehensive income attributable to owners of the parent company		1,107,847,371.44	797,658,561.86
(2) Total comprehensive income attributable to minority shareholders		21,221,315.85	9,418,650.93
8. Earnings per share:			
(1) Basic earnings per share (yuan/share)		1.44	1.11
(2) Diluted earnings per share (yuan/share)		1.43	1.09

If a business merger under the same control occurs in this period, the net profit realized by the merged party before the merger is: 0 yuan, and the net profit realized by the merged party in the previous period is: 0 yuan.
Person in charge of the company : CUI SHAN Person in charge of accounting work : Fang Yongsheng Person in charge of the accounting institution : Mao Feibo

Parent company income statement

January- December 2023
Unit: Currency : RMB

project	Note	2023	2022
I. Operating income	19, 4	6,391,899,680.27	5,391,722,083.84
Less: operating costs	19, 4	4,170,399,888.48	3,448,872,176.14
Taxes and surcharges		41,203,468.39	38,437,200.87
sales expense		683,368,654.77	510,642,924.10
Management costs		295,360,578.23	284,752,942.40
R&D expenses		802,031,630.30	614,479,595.33
Financial expenses		-192,673,053.92	11,735,243.47
Including: interest expense		42,771,298.21	35,650,097.33

interest income		119,136,620.95	20,940,011.25
Add: other income		256,453,702.65	231,833,697.97
Investment income (losses are listed with "-")	19, 5	165,310,177.03	92,628,677.14
Including: Investment income from associates and joint ventures		73,940,147.25	25,100,530.78
Gains from derecognition of financial assets measured at amortized cost			
Net exposure hedging income (losses are listed with "-")			
Gains from changes in fair value (losses are listed with "-")			
Credit impairment losses (losses are listed with "-")		-64,459,080.81	-45,986,975.82
Asset impairment losses (losses are listed with "-")		-30,376,244.21	-12,759,691.69
Asset disposal income (losses are listed with "-")		383,356.35	142,615.13
2. Operating profit (losses are listed with "-")		919,520,425.03	748,660,324.26
Add: non-operating income		1,434,207.67	93,981.90
Less: Non-operating expenses		3,153,261.42	1,797,631.45
3. Total profits (total losses are listed with "-")		917,801,371.28	746,956,674.71
Deduct: income tax expense		18,847,199.95	44,702,369.14
4. Net profit (net loss is listed with "-")		898,954,171.33	702,254,305.57
(1) Net profit from continuing operations (net loss is listed with "-")		898,954,171.33	702,254,305.57
(2) Net profit from discontinued operations (net loss is listed with "-")			
5. Net amount of other comprehensive income after tax		68,721.90	146,122.68
(1) Other comprehensive income that cannot be reclassified into profit or loss			
1. Remeasure the changes in defined benefit plan			
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method			
3. Changes in fair value of other equity instrument investments			
4. Changes in the fair value of the company's own credit risk			
(2) Other comprehensive income that will be reclassified into profit and loss		68,721.90	146,122.68
1. Other comprehensive income that can be converted to profit or loss under the equity method		68,721.90	146,122.68
2. Changes in fair value of other debt investments			
3. The amount of financial assets reclassified and included in other comprehensive income			
4. Credit impairment provisions for other debt investments			
5. Cash flow hedging reserve			
6. Translation differences of			

foreign currency financial statements			
7.Others			
6. Total comprehensive income		899,022,893.23	702,400,428.25
7. Earnings per share:			
(1) Basic earnings per share (yuan/share)			
(2) Diluted earnings per share (yuan/share)			

Person in charge of the company : CUI SHAN Person in charge of accounting work : Fang Yongsheng Person in charge of the accounting institution : Mao Feibo

Consolidated Cash Flow Statement
January- December 2023
Unit : Currency : RMB

project	**Note**	**2023**	**2022**
1. Cash flow generated from operating activities:			
Cash received from selling goods and providing services		6,808,934,214.61	5,135,340,367.63
Net increase in customer deposits and deposits from banks			
Net increase in borrowing from the central bank			
Net increase in borrowing funds from other financial institutions			
Cash received from premiums from the original insurance contract			
Net cash received from reinsurance business			
Net increase in policyholders' savings and investment funds			
Cash collected from interest, fees and commissions			
Net increase in borrowing funds			
Net increase in repurchase business funds			
Net cash received from buying and selling securities on behalf of agents			
Tax Refund		212,228,461.39	199,752,077.38
Other cash received related to operating activities	7. 78 (1)	397,584,860.34	276,985,274.06
Subtotal cash inflow from operating activities		7,418,747,536.34	5,612,077,719.07
Cash used to purchase goods and receive services		4,224,976,377.12	2,750,065,937.29
Net increase in loans and advances to customers			
Net increase in deposits with central banks and inter-banks			
Cash used to pay claims from the original insurance contract			
Net increase in lending funds			
Cash payments for interest, fees and commissions			
Cash payment for policy			

dividends			
Cash payments to and for employees		1,897,597,872.14	1,503,041,207.83
Various taxes paid		497,629,378.37	449,869,614.35
Other cash payments related to operating activities	7. 78(1)	607,112,973.92	548,836,079.69
Subtotal cash outflow from operating activities		7,227,316,601.55	5,251,812,839.16
Net cash flow from operating activities		191,430,934.79	360,264,879.91
2. Cash flows generated from investing activities:			
Recover cash received on investment		1,929,898.47	
Cash received from investment income		112,726,958.65	68,666,269.15
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		277,643.14	1,526,912.58
Net cash received from disposal of subsidiaries and other business units		1,419,279.20	
Other cash received relating to investing activities	7. 78(2)	4,863,994,000.00	7,297,000,000.00
Subtotal of cash inflows from investing activities		4,980,347,779.46	7,367,193,181.73
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		125,895,552.12	157,011,616.11
Cash Investment		202,063,089.00	649,372,053.53
Net increase in mortgage loans			
Net cash received from subsidiaries and other business units		106,299,303.76	
Other cash paid relating to investing activities	7. 78(2)	3,940,254,282.74	7,385,994,017.89
Subtotal of cash outflows from investing activities		4,374,512,227.62	8,192,377,687.53
Net cash flows from investing activities		605,835,551.84	-825,184,505.80
3. Cash flow generated from financing activities:			
Absorbing cash received from investments		3,903,208,383.43	38,772,775.30
Including: Cash received by subsidiaries from minority shareholders' investments		6,565,910.99	7,516,600.95
Obtain cash received from borrowing money		507,327,387.00	630,136,045.02
Other cash received related to financing activities			
Subtotal of cash inflows from financing activities		4,410,535,770.43	668,908,820.32
Cash paid to repay debt		686,924,638.74	1,000,000.00
Cash paid to distribute dividends, profits or repay interest		427,788,430.97	193,801,346.38
Including: dividends and profits paid by subsidiaries to minority shareholders		445,294.71	
Other cash payments related to	7. 78(3)	117,073,553.75	51,477,171.85

financing activities			
Subtotal of cash outflows from financing activities		1,231,786,623.46	246,278,518.23
Net cash flow from financing activities		3,178,749,146.97	422,630,302.09
4. The impact of exchange rate changes on cash and cash equivalents		128,516,942.18	6,338,870.84
5. Net increase in cash and cash equivalents		4,104,532,575.78	-35,950,452.96
Add: Opening cash and cash equivalents balance		1,331,224,824.52	1,367,175,277.48
6. Closing balance of cash and cash equivalents		5,435,757,400.30	1,331,224,824.52

Person in charge of the company : CUI SHAN Person in charge of accounting work : Fang Yongsheng Person in charge of the accounting institution : Mao Feibo

Parent company cash flow statement
January- December 2023
Unit: Currency : RMB

project	**Note**	**2023**	**2022**
1. Cash flow generated from operating activities:			
Cash received from selling goods and providing services		4,950,156,085.40	4,237,935,105.05
Tax Refund		190,127,944.18	186,277,600.11
Other cash received related to operating activities		320,073,703.42	251,776,646.26
Subtotal cash inflow from operating activities		5,460,357,733.00	4,675,989,351.42
Cash used to purchase goods and receive services		2,936,095,887.01	2,836,758,648.92
Cash payments to and for employees		1,376,955,680.41	1,117,871,764.50
Various taxes paid		366,749,507.80	362,146,920.30
Other cash payments related to operating activities		649,732,651.50	621,063,795.83
Subtotal cash outflow from operating activities		5,329,533,726.72	4,937,841,129.55
Net cash flow from operating activities		130,824,006.28	-261,851,778.13
2. Cash flows generated from investing activities:			
Recover cash received on investment			
Cash received from investment income		110,780,322.78	68,666,269.15
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		4,475,608.42	1,260,415.70
Net cash received from disposal of subsidiaries and other business units		2,100,000.00	
Other cash received relating to investing activities		5,617,637,113.69	9,944,164,749.92
Subtotal of cash inflows from investing activities		5,734,993,044.89	10,014,091,434.77
Cash paid for the purchase and		25,533,283.80	61,818,316.21

construction of fixed assets, intangible assets and other long-term assets			
Cash Investment		1,478,209,990.90	788,038,563.40
Net cash received from subsidiaries and other business units		26,585,531.00	
Other cash paid relating to investing activities		4,561,906,746.48	9,560,797,540.99
Subtotal of cash outflows from investing activities		6,092,235,552.18	10,410,654,420.60
Net cash flows from investing activities		-357,242,507.29	-396,562,985.83
3. Cash flow generated from financing activities:			
Absorbing cash received from investments		3,896,642,472.44	31,256,174.34
Obtain cash received from borrowing money		507,327,387.00	632,408,643.20
Other cash received related to financing activities		1,677,371,996.35	1,070,837,332.33
Subtotal of cash inflows from financing activities		6,081,341,855.79	1,734,502,149.87
Cash paid to repay debt		601,000,000.00	1,000,000.00
Cash paid to distribute dividends, profits or repay interest		427,343,136.26	193,801,346.38
Other cash payments related to financing activities		1,004,754,645.85	999,329,929.19
Subtotal of cash outflows from financing activities		2,033,097,782.11	1,194,131,275.57
Net cash flow from financing activities		4,048,244,073.68	540,370,874.30
4. The impact of exchange rate changes on cash and cash equivalents		126,005,999.23	5,603,516.22
5. Net increase in cash and cash equivalents		3,947,831,571.90	-112,440,373.44
Add: Opening cash and cash equivalents balance		1,187,779,845.09	1,300,220,218.53
6. Closing balance of cash and cash equivalents		5,135,611,416.99	1,187,779,845.09

Person in charge of the company : CUI SHAN Person in charge of accounting work : Fang Yongsheng Person in charge of the accounting institution : Mao Feibo

Consolidated Statement of Changes in Owner's Equity

January-December 2023

Unit: Currency : RMB

project	2023														
	Equity attributable to equity holders													minority interests	Total owners' equity
	Paid-in capital (or equity)	Other equity instruments: preferred stock	perpetual bond	other	capital reserve	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserve	general risk preparation	undistributed profit	other	Subtotal		
1. Ending balance of the previous year	499,566,000.00				2,538,595,263.87		-564,553.06		249,783,000.00		1,970,552,725.02		5,257,932,435.83	58,182,929.06	5,316,115,364.89
Add: Changes in accounting policies															
Early error correction															
other															
2. Opening balance of the current year	499,566,000.00				2,538,595,263.87		-564,553.06		249,783,000.00		1,970,552,725.02		5,257,932,435.83	58,182,929.06	5,316,115,364.89
3. Amount of increase or decrease in the current period (decreases are listed with "-")	290,349,088.00				3,664,501,078.44	89,159,943.10	6,083,638.52		89,895,417.13		605,355,552.29		4,567,024,831.28	55,794,949.38	4,622,819,780.66
(1) Total comprehensive income							6,083,638.52				1,101,763,732.92		1,107,847,371.44	21,221,315.85	1,129,068,687.29
(2) Owner's investment and capital reduction	46,441,430.00				3,907,805,905.23								3,954,247,335.23	35,018,928.24	3,989,266,263.47
1. Common stock invested by owners	46,441,430.00				3,838,360,952.99								3,884,802,382.99	6,569,729.05	3,891,372,112.04
2. Capital invested by other equity instrument holders															
3 . The amount of share-based payment included in owners' equity					72,246,713.37								72,246,713.37	234,028.62	72,480,741.99
4 . other					-2,801,761.13								-2,801,761.13	28,215,170.57	25,413,409.44
(3) Profit distribution									89,895,417.13		-496,408,180.63		-406,512,763.50	-445,294.71	-406,958,058.21

1. Withdrawal from surplus reserve									89,895,417.13		-89,895,417.13				
2. Withdraw general risk reserve															
3. Distributions to owners (or shareholders)											-406,512,763.50		-406,512,763.50	-445,294.71	-406,958,058.21
4. other															
(4) Internal carryover of owners' equity	243,907,658.00				-243,907,658.00										
1. Conversion of capital reserves to capital (or share capital)	243,907,658.00				-243,907,658.00										
2. Conversion of surplus reserves into capital (or share capital)															
3. Surplus reserve to cover losses															
4. Changes in defined benefit plans are carried forward to retained earnings															
5. Other comprehensive income carried forward to retained earnings															
6. other															
(5) Special reserves															
1. Extract this period															
2. Used in this issue															
(6) Others					602,831.21	89,159,943.10							-88,557,111.89		-88,557,111.89
4. Ending balance of the current period	789,915,088.00				6,203,096,342.31	89,159,943.10	5,519,085.46		339,678,417.13		2,575,908,277.31		9,824,957,267.11	113,977,878.44	9,938,935,145.55

project	2022														
	Equity attributable to equity holders													minority interests	Total owners' equity
	Paid-in capital (or equity)	Other equity instruments			capital reserve	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserve	general risk preparation	undistributed profit	other	Subtotal		
		preferred stock	perpetual bond	other											
1. Ending balance of the previous year	496,819,865.00				2,427,269,564.09		-293,931.37		247,042,000.00		1,354,220,821.47		4,525,058,319.19	55,938,593.92	4,580,996,913.11
Add: Changes in accounting policies															
Early error correction															
other															
2. Opening balance of the current year	496,819,865.00				2,427,269,564.09		-293,931.37		247,042,000.00		1,354,220,821.47		4,525,058,319.19	55,938,593.92	4,580,996,913.11
3. Amount of increase or decrease in the current period (decreases are listed with "-")	2,746,135.00				111,325,699.78		-270,621.69		2,741,000.00		616,331,903.55		732,874,116.64	2,244,335.14	735,118,451.78
(1) Total comprehensive income							-270,621.69				797,929,183.55		797,658,561.86	9,418,650.93	807,077,212.79
(2) Owner's investment and capital reduction	2,746,135.00				110,895,102.77								113,641,237.77	-7,174,315.79	106,466,921.98
1. Common stock invested by owners	2,746,135.00				28,510,039.34								31,256,174.34	7,516,600.95	38,772,775.29
2. Capital invested by other equity instrument holders															

3 . The amount of share-based payment included in owners' equity					97,528,199.41								97,528,199.41	425,997.28	97,954,196.69
4 . other					-15,143,135.98								-15,143,135.98	-15,116,914.02	-30,260,050.00
(3) Profit distribution									2,741,000.00		-181,597,280.00		-178,856,280.00		-178,856,280.00
1. Withdrawal from surplus reserve									2,741,000.00		-2,741,000.00				
2. Withdraw general risk reserve															
3. Distributions to owners (or shareholders)											-178,856,280.00		-178,856,280.00		-178,856,280.00
4. other															
(4) Internal carryover of owners' equity															
1. Conversion of capital reserves to capital (or share capital)															
2. Conversion of surplus reserves into capital (or share capital)															
3. Surplus reserve to cover losses															
4. Changes in defined benefit plans are carried forward to retained earnings															
5. Other comprehensive income carried forward to retained earnings															
6. other															
(5) Special reserves															
1. Extract this period															
2. Used in this issue															
(6) Others					430,597.01								430,597.01		430,597.01
4. Ending balance of the current period	499,566,000.00				2,538,595,263.87		-564,553.06		249,783,000.00		1,970,552,725.02		5,257,932,435.83	58,182,929.06	5,316,115,364.89

Person in charge of the company : CUI SHAN Person in charge of accounting work : Fang Yongsheng Person in charge of the accounting institution : Mao Feibo

Statement of changes in owner's equity of the parent company

January- December 2023

Unit: Currency : RMB

project	2023										
	Paid-in capital (or equity)	Other equity instruments			capital reserve	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserve	undistributed profit	Total owners' equity
		preferred stock	perpetual bond	other							
1. Ending balance of the previous year	499,566,000.00				2,570,579,482.30		146,122.68		249,783,000.00	1,644,595,802.09	4,964,670,407.07
Add: Changes in accounting policies											
Early error correction											
other											
2. Opening balance of the current year	499,566,000.00				2,570,579,482.30		146,122.68		249,783,000.00	1,644,595,802.09	4,964,670,407.07
3. Amount of increase or decrease in the current	290,349,088.00				3,666,870,869.22	89,159,943.10	68,721.90		89,895,417.13	401,098,154.95	4,359,122,308.10

period (decreases are listed with “-”)											
(1) Total comprehensive income							68,721.90			898,954,171.33	899,022,893.23
(2) Owner’s investment and capital reduction	46,441,430.00				3,897,576,730.35						3,944,018,160.35
1. Common stock invested by owners	46,441,430.00				3,838,360,952.99						3,884,802,382.99
2. Capital invested by other equity instrument holders											
3 . The amount of share-based payment included in owners’ equity					59,215,777.36						59,215,777.36
4 . other											
(3) Profit distribution									89,895,417.13	-496,408,180.63	-406,512,763.50
1. Withdrawal from surplus reserve									89,895,417.13	-89,895,417.13	
2 . Distributions to owners (or shareholders)										-406,512,763.50	-406,512,763.50
3 . other											
(4) Internal carryover of owners’ equity	243,907,658.00				-243,907,658.00						
1. Conversion of capital reserves to capital (or share capital)	243,907,658.00				-243,907,658.00						
2. Conversion of surplus reserves into capital (or share capital)											
3. Surplus reserve to cover losses											
4. Changes in defined benefit plans are carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6． other											
(5) Special reserves											
1. Extract this period											
2. Used in this issue											
(6) Others					13,201,796.87	89,159,943.10				-1,447,835.75	-77,405,981.98
4. Ending balance of the current period	789,915,088.00				6,237,450,351.52	89,159,943.10	214,844.58		339,678,417.13	2,045,693,957.04	9,323,792,715.17

project	2022										
	Paid-in capital (or equity)	Other equity instruments			capital reserve	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserve	undistributed profit	Total owners' equity
		preferred stock	perpetual bond	other							
1. Ending balance of the previous year	496,819,865.00				2,444,736,115.69				247,042,000.00	1,123,938,776.52	4,312,536,757.21
Add: Changes in accounting policies											
Early error correction											
other											
2. Opening balance of the current year	496,819,865.00				2,444,736,115.69				247,042,000.00	1,123,938,776.52	4,312,536,757.21
3. Amount of increase or decrease in the current period (decreases are listed with “-”)	2,746,135.00				125,843,366.61		146,122.68		2,741,000.00	520,657,025.57	652,133,649.86

(1) Total comprehensive income							146,122.68			702,254,305.57	702,400,428.25
(2) Owner's investment and capital reduction	2,746,135.00				106,939,142.56						109,685,277.56
1. Common stock invested by owners	2,746,135.00				28,510,039.34						31,256,174.34
2. Capital invested by other equity instrument holders											
3 . The amount of share-based payment included in owners' equity					78,429,103.22						78,429,103.22
4 . other											
(3) Profit distribution									2,741,000.00	-181,597,280.00	-178,856,280.00
1. Withdrawal from surplus reserve									2,741,000.00	-2,741,000.00	
2 . Distributions to owners (or shareholders)										-178,856,280.00	-178,856,280.00
3 . other											
(4) Internal carryover of owners' equity											
1. Conversion of capital reserves to capital (or share capital)											
2. Conversion of surplus reserves into capital (or share capital)											
3. Surplus reserve to cover losses											
4. Changes in defined benefit plans are carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. other											
(5) Special reserves											
1. Extract this period											
2. Used in this issue											
(6) Others					18,904,224.05						18,904,224.05
4. Ending balance of the current period	499,566,000.00				2,570,579,482.30		146,122.68		249,783,000.00	1,644,595,802.09	4,964,670,407.07

Person in charge of the company : CUI SHAN Person in charge of accounting work : Fang Yongsheng Person in charge of the accounting institution : Mao Feibo

3. Basic information of the company

1. Company Overview

√applicable not applicable

SUPCON Technology Co., Ltd. (formerly known as Zhejiang SUPCON Technology Co., Ltd., hereinafter referred to as the company or the company), formerly known as Zhejiang SUPCON Technology Co., Ltd., was registered with the Zhejiang Provincial Administration for Industry and Commerce on December 7, 1999, and is headquartered in Hangzhou City, Zhejiang Province, the company currently holds a business license with a unified social credit code of 91330000720082446H, with a registered capital of RMB 789,915,088 at the end of the period and a total of 789,915,088 shares (face value 1 yuan per share). The company's shares were listed for trading on the Shanghai Stock Exchange on November 24, 2020, and the company's GDR was listed for trading on the Swiss Stock Exchange on April 17, 2023.

The company's control system devices and instruments belong to the instrument manufacturing industry, and the control system embedded software and industrial software belong to the software and information technology service industry. The main business activities are the development, production, sales and technical services of automation main control equipment, fieldbus control systems and instrumentation; integration and technical consulting of automation engineering and network engineering projects; development and application research of advanced control and optimization technology; computer, Development, production, sales and maintenance of electronic equipment and application software; sales and technical services of safety instrument systems. The products and services provided mainly include: providing industrial automation and intelligent manufacturing solutions, instrumentation, industrial software, operation and maintenance services and S2B platform business, etc.

This financial statement has been approved by the company at the fourth meeting of the sixth session of the Board of Directors on April 7, 2024.

The company has included 105 subsidiaries, including Zhejiang SUPCON System Engineering Co., Ltd., Zhejiang SUPCON Automation Instrument Co., Ltd., Zhejiang SUPCON Fluid Technology Co., Ltd., and Zhejiang SUPCON Xizi Technology Co., Ltd., into the consolidated financial statements of this period. For details, see Note 7 to the financial statements.

4. Basics of Preparation of Financial Statements

1. Compilation basis

The company's financial statements are prepared on a going concern basis.

2. Continue to operate

√applicable not applicable

The Company has no events or circumstances that would cause significant doubts about its ability to continue operating within 12 months from the end of the reporting period.

5. Important Accounting Policies and Accounting Estimates

Specific accounting policies and accounting estimation tips:

√ applicable not applicable

The Company has formulated specific accounting policies and accounting estimates based on actual production and operation characteristics for transactions or events such as impairment of financial instruments, depreciation of fixed assets, depreciation of right-of-use assets, amortization of intangible assets, and revenue recognition.

1. Statement on compliance with corporate accounting standards

The financial statements prepared by the company comply with the requirements of accounting standards for enterprises and truly and completely reflect the company's financial status, operating results, changes in shareholders' equity, cash flow and other relevant information.

2. Accounting period

The company's fiscal year begins on January 1 and ends on December 31 of the Gregorian calendar.

3. business cycle

√ applicable not applicable

The company's operating business has a short operating cycle, and 12 months is used as the liquidity classification standard for assets and liabilities.

4. Reporting currency

The Company and its domestic subsidiaries use RMB as their accounting standard currency. Overseas subsidiaries such as SUPINCO AUTOMATION PRIVATE LIMITED and SUPCON INTERNATIONAL HOLDING PTE.LTD. engage in overseas operations and choose the currency in the main economic environment in which they operate as their accounting standard. currency.

5. Materiality criteria determination method and selection basis

√ applicable not applicable

project	materiality criterion
Important individual accounts receivable with provision for bad debts	The company identifies accounts receivable with a single amount exceeding 0.5% of total assets as important accounts receivable.
Recovery or reversal of important bad debt provisions for accounts receivable	The company identifies accounts receivable with a single amount exceeding 0.5% of total assets as important accounts receivable and bad debt provisions are recovered or reversed.
Important write-off accounts receivable	The company identifies accounts receivable with a single amount exceeding 0.5% of total assets as important write-off accounts receivable.
Important prepayments aged more than 1 year	The company identifies prepayments with a single amount exceeding 0.5% of total assets as important prepayments with an aging of more than 1 year.
Important construction projects under construction	The company identifies projects under construction whose individual amounts exceed 0.5% of total assets as important projects under construction.
Important accounts payable aged more than 1 year	The company identifies accounts payable with a single amount exceeding 0.5% of total assets as important accounts payable with an aging of more than 1 year.
Important advance receipts aged more than 1 year or overdue	The company identifies advances from receipts with a single amount exceeding 0.5% of total assets as important advances from receipts with an aging of more than 1 year.
Important contract liabilities aged more than 1 year	The company identifies contract liabilities with a single amount exceeding 0.5% of total assets as important contract liabilities with an aging of more than 1 year.
Important other payables aged more than 1 year	identifies other payables with a single amount exceeding 0.5% of total assets as important other payables with an aging of more than 1 year.
Important Cash Flows from Investing Activities	The company identifies investment activity flows with a single amount exceeding 10% of total assets as important investment activity cash flows.
Important subsidiaries, non-wholly owned subsidiaries	The company identifies subsidiaries whose total profits exceed 15% of the group's total profits as important subsidiaries and important non-wholly

	owned subsidiaries.
important associates	The company identifies associates whose total profits exceed 15% of the group's total profits as important associates
Important commitments	The company identifies commitments with a single amount exceeding 0.5% of total assets as important commitments.
important contingencies	The company identifies contingencies with a single amount exceeding 0.5% of total assets as important contingencies.
Important post-balance sheet events	identifies post-balance sheet events with a single amount exceeding 0.5% of total assets as important post-balance sheet events.

6. Accounting treatment methods for business combinations under the same control and those not under the same control

√ applicable not applicable

1. Accounting treatment for business combinations under common control

The assets and liabilities acquired by the company in a business merger are measured according to the book value of the merged party in the consolidated financial statements of the ultimate controlling party on the merger date. The company adjusts the capital reserve based on the difference between the book value share of the owner's equity of the merged party in the final controlling party's consolidated financial statements and the book value of the merger consideration paid or the total face value of the shares issued; if the capital reserve is insufficient for offset, the company adjusts the retained income.

2. Accounting treatment for business combinations not under common control

On the acquisition date, the company recognizes the difference between the merger cost and the fair value share of the acquiree's identifiable net assets acquired in the merger as goodwill; if the merger cost is less than the fair value share of the acquiree's identifiable net assets acquired in the merger, first Review the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of merger costs. After review, the merger cost is still less than the fair value share of the acquiree's identifiable net assets acquired in the merger. , the difference is included in the current profit and loss.

7. Judgment criteria for control and preparation method of consolidated financial statements

√ applicable not applicable

1. Judgment of control

If it has power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use its power over the investee to affect the amount of its variable returns, it is deemed to be control.

2. Preparation method of consolidated financial statements

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

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

applicable √not applicable

9. Determination criteria for cash and cash equivalents

The cash shown in the cash flow statement refers to cash on hand and deposits that can be used for payment at any time. Cash equivalents refer to investments held by an enterprise that have short maturities, are highly liquid, are easily convertible into known amounts of cash, and have little risk of changes in value.

10. Foreign currency business and foreign currency statement conversion

√ applicable not applicable

1. Foreign currency business conversion

When foreign currency transactions are initially recognized, they are converted into RMB amounts using the spot exchange rate on the date of the transaction. On the balance sheet date, foreign currency monetary items are translated using the spot exchange rate on the balance sheet date. The exchange differences arising from different exchange rates are in addition to the exchange differences on the principal and interest of special foreign currency borrowings related to the acquisition and construction of assets that qualify for capitalization. , included in the current profit and loss; foreign currency non-monetary items measured at historical cost are still translated using the spot exchange rate on the date of the transaction, and their RMB amounts do not change; foreign currency non-monetary items measured at fair value are converted using the spot exchange rate on the date the fair value is determined. The spot exchange rate is converted and the difference is included in the current profit or loss or other comprehensive income.

2. Translation of foreign currency financial statements

The assets and liabilities items in the balance sheet are translated using the spot exchange rate on the balance sheet date; except for the "undistributed profits" item, other items in the owner's equity are translated using the spot exchange rate on the date of the transaction; the items in the income statement Income and expense items are translated using the approximate exchange rate of the spot exchange rate on the date of transaction. The translation difference of foreign currency financial statements arising from the above translation shall be included in other comprehensive income.

11. Financial tool

√ applicable not applicable

1. Classification of financial assets and financial liabilities

Financial assets are divided into the following three categories upon initial recognition: (1) Financial assets measured at amortized cost; (2) Financial assets measured at fair value with changes included in other comprehensive income; (3) Financial assets measured at fair value Financial assets whose changes are included in current profits and losses.

Financial liabilities are divided into the following four categories upon initial recognition: (1) Financial liabilities measured at fair value with changes included in current profits and losses; (2) The transfer of financial assets does not meet the conditions for derecognition or continues to be involved in the transferred financial assets. Financial liabilities formed; (3) Financial guarantee contracts that do not belong to the above (1) or (2), and loan commitments that do not belong to the above (1) and are loaned at lower than market interest rates; (4) Measured at amortized cost financial liabilities.

2. Recognition basis, measurement method and derecognition conditions of financial assets and financial liabilities

(1) Recognition basis and initial measurement method of financial assets and financial liabilities

When a company becomes a party to a financial instrument contract, it recognizes a financial asset or financial liability. When a financial asset or financial liability is initially recognized, it is measured at fair value; for financial assets and financial liabilities measured at fair value through profit or loss for the current period, relevant transaction costs are directly included in current profit or loss; for other types of financial assets or financial liabilities Liabilities and related transaction costs are included in the initial recognition amount. However, if the company's initial recognition of accounts receivable does not contain a significant financing component or the company does not consider the financing component of a contract that does not exceed one year, the initial transaction price shall be based on the transaction price defined in "Accounting Standards for Business Enterprises No. 14 - Revenue" Measurement.

(2) Subsequent measurement method of financial assets

1) Financial assets measured at amortized cost

The actual interest rate method is adopted and subsequent measurement is carried out based on amortized cost. Gains or losses arising from financial assets that are measured at amortized cost and are not part of any hedging relationship are included in the current profit and loss when derecognized, reclassified, amortized according to the effective interest method, or impairment is recognized.

2) Debt instrument investments measured at fair value and changes included in other comprehensive income

Fair value is used for subsequent measurement. Interest, impairment losses or gains and exchange gains and losses calculated using the effective interest rate method are included in the current profit and loss, and other gains or losses are included in other comprehensive income. When derecognition is terminated, the accumulated gains or losses previously included in other comprehensive income will be transferred out of other comprehensive income and included in the current profit and loss.

3) Equity instrument investments measured at fair value and changes included in other comprehensive income

Fair value is used for subsequent measurement. Dividends received (except for the recovery part of investment costs) are included in the current profits and losses, and other gains or losses are included in other comprehensive income. Upon derecognition, the accumulated gains or losses previously included in other comprehensive income will be transferred out of other comprehensive income and included in retained earnings.

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

Subsequent measurement is carried out at fair value, and the resulting gains or losses (including interest and dividend income) are included in the current profits and losses, unless the financial asset is part of a hedging relationship.

(3) Subsequent measurement method of financial liabilities

1) Financial liabilities measured at fair value and changes included in current profits and losses

Such financial liabilities include trading financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated as measured at fair value with changes included in current profits and losses. Such financial liabilities are subsequently measured at fair value. The amount of changes in the fair value of financial liabilities designated as at fair value through profit or loss due to changes in the company's own credit risk is included in other comprehensive income, unless such treatment would cause or expand accounting mismatches in profit or loss. Other gains or losses arising from such financial liabilities (including interest expenses, excluding changes in fair value caused by changes in the company's own credit risk) are included in the current profits and losses, unless the financial liabilities are part of a hedging relationship. Upon derecognition, the accumulated gains or losses previously included in other comprehensive income will be transferred out of other comprehensive income and included in retained earnings.

2) Financial liabilities arising from the transfer of financial assets that do not meet the conditions for derecognition or continued involvement in the transferred financial assets

Measurement shall be carried out in accordance with the relevant provisions of "Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets".

3) Financial guarantee contracts that do not fall under 1) or 2) above, and loan commitments that do not fall under 1) above and provide loans at lower than market interest rates

After initial recognition, subsequent measurement shall be carried out according to the higher of the following two amounts: ① The amount of loss provision determined in accordance with the impairment regulations of financial instruments; ② The initial recognition amount minus the amount in accordance with "Accounting Standards for Business Enterprises No. 14 - Revenue" The balance after accumulated amortization determined by relevant regulations.

4) Financial liabilities measured at amortized cost

Measured at amortized cost using the effective interest method. Gains or losses arising from financial liabilities that are measured at amortized cost and are not part of any hedging relationship are included in the current profit and loss when they are derecognized and amortized according to the effective interest method.

(4) Derecognition of financial assets and financial liabilities

1) Financial assets are derecognised when one of the following conditions is met:

① The contractual right to receive cash flows from financial assets has terminated;

② The financial assets have been transferred, and the transfer meets the provisions of "Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets" regarding the derecognition of financial assets.

2) When the current obligation of a financial liability (or part thereof) has been discharged, the financial liability (or part thereof) shall be derecognised accordingly.

3. Recognition basis and measurement method of financial asset transfer

If the company transfers almost all the risks and rewards of the ownership of the financial asset, it shall terminate the recognition of the financial asset and separately recognize the rights and obligations arising or retained in the transfer as assets or liabilities; it retains almost all the risks and rewards of the ownership of the financial asset. If remuneration is received, the transferred financial assets will continue to be recognized. If the company neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it shall handle the following situations respectively: (1) If the company does not retain control of the financial asset, the financial asset shall be derecognised and any assets arising or retained during the transfer shall be derecognised. Rights and obligations are recognized separately as assets or liabilities; (2) If control of the financial assets is retained, the relevant financial assets are recognized to the extent of continued involvement in the transferred financial assets, and the relevant liabilities are recognized accordingly.

If the overall transfer of a financial asset meets the conditions for derecognition, the difference between the following two amounts will be included in the current profit and loss: (1) The book value of the transferred financial asset on the date of derecognition; (2) The consideration received for the transfer of the financial asset, The sum of the amount corresponding to the derecognition portion of the cumulative amount of changes in fair value that was originally directly included in other comprehensive income (the financial assets involved in the transfer are debt instrument investments that are measured at fair value and whose changes are included in other comprehensive income). If a part of a financial asset is transferred, and the transferred part as a whole meets the conditions for derecognition, the book value of the entire financial asset before the transfer will be apportioned between the derecognized part and the continued recognition part according to their respective relative fair values on the date of transfer. , and the difference between the following two amounts will be included in the current profit and loss: (1) The book value of the derecognized part; (2) The consideration of the derecognized part shall be included in the cumulative amount of changes in fair value that was originally directly included in other comprehensive income. The sum of the recognized portion (the financial assets involved in the transfer are debt instrument investments measured at fair value with changes included in other comprehensive income).

4. Determination method of fair value of financial assets and financial liabilities

The company determines the fair value of relevant financial assets and financial liabilities using valuation techniques that are applicable under the current circumstances and supported by sufficient available data and other information. The company divides the input values used in the valuation technology into the following levels and uses them in sequence:

(1) The first level input value is the unadjusted quoted price in an active market for the same asset or liability that can be obtained on the measurement date;

(2) The second level input value is the directly or indirectly observable input value of the relevant assets or liabilities in addition to the first level input value, including: the quotation of similar assets or liabilities in active markets; the same or similar assets or liabilities in inactive markets; Liability quotations; other observable input values other than quotations, such as interest rates and yield curves that are observable during normal quotation intervals; input values verified by the market, etc.;

(3) The third level input value is the unobservable input value of the relevant assets or liabilities, including interest rates, stock volatility, future cash flows of abandonment obligations assumed in business combinations, which cannot be directly observed or verified by observable market data, Financial forecasts made using its own data, etc.

5. Impairment of financial instruments

Based on expected credit losses, the company classifies financial assets measured at amortized cost, debt instrument investments measured at fair value with changes included in other comprehensive income, contract assets, and lease receivables as measured at fair value and Loan commitments other than financial liabilities whose changes are included in the current profit and loss, financial liabilities that are not measured at fair value and whose changes are included in the current profit and loss, or transfers that are not financial assets that do not meet the conditions for derecognition or continue to be involved in the transferred financial assets. Financial guarantee contracts for financial liabilities formed are subject to impairment treatment and loss provisions are recognized.

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

For purchased or originated financial assets that are credit-impaired, the company will only recognize the cumulative change in expected credit losses during the entire duration since initial recognition as loss provisions on the balance sheet date.

For receivables and contract assets that are formed by transactions regulated by "Accounting Standards for Business Enterprises No. 14 - Revenue" and do not contain significant financing components or the company does not consider the financing components in contracts that do not exceed one year, the company applies simplified The measurement method is to measure the loss provision based on the amount of expected credit losses during the entire duration.

For financial assets other than the above measurement methods, the company evaluates at each balance sheet date whether its credit risk has increased significantly since initial recognition. If the credit risk has increased significantly since the initial recognition, the company will measure the loss provision based on the amount of expected credit losses during the entire duration; if the credit risk has not increased significantly since the initial recognition, the company will measure the loss provisions based on the expected credit losses of the financial instrument in the next 12 months. The amount of credit losses is measured as the loss allowance.

The Company uses reasonable and evidence-based information available, including forward-looking information, to determine the credit risk of financial instruments since initial recognition by comparing the risk of default on the financial instrument on the balance sheet date with the risk of default on the initial recognition date. Has increased significantly since.

On the balance sheet date, if the company determines that a financial instrument has only low credit risk, it is assumed that the credit risk of the financial instrument has not increased significantly since initial recognition.

The company assesses expected credit risk and measures expected credit losses on the basis of a single financial instrument or a combination of financial instruments. When based on a portfolio of financial instruments, the company divides financial instruments into different portfolios based on common risk characteristics.

The company remeasures expected credit losses on each balance sheet date, and the resulting increase or reversal of loss provisions is included in the current profit and loss as impairment losses or gains. For financial assets measured at amortized cost, the loss provision is reduced by the book value of the financial assets listed in the balance sheet; for debt investments measured at fair value with changes included in other comprehensive income, the company shall The loss provision is recognized in the financial asset and shall not be deducted from the book value of the financial asset.

6. Offset of financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and do not offset each other. However, if the following conditions are met at the same time, the company will present the net amount after offsetting each other in the balance sheet: (1) The company has the legal right to offset the recognized amount, and the legal right is currently enforceable; (2) The company plans to settle on a net basis, or to realize the financial assets and pay off the financial liabilities at the same time.

For transfers of financial assets that do not meet the conditions for derecognition, the company will not offset the transferred financial assets and related liabilities.

7. Recognition standards and accrual methods for expected credit losses on accounts receivable and contract assets

1) Accounts receivable and contract assets for which expected credit losses are accrued based on combinations of credit risk characteristics

Combination Category	The basis for determining the combination	Methods for measuring expected credit losses
Notes receivable - bank acceptance bill	acceptor	With reference to historical credit loss experience, combined with current conditions and predictions of future economic conditions, we calculate the expected credit loss rate throughout the duration and calculate expected credit losses.
Accounts receivable - related portfolio within the scope of consolidation	Customer type	Calculate expected credit losses by referring to historical credit loss experience, combined with current conditions and predictions of future economic conditions, through default risk exposure and the expected credit loss rate throughout the duration
Contract assets - related party portfolio within the scope of		

consolidation		
Notes receivable - commercial acceptance bills	Aging combination	With reference to historical credit loss experience, combined with current conditions and predictions of future economic conditions, prepare a comparison table between the aging of accounts and the expected credit loss rate throughout the duration to calculate expected credit losses.
Accounts Receivable – Aging Portfolio		
Contract assets - aging portfolio		
Other receivables - combination of related transactions within the scope of consolidation	Customer type	Calculate expected credit losses by referring to historical credit loss experience, combined with current conditions and predictions of future economic conditions, through default risk exposure and expected credit loss rate in the next 12 months or throughout the duration.
Other receivables - aging combination	Aging combination	With reference to historical credit loss experience, combined with current conditions and predictions of future economic conditions, prepare a comparison table between the aging of other receivables and expected credit loss rates to calculate expected credit losses.

2) Comparison table of aging portfolio and expected credit loss rate

Aging	accounts receivable Expected credit loss rate (%)	Notes receivable-commercial acceptance bill Expected credit loss rate (%)	contract assets Expected credit loss rate (%)
Within 1 year (inclusive, the same below)	5	5	5
1-2 years	10	10	10
2-3 years	30	30	30
3-4 years	60	60	60
More than 4 years	100	100	100

accounts receivable /other receivables / notes receivable-commercial acceptance bills/contract assets is calculated from the month when the payment is actually incurred.

3) Recognition standards for accounts receivable and contract assets for which expected credit losses are accrued individually

For receivables and contract assets whose credit risk is significantly different from the combined credit risk, the company accrues expected credit losses on an individual basis.

12. bill receivable

√ applicable not applicable

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

√ applicable not applicable

The general model of expected credit losses adopted by the Company for notes receivable is detailed in Note V. 11. Financial Instruments.

Combination categories and determination basis for bad debt provisions based on combinations of credit risk characteristics

√ applicable not applicable

The general model of expected credit losses adopted by the Company for notes receivable is detailed in Note V. 11. Financial Instruments.

Account aging calculation method based on aging confirmation credit risk characteristic combination

√ applicable not applicable

The general model of expected credit losses adopted by the Company for notes receivable is detailed in Note V. 11. Financial Instruments.

Judgment criteria for individual provision of bad debt provisions based on individual provision
applicable √not applicable

13. **accounts receivable**

√ applicable not applicable
Determination method and accounting treatment method of expected credit loss of accounts receivable
√ applicable not applicable

The company's general model of expected credit losses for accounts receivable is detailed in Note V. 11. Financial Instruments.

Combination categories and determination basis for bad debt provisions based on combinations of credit risk characteristics
√ applicable not applicable

The company's general model of expected credit losses for accounts receivable is detailed in Note V. 11. Financial Instruments.

Account aging calculation method based on aging confirmation credit risk characteristic combination
√ applicable not applicable

The company's general model of expected credit losses for accounts receivable is detailed in Note V. 11. Financial Instruments.

Judgment criteria for single provision based on the determination of individual provision for bad debts
√ applicable not applicable

For receivables and contract assets whose credit risk is significantly different from the combined credit risk, the company accrues expected credit losses on an individual basis.

14. **Receivables Financing**

√ applicable not applicable
Determination method and accounting treatment method of expected credit loss of accounts receivable financing
applicable √not applicable

Combination categories and determination basis for bad debt provisions based on combinations of credit risk characteristics
applicable √not applicable

Account aging calculation method based on aging confirmation credit risk characteristic combination
applicable √not applicable

Judgment criteria for individual provision of bad debt provisions based on individual provision
applicable √not applicable

15. **Other receivables**

√ applicable not applicable
Determination method and accounting treatment method of expected credit losses of other receivables
√ applicable not applicable

The company’s general model of expected credit losses for other receivables is detailed in Note V. 11. Financial Instruments.

Combination categories and determination basis for bad debt provisions based on combinations of credit risk characteristics
√ applicable not applicable
The company's general model of expected credit losses for other receivables is detailed in Note V. 11. Financial Instruments.

Account aging calculation method based on aging confirmation credit risk characteristic combination
√ applicable not applicable
The company's general model of expected credit losses for other receivables is detailed in Note V. 11. Financial Instruments.

Judgment criteria for individual provision of bad debt provisions based on individual provision
applicable √not applicable

16. **stock**
√ applicable not applicable
Inventory categories, issue valuation methods, inventory systems, and amortization methods for low-value consumables and packaging materials
√ applicable not applicable
1. Classification of inventory
Inventories include finished products or commodities held for sale in daily activities, work-in-progress in the production process, materials and supplies consumed in the production process or in the process of providing services, etc.
2. Valuation method for issued inventory
Inventories are issued using the weighted average method at the end of the month.
3. Inventory inventory system
The inventory system of inventories is the perpetual inventory system.
4. Amortization method for low-value consumables and packaging materials
(1) Low value consumables
Amortization is carried out according to the one-time write-off method.
(2) Packaging
Amortized according to the one-time write-off method

Recognition standards and accrual methods for inventory depreciation provisions
√ applicable not applicable
(1) Recognition standards and accrual methods for inventory depreciation provisions
On the balance sheet date, inventories are measured at the lower of cost and net realizable value, and inventory depreciation provisions are made based on the difference between cost and net realizable value. For inventories that are directly used for sale, the net realizable value is determined by the estimated selling price of the inventory minus estimated sales expenses and related taxes during the normal production and operation process; for inventories that need to be processed, the net realizable value is determined during the normal production and operation process. The net realizable value is determined by the estimated selling price of the finished goods produced minus the estimated costs to be incurred upon completion, estimated sales expenses and related taxes; on the balance sheet date, part of the same item of inventory has If the contract price is agreed and there is no contract price for other parts, the net realizable value shall be determined respectively and compared with its corresponding cost to determine the amount of provision or reversal of the inventory depreciation reserve.

The combination categories and basis for determining inventory depreciation provisions according to the combination , and the basis for determining the net realizable value of different types of inventory
applicable √not applicable

The calculation method and basis for determining the net realizable value of each warehouse age

combination based on the inventory age confirmation

applicable √not applicable

17. **contract assets**

√ applicable not applicable

Recognition methods and standards for contract assets

√ applicable not applicable

The company's general model of expected credit losses for contract assets is detailed in Note V. 11. Financial Instruments.

Determination method and accounting treatment method of expected credit loss of contract assets

√ applicable not applicable

The company's general model of expected credit losses for contract assets is detailed in Note V. 11. Financial Instruments.

Combination categories and determination basis for bad debt provisions based on combinations of credit risk characteristics

√ applicable not applicable

The company's general model of expected credit losses for contract assets is detailed in Note V. 11. Financial Instruments.

Account aging calculation method based on aging confirmation credit risk characteristic combination

√ applicable not applicable

The company's general model of expected credit losses for contract assets is detailed in Note V. 11. Financial Instruments.

Judgment criteria for single provision based on the determination of individual provision for bad debts

√ applicable not applicable

For receivables and contract assets whose credit risk is significantly different from the combined credit risk, the company accrues expected credit losses on an individual basis.

18. **held for sale**

√ applicable not applicable

The company classifies non-current assets or disposal groups that simultaneously meet the following conditions into the category held for sale: (1) According to the practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under the current conditions; (2) The sale is very likely to occur, that is, the company has made a resolution on the sale plan and obtained a firm purchase commitment, and the sale is expected to be completed within one year.

Non-current assets or disposal groups acquired by the company specifically for resale meet the conditions of "the sale is expected to be completed within one year" on the date of acquisition, and are likely to meet the requirements of the held-for-sale category in the short term (usually 3 months) If there are other classification conditions, it will be classified as held for sale on the acquisition date.

If a transaction between unrelated parties fails to be completed within one year due to one of the following reasons beyond the control of the company, and the company still commits to sell non-current assets or disposal groups, it will continue to classify the non-current assets or disposal groups as held Category for sale: (1) The buyer or other party unexpectedly sets conditions that lead to a delay in the sale, and the company has taken timely actions to address these conditions and expects to be able to successfully resolve the delay factors within one year from the setting of the conditions that lead to a delay in the sale; (2)) Due to rare circumstances, the sale of non-current assets or disposal groups held for sale cannot be completed within one year, and the company has taken necessary measures in response to these new circumstances within the first year and has re-satisfied the classification of the held-for-sale category condition.

Recognition standards and accounting treatment methods for non-current assets or disposal groups classified as held for sale

√ applicable not applicable

(1) Initial measurement and subsequent measurement

When initial measurement and re-measurement of non-current assets or disposal groups held for sale on the balance sheet date, if their book value is higher than the net amount of fair value minus selling expenses, the book value will be reduced to the fair value minus the net amount. The net amount after selling expenses and the amount written down are recognized as asset impairment losses and included in the current profit and loss, and impairment provisions for assets held for sale are made at the same time.

For non-current assets or disposal groups that are classified as held for sale on the acquisition date, at the time of initial measurement, compare the initial measurement amount and the net amount of fair value minus selling expenses assuming that they are not classified as held for sale. , whichever is lower is measured. Except for non-current assets or disposal groups acquired in business combinations, the difference arising from the initial measurement amount of non-current assets or disposal groups using the net amount of fair value minus selling expenses shall be included in the current profit and loss.

For the amount of asset impairment loss recognized by the disposal group held for sale, the book value of the goodwill in the disposal group will be deducted first, and then the book value of the non-current assets in the disposal group will be deducted in proportion. Book value.

No depreciation or amortization is provided for non-current assets held for sale or non-current assets in the disposal group, and interest and other expenses on liabilities in the disposal group held for sale continue to be recognized.

(2) Accounting treatment for reversal of asset impairment losses

If the net amount of non-current assets held for sale minus selling expenses increases on the subsequent balance sheet date, the amount previously written down will be restored, and the asset impairment loss will be recognized after being classified as held for sale. If the amount is reversed within the amount, the reversed amount will be included in the current profit and loss. Impairment losses on assets recognized before they are classified as held for sale are not reversed.

If the net amount of the fair value of the disposal group held for sale less selling expenses increases on the subsequent balance sheet date, the amount previously written down will be restored, and the assets recognized as non-current assets after being classified as held for sale will be reduced. The reversal amount shall be reversed within the amount of value loss, and the reversal amount shall be included in the current profit and loss. The book value of goodwill that has been deducted and the asset impairment losses recognized before non-current assets are classified as held for sale are not reversed.

The subsequent reversal amount of asset impairment losses recognized by the disposal group held for sale will increase its book value in proportion according to the proportion of the book value of various non-current assets in the disposal group except goodwill.

Determination standards and presentation methods for discontinued operations

√ applicable not applicable

When non-current assets or disposal groups are no longer classified as held-for-sale categories because they no longer meet the conditions for classification into the held-for-sale category or when non-current assets are removed from the held-for-sale disposal group, the following two procedures apply: Whichever is the lower measurement: 1) The book value before being classified as held for sale, adjusted for the depreciation, amortization or impairment that would have been recognized if it were not classified as held for sale; 2) Recoverable amount.

When non-current assets or disposal groups held for sale are derecognised, the unrecognized gains or losses will be included in the current profits and losses.

19. **long term equity investment**

√ applicable not applicable

1. Judgment of joint control and significant influence

If there is shared control over an arrangement in accordance with the relevant agreement, and the relevant activities of the arrangement can only be decided with the unanimous consent of the parties sharing control rights, it is deemed to be joint control. Having the power to participate in decision-making on the financial and operating policies of the investee, but not being able to control or jointly control the formulation of these policies with other parties, is deemed to have significant influence.

2. Determination of investment costs

(1) In the case of a merger of enterprises under common control, if the merging party pays cash, transfers non-cash assets, assumes debts or issues equity securities as the merger consideration, on the merger date, the ownership rights of the merged party shall be the same as those of the ultimate controlling party. share of the book value in the consolidated financial statements as its initial investment cost. The difference between the initial investment cost of the long-term equity investment and the book value of the merger consideration paid or the total face value of the shares issued is adjusted to the capital reserve; if the capital reserve is insufficient for offset, the retained earnings are adjusted.

The company realizes the long-term equity investment formed by the merger of enterprises under the same control step by step through multiple transactions to determine whether it is a "package transaction". If it belongs to a "package transaction", each transaction shall be accounted for as a transaction that obtains control. If it does not belong to a "package deal", on the merger date, the initial investment cost will be determined based on the share of the book value of the combined party's net assets in the ultimate controlling party's consolidated financial statements that should be enjoyed after the merger. The difference between the initial investment cost of the long-term equity investment on the merger date and the book value of the long-term equity investment before the merger plus the book value of the new consideration for further acquisition of shares on the merger date is adjusted to the capital reserve; if the capital reserve is insufficient for offset, , adjust retained earnings.

(2) If it is formed by a business combination not under the same control, the fair value of the merger consideration paid on the purchase date shall be regarded as its initial investment cost.

The company realizes the long-term equity investment formed by the merger of enterprises not under common control step by step through multiple transactions, and distinguishes individual financial statements and consolidated financial statements for relevant accounting treatment:

1) In individual financial statements, the sum of the book value of the original equity investment plus the new investment cost is regarded as the initial investment cost that is calculated according to the cost method.

2) In the consolidated financial statements, determine whether it is a "package deal". If it belongs to a "package transaction", each transaction shall be accounted for as a transaction that obtains control. If it does not belong to a "package transaction", the equity of the purchased party held before the purchase date will be remeasured according to the fair value of the equity on the purchase date, and the difference between the fair value and its book value will be included in the investment income of the current period; before the purchase date If the equity held by the purchased party involves other comprehensive income, etc. under equity method accounting, the other comprehensive income related to it will be converted into the income of the current period on the purchase date. However, other comprehensive income arising from changes in the net liabilities or net assets of the defined benefit plan due to the remeasurement of the investee is excluded.

(3) Except for those formed through business mergers: if it is obtained by paying cash, the actual purchase price paid will be used as its initial investment cost; if it is obtained by issuing equity securities, its initial investment cost will be based on the fair value of the equity securities issued; If it is acquired through debt restructuring, the initial investment cost shall be determined according to "Accounting Standards for Business Enterprises No. 12 - Debt Restructuring"; if it is acquired through the exchange of non-monetary assets, its initial investment cost shall be determined according to "Accounting Standards for Business Enterprises No. 7 - Exchange of Non-monetary Assets" 》Determine its initial investment cost.

3. Subsequent measurement and profit and loss recognition methods

Long-term equity investments that control the invested unit are accounted for using the cost method; long-term equity investments in associates and joint ventures are accounted for using the equity method.

4. Methods of disposing of investments in subsidiaries step by step through multiple transactions until loss of control

(1) Principles for judging whether it is a “package deal”

If the equity investment in a subsidiary is disposed of in stages through multiple transactions until the control is lost, the company shall combine the transaction agreement terms of each step of the step-by-step transaction, the disposal consideration obtained respectively, the object of the equity sale, the disposal method, the time of disposal and other information To determine whether the step-by-step transaction is a "package transaction". If the terms, conditions and economic impact of each transaction meet one or more of the following conditions, it usually indicates that multiple transactions are a "package deal":

1) These transactions are entered into at the same time or with consideration of mutual effects;

2) These transactions as a whole can achieve a complete business result;

3) The occurrence of one transaction depends on the occurrence of at least one other transaction;

4) A transaction is uneconomical on its own but is economical when considered together with other transactions.

(2) Accounting treatment that does not belong to "package deal"

1) Individual financial statements

For the equity disposed of, the difference between its book value and the actual price obtained shall be included in the current profit and loss. For the remaining equity, if it still has a significant influence on the invested unit or exercises joint control with other parties, it shall be converted to equity method accounting; if it can no longer exercise control, joint control or significant influence on the invested unit, it shall be calculated in accordance with the "Accounting Standards for Business Enterprises" No. 22 - Recognition and Measurement of Financial Instruments".

2) Consolidated financial statements

Before the loss of control, the difference between the disposal price and the share of the subsidiary's net assets corresponding to the disposal of the long-term equity investment has been calculated continuously since the date of purchase or merger, and the capital reserve (capital premium) is adjusted. The capital premium is insufficient to offset , offset retained earnings.

When control over the atomic company is lost, the remaining equity will be remeasured according to its fair value on the date of loss of control. The difference between the sum of the consideration obtained for disposing of the equity and the fair value of the remaining equity, minus the share of the original subsidiary's net assets calculated continuously from the date of purchase or merger based on the original shareholding ratio, is included in the loss of control. The investment income of the current period will be offset against the goodwill at the same time. Other comprehensive income related to the equity investment in the original subsidiary shall be converted into investment income for the current period when control is lost.

(3) Accounting treatment for "package transactions"

1) Individual financial statements

Each transaction is accounted for as a transaction in which a subsidiary is disposed of and control is lost. However, the difference between each disposal price before the loss of control and the book value of the long-term equity investment corresponding to the disposal investment is recognized as other comprehensive income in individual financial statements, and is transferred to the current period when control is lost. profit and loss.

2) Consolidated financial statements

Each transaction is accounted for as a transaction in which a subsidiary is disposed of and control is lost. However, before the loss of control, the difference between the price of each disposal and the share of the subsidiary's net assets corresponding to the disposal investment is recognized as other comprehensive income in the consolidated financial statements, and is transferred to the current period when control is lost. profit and loss.

20. investment real estate

(1). If the cost measurement model is adopted:

Depreciation or amortization method

1. Investment real estate includes leased land use rights, land use rights held and prepared to be transferred after appreciation, and leased buildings.

2. Investment real estate is initially measured according to cost, and subsequently measured using the cost model, and depreciation or amortization is calculated using the same methods as fixed assets and intangible assets.

21. fixed assets

(1). Confirm conditions

√ applicable not applicable

Fixed assets refer to tangible assets held for the production of goods, provision of labor services, leasing or operation and management, and with a useful life of more than one accounting year. Fixed assets are recognized when it is probable that economic benefits will flow in and the cost can be measured reliably.

(2). Depreciation method

√ applicable not applicable

category	Depreciation method	Depreciation life (years)	Residual rate	annual depreciation rate
houses and buildings	Averaging method	30-35	5.00%	2.71%-3.17%
General Equipment	Averaging method	3-5	5.00%	19.00%-31.67%
Professional setting	Averaging method	5-10	5.00%	9.50%-19.00%
means of transport	Averaging method	4-8	5.00%	11.88%-23.75%

22. Construction in progress

√ applicable not applicable

1. Construction in progress is recognized when it is likely that economic benefits will flow in and the cost can be measured reliably. Construction in progress is measured based on the actual costs incurred before the asset reaches its intended usable condition.

2. When the project under construction reaches the intended usable state, it will be transferred to fixed assets according to the actual cost of the project. If the asset has reached the intended usable state but has not yet completed the final settlement, the estimated value will be transferred to fixed assets first. After the final settlement is completed, the original estimated value will be adjusted according to the actual cost, but the originally accrued depreciation will not be adjusted.

Category	Standards and timing for transferring construction in progress to fixed assets
houses and buildings	Upon completion, it will meet the design requirements or standards stipulated in the contract.
General Equipment	After installation and commissioning, meet the design requirements or standards specified in the contract
Professional setting	After installation and commissioning, meet the design requirements or standards specified in the contract

23. borrowing costs

√ applicable not applicable

1. Recognition principles for capitalization of borrowing costs

If the borrowing costs incurred by the company can be directly attributed to the acquisition, construction or production of assets that meet the capitalization conditions, they will be capitalized and included in the cost of the relevant assets; other borrowing costs will be recognized as expenses when incurred and included in the current profits and losses.

2. Borrowing cost capitalization period

(1) Capitalization begins when borrowing costs meet the following conditions at the same time: 1) Asset expenditures have occurred; 2) Borrowing costs have been incurred; 3) The purchase, construction or production necessary to bring the asset to its intended usable or salable state The event has started.

(2) If an asset that meets the capitalization conditions is abnormally interrupted during the acquisition, construction or production process, and the interruption lasts for more than 3 months, the capitalization of borrowing costs will be suspended; the borrowing costs incurred during the interruption will be recognized as current expenses until The acquisition, construction or production activities of assets restart.

(3) When the assets purchased, constructed or produced that meet the capitalization conditions reach the intended usable or salable state, the capitalization of borrowing costs ceases.

3. Capitalization rate and capitalization amount of borrowing costs

If a special loan is borrowed for the purpose of purchasing, constructing or producing assets that meet the capitalization conditions, the interest expenses actually incurred on the special loan in the current period (including the amortization of discounts or premiums determined according to the actual interest rate method) shall be deducted from the unused borrowed funds. The amount of interest that should be capitalized is determined by the amount of interest income obtained after depositing in the bank or investment income obtained by making temporary investments; if general borrowings are used for the acquisition, construction or production of assets that meet the capitalization conditions, the amount of interest that should be capitalized shall be determined based on the accumulated asset expenditures. The weighted average amount of asset expenditures in excess of special borrowings is multiplied by the capitalization rate of general borrowings to calculate and determine the amount of interest that should be capitalized on general borrowings.

24. biological assets

applicable √not applicable

25. Oil and gas assets

applicable √not applicable

26. intangible assets

(1). Useful life and its determination basis, estimation, amortization method or review procedure

√ applicable not applicable

1. Intangible assets include land use rights, software, patent rights and non-patented technologies, etc., which are initially measured at cost.

2. Intangible assets with limited service life shall be amortized systematically and reasonably within the service life according to the expected realization method of the economic benefits related to the intangible asset. If the expected realization method cannot be reliably determined, the straight-line method shall be used for amortization. details as follows:

project	Service life (years)	Amortization method
Land use rights	50	straight line method
software	5-10	straight line method
patent	10	straight line method
Unpatented technology	3-5	straight line method

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

√ applicable not applicable

(1) Personnel labor costs

Personnel labor expenses include the wages and salaries of the company's R&D personnel, basic pension insurance premiums, basic medical insurance premiums, unemployment insurance premiums, work-related injury insurance premiums, maternity insurance premiums and housing provident funds, as well as labor costs for external R&D personnel.

If R&D personnel serve multiple R&D projects at the same time, labor costs will be recognized based on the working hours records of R&D personnel for each R&D project provided by the company's management department, and will be allocated proportionally among different R&D projects.

For those who are directly engaged in R&D activities or external R&D personnel who are also engaged in non-R&D activities, the company will calculate the actual labor costs incurred by the R&D personnel according to the working hours records of the R&D personnel in different positions, and calculate the actual labor costs between the R&D expenses and R&D expenses according to the proportion of actual working hours and other reasonable methods. Allocation of production and operating expenses.

(2) Direct investment costs

Direct investment expenses refer to the actual expenditures incurred by the company to implement research and development activities. Including: 1) Direct consumption of materials, fuel and power costs; 2) Development and manufacturing costs of molds and process equipment used for intermediate testing and product trial production, acquisition costs of samples, prototypes and general testing methods that do not constitute fixed assets, trial production of products Inspection fees; 3) Operation, maintenance, adjustment, inspection, testing, repair and other expenses of instruments and equipment used for research and development activities. 4) Rental fees for instruments and equipment used for research and development activities rented through operating leases.

(3) Depreciation expenses and long-term prepaid expenses

Depreciation expenses refer to the depreciation expenses of instruments, equipment and buildings in use used for research and development activities.

If instruments, equipment and buildings in use are used for R&D activities and are also used for non-R&D activities, necessary records shall be made for the use of such instruments, equipment and buildings in use, and the actual depreciation expenses incurred shall be calculated based on the actual Factors such as working hours and usage area are used to allocate between R&D expenses and production and operating expenses using reasonable methods.

Long-term deferred expenses refer to the long-term deferred expenses incurred during the reconstruction, modification, decoration and repair of R&D facilities. They are collected based on actual expenditures and amortized evenly in installments within the specified period.

(4) Amortization expense of intangible assets

Amortization expenses of intangible assets refer to the amortization expenses of software, intellectual property, non-patented technology (proprietary technology, licenses, designs and calculation methods, etc.) used in research and development activities.

(5) Design fees

Design costs refer to the costs incurred in conceiving, developing and manufacturing new products and new processes, and designing processes, technical specifications, procedures, operating characteristics, etc., including costs incurred to obtain innovative, creative, and breakthrough products. Costs related to creative design activities.

(6) Equipment debugging and testing costs

Equipment debugging costs refer to the costs incurred in research and development activities during tooling preparation, including costs incurred in developing special and dedicated production machines, changing production and quality control procedures, or formulating new methods and standards.

Expenses incurred for routine tooling preparation and industrial engineering for large-scale batch and commercial production are not included in the scope of the collection.

Test costs include clinical trial fees for new drug development, field test fees for exploration and development technology, field test fees, etc.

(7) Commissioned external research and development expenses

Entrusted external research and development expenses refer to the expenses incurred by the company entrusting other institutions or individuals at home and abroad to conduct research and development activities (the results of research and development activities are owned by the company and are closely related to the company's main business).

(8) Other expenses

Other expenses refer to other expenses directly related to research and development activities in addition to the above expenses, including technical book materials fees, data translation fees, expert consulting fees, high-tech R&D insurance fees, and retrieval, demonstration, review, appraisal, and acceptance of R&D results. Fees, intellectual property application fees, registration fees, agency fees, conference fees, travel expenses, communication fees, etc.

Expenditures in the research phase of internal research and development projects are included in the current profits and losses when incurred. Expenditures incurred during the development phase of internal research and development projects are recognized as intangible assets if they meet the following conditions: (1) It is technically feasible to complete the intangible asset so that it can be used or sold; (2) It is possible to complete the intangible asset and Intention to use or sell; (3) The way in which the intangible asset generates economic benefits, including being able to prove that there is a market for the products produced using the intangible asset or that the intangible asset itself has a market. If the intangible asset will be used internally, its usefulness can be proven; (4) It has sufficient technical, financial and other resource support to complete the development of the intangible asset and has the ability to use or sell the intangible asset; (5) Expenditures attributable to the development stage of the intangible asset can be measured reliably.

27. Impairment of long-term assets

√ applicable not applicable

For long-term equity investments, investment real estate measured using the cost model, fixed assets, projects under construction, right-of-use assets, intangible assets with limited useful lives and other long-term assets, if there are signs of impairment on the balance sheet date, it is estimated that their Recoverable amount. Goodwill and intangible assets with indefinite useful lives formed due to business combinations are subject to impairment testing every year regardless of whether there are signs of impairment. Goodwill is tested for impairment in combination with its related asset groups or combinations of asset groups.

If the recoverable amount of the above-mentioned long-term assets is lower than its book value, the asset impairment provision shall be recognized based on the difference and included in the current profit and loss.

28. Long-term prepaid expenses

√ applicable not applicable

Long-term deferred expenses are calculated as expenses that have been spent and have an amortization period of more than 1 year (excluding 1 year). Long-term deferred expenses are recorded based on the actual amount incurred, and are amortized evenly over the benefit period or a specified period. If a long-term deferred expense item cannot benefit future accounting periods, all the amortized value of the item that has not yet been amortized will be transferred to the current profit and loss.

29. Contract liabilities

√ applicable not applicable

Companies present contract assets or contract liabilities on their balance sheets based on the relationship between the fulfillment of performance obligations and payments from customers. The company will present the net amount after offsetting contract assets and contract liabilities under the same contract.

The Company presents obligations to transfer goods to customers for consideration received or receivable from customers as contract liabilities.

30. employee's salary

(1). Accounting treatment of short-term compensation

√ applicable not applicable

During the accounting period when employees provide services to the company, the actual short-term compensation is recognized as a liability and included in the current profit and loss or related asset costs.

(2). Accounting treatment for post-employment benefits

√ applicable not applicable

Post-employment benefits are divided into defined contribution plans and defined benefit plans.

(1) During the accounting period when employees provide services to the company, the deposit amount payable calculated according to the defined contribution plan is recognized as a liability and included in the current profit and loss or related asset costs.

(2) The accounting treatment of defined benefit plans usually includes the following steps:

1) Based on the expected cumulative benefit unit method, use unbiased and mutually consistent actuarial assumptions to estimate relevant demographic variables and financial variables, measure the obligations arising from the defined benefit plan, and determine the period to which the relevant obligations belong. At the same time, the obligations arising from the defined benefit plan are discounted to determine the present value of the defined benefit plan obligations and the current service cost;

2) If there are assets in the defined benefit plan, the deficit or surplus formed by deducting the present value of the defined benefit plan obligations from the fair value of the defined benefit plan assets is recognized as a net liability or net asset of the defined benefit plan. If a defined benefit plan has a surplus, the net assets of the defined benefit plan shall be measured at the lower of the surplus of the

defined benefit plan and the asset upper limit;

3) At the end of the period, the employee compensation costs generated by the defined benefit plan are recognized as service costs, net interest on the net liabilities or net assets of the defined benefit plan, and changes caused by re-measurement of the net liabilities or net assets of the defined benefit plan. In this part, the service costs and the net interest on the net liabilities or net assets of the defined benefit plan are included in the current profit and loss or related asset costs, and the changes caused by the remeasurement of the net liabilities or net assets of the defined benefit plan are included in other comprehensive income, and Transfers back to profit or loss are not allowed in subsequent accounting periods, but these amounts recognized in other comprehensive income can be transferred within equity.

(3). Accounting treatment for dismissal benefits

√ applicable not applicable

For dismissal benefits provided to employees, the employee compensation liabilities arising from the dismissal benefits are recognized at the earliest of the following two times and included in the current profit and loss: (1) When the company cannot unilaterally withdraw the dismissal benefits provided due to the labor relationship termination plan or layoff proposal ;(2) When the company recognizes costs or expenses related to a restructuring involving the payment of termination benefits.

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

√ applicable not applicable

Other long-term benefits provided to employees that meet the conditions of the defined contribution plan shall be accounted for in accordance with the relevant provisions of the defined contribution plan; other long-term benefits other than these shall be accounted for in accordance with the relevant provisions of the defined benefit plan. Simplify the relevant accounting treatment and recognize the employee compensation costs incurred as service costs, net interest on other long-term employee benefit net liabilities or net assets, and changes resulting from the remeasurement of other long-term employee benefit net liabilities or net assets. The total net amount is included in the current profit and loss or related asset costs.

31. Estimated liabilities

applicable √not applicable

32. share-based payment

√ applicable not applicable

1. Types of share-based payment

Including equity-settled share-based payments and cash-settled share-based payments.

2. Accounting treatments related to the implementation, modification, and termination of share-based payment plans

(1) Equity-settled share-based payment

Equity-settled share-based payments in exchange for employee services that become exercisable immediately after grant will be included in relevant costs or expenses based on the fair value of the equity instrument on the date of grant, and the capital reserve will be adjusted accordingly. For equity-settled share-based payments that are exercisable after completing services within the waiting period or meeting specified performance conditions in exchange for employee services, on each balance sheet date during the waiting period, the best estimate of the number of exercisable equity instruments will be Based on the fair value of the equity instrument on the date of grant, the services obtained in the current period are included in the relevant costs or expenses, and the capital reserve is adjusted accordingly.

Equity-settled share-based payments in exchange for services from other parties, if the fair value of the other party's services can be reliably measured, shall be measured based on the fair value of the other party's services on the date of acquisition; if the fair value of the other party's services cannot be reliably measured, but the fair value of the equity instrument cannot be measured reliably, If the fair value can be measured reliably, it will be measured according to the fair value of the equity instrument on the date when the service is obtained, and the relevant costs or expenses will be included, and the owner's equity will be increased accordingly.

(2) Cash-settled share-based payment

Cash-settled share-based payments that become exercisable immediately after grant in exchange for employee services will be included in relevant costs or expenses based on the fair value of the company's liabilities on the date of grant, and liabilities will increase accordingly. For cash-settled share-based payments in exchange for employee services that can only be vested after completing services within the waiting period or meeting specified performance conditions, on each balance sheet date during the waiting period, based on the best estimate of the vesting situation, Based on the fair value of the liabilities borne by the company, the services obtained in the current period are included in the relevant costs or expenses and the corresponding liabilities.

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

If the modification increases the fair value of the equity instruments granted, the company will recognize the increase in services obtained according to the increase in the fair value of the equity instruments; if the modification increases the number of equity instruments granted, the company will increase the fair value of the equity instruments. Accordingly, it is recognized as an increase in services obtained; if the company modifies the vesting conditions in a way that is beneficial to employees, the company will consider the modified vesting conditions when processing the vesting conditions.

If the modification reduces the fair value of the equity instruments granted, the company will continue to recognize the amount of services obtained based on the fair value of the equity instruments on the date of grant, regardless of the decrease in the fair value of the equity instruments; if the modification reduces the equity instruments granted The company will treat the reduction as the cancellation of the granted equity instruments; if the vesting conditions are modified in a way that is unfavorable to employees, the modified vesting conditions will not be considered when processing the vesting conditions.

If the company cancels the granted equity instruments or settles the granted equity instruments during the waiting period (unless it is canceled due to failure to meet the vesting conditions), the cancellation or settlement will be treated as accelerated vesting, and the original rights will be immediately recognized. The amount confirmed during the remaining waiting period.

33. Preferred shares, perpetual bonds and other financial instruments

applicable √not applicable

34. income

(1). Disclose accounting policies adopted for revenue recognition and measurement by business type

√ applicable not applicable

1. Principles of revenue recognition

On the contract commencement date, the company evaluates the contract, identifies each individual performance obligation contained in the contract, and determines whether each individual performance obligation is to be performed within a certain period of time or at a certain point in time.

When one of the following conditions is met, the performance obligation is fulfilled within a certain period of time; otherwise, the performance obligation is fulfilled at a certain point in time: (1) The customer obtains and consumes the economic benefits brought by the company's performance while the company performs the contract; (2) The customer can control the goods under construction during the company's performance of the contract; (3) The goods produced by the company during the performance of the contract have irreplaceable uses, and the company has the right to collect payment for the cumulative performance part that has been completed so far during the entire contract period.

For performance obligations performed within a certain period of time, the company recognizes revenue based on the performance progress within that period of time. When the progress of contract performance cannot be reasonably determined, if the costs incurred are expected to be compensated, revenue shall be recognized based on the amount of costs incurred until the progress of contract performance can be reasonably determined. For performance obligations fulfilled at a certain point in time, revenue is recognized at the point when the customer obtains control of the relevant goods or services. When judging whether the customer has obtained control of the goods, the company considers the following signs: (1) The company has a current right to receive payment for the goods, that is, the customer has a current payment obligation for the goods; (2) The company has obtained legal ownership of the goods Transferred to the customer, that is, the customer already has the legal ownership of the goods; (3) The company has physically transferred the goods to the customer, that is, the customer has physical possession of the goods; (4) The company has transferred the main risks and risks of ownership of the goods. The remuneration is transferred to the customer, which means that the customer has obtained the main risks and rewards of ownership of the goods; (5) the customer has accepted the goods; (6) other indications that the customer has obtained control of the goods.

2. Income measurement principles

(1) The company measures revenue based on the transaction price allocated to each individual performance obligation. The transaction price is the amount of consideration that the company expects to be entitled to receive for the transfer of goods or services to the customer, excluding amounts collected on behalf of third parties and amounts expected to be returned to the customer.

(2) If there is variable consideration in the contract, 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 cumulative amount recognized when the relevant uncertainty is eliminated. The amount at which it is highly unlikely that a significant reversal of income will occur.

(3) If there is a significant financing component in the contract, the company determines the transaction price based on the amount payable in cash when the customer obtains control of the goods or services. The difference between the transaction price and the contract consideration is amortized using the effective interest method during the contract period. On the contract start date, if the company expects that the interval between the customer's obtaining control of the goods or services and the customer's payment of the price will not exceed one year, it will not consider the significant financing component in the contract.

(4) If the contract contains two or more performance obligations, the company will allocate the transaction price to each individual performance obligation based on the relative proportion of the stand-alone selling price of the goods promised by each individual performance obligation on the contract commencement date.

3. Specific methods of revenue recognition

(1) Revenue recognized on time

The company sells industrial automation and intelligent manufacturing solutions, instrumentation and other products, which are performance obligations performed at a certain point in time. Recognition of revenue from domestically sold products must meet the following conditions: For businesses that require on-site services, revenue will be recognized after the entire system is put into operation; for businesses that do not require on-site services, revenue will be recognized after the products are shipped and signed by the customer. Export products mainly include general contracting business and direct sales business. General contracting business refers to sales to overseas customers through domestic general contractors. The company signs a sales contract with the general contractor and ships the goods to the domestic location designated by the general contractor as agreed in the contract; direct sales Business refers to the business of direct sales to overseas customers. The company directly signs sales contracts with overseas customers, and the company is responsible for the export customs declaration of the goods. Recognition of revenue from exported products must meet the following conditions: If on-site services are required in the general contracting business, revenue will be recognized after the entire system is put into operation; if on-site services are not required in the general contracting business, revenue will be recognized after the products are shipped and signed by the customer; direct sales Business, revenue is recognized after the product is shipped, exported through customs and the bill of lading is obtained.

The company sells industrial software and other products, which are performance obligations to be fulfilled at a certain point in time. Industrial software revenue recognition needs to meet the following conditions: Revenue is recognized after the software goes online.

The company's sales of spare parts and S2B platform business and other products in operation and maintenance services are performance obligations performed at a certain point in time. Revenue recognition for domestically sold products must meet the following conditions: Revenue is recognized after the product is shipped and signed by the customer. Recognition of revenue from exported products must meet the following conditions: revenue is recognized after the product is shipped, declared for export, and the bill of lading is obtained.

(2) Revenue recognized based on contract performance progress

The company sells inspection, upgrade, maintenance and other services in operation and maintenance services. Since the customer obtains and consumes the economic benefits brought by the company's performance when the company performs the contract, the company treats them as performance obligations performed within a certain period of time. According to Revenue is recognized based on the progress of contract performance, unless the progress of contract performance cannot be reasonably determined. The company determines the performance progress of the services provided according to the output method. When the progress of contract performance cannot be reasonably determined and the costs incurred by the company are expected to be compensated, revenue will be recognized based on the amount of costs incurred until the progress of contract performance can be reasonably determined.

(2). Similar businesses using different operating models involve different revenue recognition methods and measurement methods.

applicable √not applicable

35. contract cost

√ applicable not applicable

Assets related to contract costs include contract acquisition costs and contract performance costs.

The incremental costs incurred by the company to obtain the contract are expected to be recovered and are recognized as an asset as the contract acquisition cost. If the amortization period of the contract acquisition cost does not exceed one year, it will be directly included in the current profit and loss when incurred.

If the costs incurred by the company to fulfill the contract do not apply to the scope of relevant standards such as inventory, fixed assets or intangible assets and meet the following conditions at the same time, they will be recognized as an asset as the cost of contract performance:

1. The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing overhead (or similar expenses), costs expressly borne by the customer, and other costs incurred solely because of the contract;

2. This cost increases the company's future resources for fulfilling performance obligations;

3. The cost is expected to be recovered.

The company amortizes assets related to contract costs on the same basis as the revenue recognition of goods or services related to the assets, and includes them in the current profits and losses.

If the book value of an asset related to the contract cost is higher than the remaining consideration expected to be obtained from the transfer of the goods or services related to the asset minus the estimated costs to be incurred, the company will make an impairment provision for the excess and recognize it as an asset. Impairment losses. If the factors for impairment in previous periods subsequently change, such that the remaining consideration expected to be obtained from the transfer of goods or services related to the asset minus the estimated costs to be incurred is higher than the book value of the asset, the asset impairment that has been previously accrued shall be reversed. Provision is made and included in the current profit and loss, but the book value of the asset after the reversal does not exceed the book value of the asset on the reversal date assuming that no impairment provision is made.

36. government subsidy

√ applicable not applicable

1. Government subsidies are recognized when the following conditions are met at the same time:

(1) The company can meet the conditions attached to government subsidies; (2) The company can receive government subsidies. If government subsidies are monetary assets, they shall be measured based on the amount received or receivable. If the government subsidy is a non-monetary asset, it shall be measured at fair value; if the fair value cannot be obtained reliably, it shall be measured at the nominal amount.

2. Judgment basis and accounting treatment method for government subsidies related to assets

Government documents stipulate that government subsidies used to purchase, construct or otherwise form long-term assets are classified as asset-related government subsidies. If the government documents are unclear, the judgment will be based on the basic conditions that must be met to obtain the subsidy. If the basic condition is the acquisition, construction or other means of forming long-term assets, it will be regarded as an asset-related government subsidy. Government subsidies related to assets are offset against the book value of the relevant assets or recognized as deferred income. If government subsidies related to assets are recognized as deferred income, they will be included in profits and losses in installments according to a reasonable and systematic method within the useful life of the relevant assets. Government subsidies measured according to the nominal amount are directly included in the current profit and loss. If the relevant assets are sold, transferred, scrapped or damaged before the end of their useful life, the undistributed balance of relevant deferred income will be transferred to the profit and loss of the current period of asset disposal.

3. Basis for judgment and accounting treatment of government subsidies related to income

Government subsidies other than asset-related government subsidies are classified as income-related government subsidies. For government subsidies that contain both asset-related parts and income-related parts, it is difficult to distinguish whether they are asset-related or income-related, and are generally classified as income-related government subsidies. Income-related government subsidies that are used to compensate for relevant costs or losses in subsequent periods are recognized as deferred income. During the period when relevant costs or losses are recognized, they are included in the current profit or loss or offset related costs; used to compensate for those that have been incurred. Relevant costs or losses incurred shall be directly included in the current profit and loss or offset the relevant costs.

4. Government subsidies related to the company's daily operating activities shall be included in other income or offset related costs and expenses according to the economic business essence. Government subsidies that are not related to the company's daily activities are included in non-operating income and expenses.

37. lease

√ applicable not applicable

As a lessee, the judgment basis and accounting treatment method for simplified treatment of short-term leases and low-value asset leases

√ applicable not applicable

On the start date of the lease period, the company identifies leases with a lease term of no more than 12 months and that do not include a purchase option as short-term leases; leases with a low value when a single leased asset is a new asset are identified as low-value asset leases. If a company subleases or anticipates subletting a leased asset, the original lease will not be deemed a low-value asset lease.

For all short-term leases and low-value asset leases, the company includes the lease payments into the relevant asset costs or current profits and losses on a straight-line basis throughout the lease term .

In addition to the above-mentioned short-term leases and low-value asset leases that adopt simplified treatment, the company recognizes right-of-use assets and lease liabilities for leases on the start date of the lease period.

(1) Right-of-use assets

Right-of-use assets are initially measured at cost, which includes: 1) the initial measurement amount of the lease liability; 2) the lease payment amount paid on or before the start date of the lease period. If there is a lease incentive, the amount related to the lease incentive that has been enjoyed will be deducted. ;3) The initial direct costs incurred by the lessee; 4) The costs that the lessee expects to incur to dismantle and remove the leased asset, restore the site where the leased asset is located, or restore the leased asset to the state agreed upon in the lease terms.

The company depreciates right-of-use assets on a straight-line basis. If it is reasonably certain that the ownership of the leased asset will be obtained at the expiration of the lease term, the company will accrue depreciation over the remaining useful life of the leased asset. If it is unable to reasonably determine that the ownership of the leased asset will be obtained at the expiration of the lease term, the company shall accrue depreciation during the shorter of the lease term and the remaining useful life of the leased asset.

(2) Lease liabilities

At the beginning of the lease period, the company recognizes the present value of the unpaid lease payments as lease liabilities. When calculating the present value of lease payments, the interest rate implicit in the lease is used as the discount rate. If the interest rate implicit in the lease cannot be determined, the company's incremental borrowing rate is used as the discount rate. The difference between the lease payment and its present value is regarded as an unrecognized financing expense, and interest expenses are recognized at the discount rate used to confirm the present value of the lease payment during each period of the lease term, and included in the current profit and loss. Variable lease payments that are not included in the measurement of lease liabilities are included in the current profit and loss when actually incurred.

After the lease commencement date, when the actual fixed payment amount changes, the estimated amount payable of the guaranteed residual value changes, the index or ratio used to determine the lease payment amount changes, the evaluation of the purchase option, lease renewal option or termination option When the result or actual exercise situation changes, the company remeasures the lease liability based on the present value of the changed lease payment, 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 If the liability still needs to be further reduced, the remaining amount will be included in the current profit and loss.

Lease classification standards and accounting treatment methods as a lessor

√ applicable not applicable

On the lease commencement date, the Company classifies leases that substantially transfer almost all risks and rewards related to the ownership of the leased assets as finance leases, and other leases as operating leases.

(1) Operating lease

The company recognizes the lease receipts as rental income according to the straight-line method in each period during the lease period. The initial direct expenses incurred are capitalized and amortized on the same basis as the rental income recognition, and included in the current profit and loss in installments. Variable lease payments obtained by the company related to operating leases that are not included in the lease receipts are included in the current profit and loss when they actually occur.

(2) Finance lease

On the start date of the lease period, the company recognizes finance lease receivables based on the net lease investment (the sum of the unguaranteed residual value and the present value of the lease payments not yet received on the start date of the lease discounted at the interest rate implicit in the lease). and terminate the recognition of finance lease assets. During each period of the lease term, the company calculates and recognizes interest income based on the interest rate implicit in the lease.

Variable lease payments obtained by the company that are not included in the measurement of the net lease investment are included in the current profit and loss when they actually occur.

38. Deferred tax assets/deferred tax liabilities

√ applicable not applicable

1. Based on the difference between the book value of assets and liabilities and their tax base (if the tax base of items that are not recognized as assets and liabilities can be determined in accordance with tax laws, the difference between the tax base and their book amount), Deferred income tax assets or deferred income tax liabilities are calculated and recognized based on the applicable tax rate during the period when the asset is expected to be recovered or the liability is settled.

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

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

4. The company's current income tax and deferred income tax are included in the current profit and loss as income tax expenses or income, but do not include income tax arising from the following situations: (1) business merger; (2) transactions or events directly recognized in owner's equity.

5. When the following conditions are met at the same time, the company will present the deferred income tax assets and deferred income tax liabilities as the net amount after offsetting: (1) It has the legal right to settle the current income tax assets and current income tax liabilities on a net basis; (2)) Deferred income tax assets and deferred income tax liabilities are related to income taxes levied by the same tax collection authority on the same taxable entity or to different taxable entities, but each deferred income tax asset and deferred income tax liability will be significant in the future. During the period of reversal, the tax payer involved intends to settle current income tax assets and current income tax liabilities on a net basis or to acquire assets and pay off debts at the same time.

39. Other important accounting policies and accounting estimates

applicable √not applicable

40. Significant Accounting Policies and Accounting Estimates

(1). Important changes in accounting policies

√ applicable not applicable

Unit: Currency: RMB

Contents and reasons for changes in accounting policies	Names of report items that are significantly affected	Impact amount
The company has implemented the "Accounting treatment for deferred income tax related to assets and liabilities arising from a single transaction that does not apply to the initial recognition exemption" issued by the Ministry of Finance in the "Interpretation No. 16 of Accounting Standards for Business Enterprises" issued by the Ministry of Finance since January 1, 2023.	no effect	0.00

other instructions

none

(2). Significant changes in accounting estimates

applicable √not applicable

(3). The first implementation of new accounting standards or standard interpretations starting in 2023 will involve adjustments to the financial statements at the beginning of the year of first implementation .

applicable √not applicable

41. other

applicable √not applicable

6. taxes

1. Main tax types and tax rates

Main tax types and tax rates

√ applicable not applicable

tax type	Tax basis	tax rate
VAT	The output tax is calculated based on the income from the sale of goods and taxable services calculated in accordance with the tax law. After deducting the input tax that is allowed to be deducted in the current period, the difference is the value-added tax payable.	27%, 21%, 18%, 15%, 13%, 12%, 11%, 10%, 9%, 8%, 7%, 6%, 5%, simple levy of 5% or 3%; export goods enjoy "Exemption, credit and refund" tax policy, the refund rate is 13% [Note]
property tax	If it is levied on an ad valorem basis, it will be calculated as 1.2% of the residual value after deducting 30% of the original value of the property; if it is levied on a rental basis, it will be calculated as 12% of the rental income.	1.2%, 12%

Urban maintenance and construction tax	Actual amount of turnover tax paid	7%, 5 %
Education fee surcharge	Actual amount of turnover tax paid	3%
Local education surcharges	Actual amount of turnover tax paid	2%
corporate income tax	Taxable income	9%, 10%, 1 2%, 15%, 16.5%, 17%, 20%, 2 1%, 24%, 25%, 2 5.8%

[Note] Explanation of VAT rates for overseas taxpayers

Taxpayer name	VAT rate
SUPINCO AUTOMATION PRIVATE LIMITED	18%
SUPCON SAUDI CO., LTD	15%
SUPCON TECHNOLOGY (SINGAPORE) PTE. LTD	8%
SUPCON HOLDING (THAILAND)CO.,LTD	7%
SUPCON TECHNOLOGY (THAILAND)CO.,LTD	7%
SUPCON TECHNOLOGY(MALAYSIA) SDN .BHD	不适用
PT SUPCON TECHNOLOGY INDONESIA	11%
SUPCON INTERNATIONAL HOLDING PTE. LTD	8%
SUPCON TECHNOLOGY PAKISTAN (PRIVATE) LIMITED	18%
SUPCON JAPAN CO., LTD.	10%
"SUPCON" LIMITED LIABILITY COMPANY	12%
Hobré International BV	0%、21%
Hobré Instruments BV	0%、9%、21%
Hobré USA Inc	不适用
Hobré Laser Technology Kft	0%、5%、18%、27%
SUPCON Kazakhstan	12%
SUPCON CANADA INC.	5%, 13%

If there are taxpayers with different corporate income tax rates, a description of the disclosure
√ applicable not applicable

Taxpayer name	Income tax rate (%)
SUPCON Technology Co., Ltd.	10
Zhejiang SUPCON Automation Instrument Co., Ltd.	15
Zhejiang SUPCON Sensing Technology Co., Ltd.	15
Zhejiang SUPCON Fluid Technology Co., Ltd.	15
Zhejiang SUPCON Software Technology Co., Ltd.	15
SUPCON Technology (Hong Kong) Co., Ltd.	16.5
Zhejiang SUPCON Xizi Technology Co., Ltd.	15
SUPCON Innovation (Beijing) Energy Technology Co., Ltd.	15
SUPINCO AUTOMATION PRIVATE LIMITED	25
SUPCON INTERNATIONAL HOLDING PTE. LTD	17
SUPCON TECHNOLOGY (SINGAPORE) PTE. LTD	17
SUPCON SAUDI CO., LTD.	20
SUPCON TECHNOLOGY(MALAYSIA) SDN .BHD	twenty four
PT SUPCON TECHNOLOGY INDONESIA	not applicable
SUPCON HOLDING (THAILAND) CO., LTD.	20
SUPCON TECHNOLOGY (THAILAND)CO.,LTD	20

SUPCON TECHNOLOGY PAKISTAN (PRIVATE) LIMITED	20
SUPCON JAPAN CO., LTD.	15-35
"SUPCON" LIMITED LIABILITY COMPANY	15
Hobré International B.V.	25.8
Hobré Instruments B.V.	25.8
Hobré Laser Technology Kft	9
Hobré USA Inc	twenty one
SUPCON Kazakhstan	20
SUPCON CANADA INC.	15
SUPCON Global Technology (Hangzhou) Co., Ltd.	15
68 descendant companies including Hangzhou Baojie Investment Consulting Co., Ltd.	20
Other tax entities other than the above	25

2. Tax incentives

√ applicable not applicable

1. According to the "Notice on Value-Added Tax Policies for Software Products" by the Ministry of Finance and the State Administration of Taxation (Finance and Taxation [2011] No. 100) and the "Announcement on Relevant Policies for Deepening the Value-Added Tax Reform" (Finance and Taxation [2011] No. 100) by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs Guan [2019] No. 39), the company and its subsidiaries Zhejiang SUPCON Automation Instrument Co., Ltd., Zhejiang SUPCON Software Technology Co., Ltd., and SUPCON Global Technology (Hangzhou) Co., Ltd. are first calculated and paid at a tax rate of 13%. , the portion of the actual tax burden exceeding 3% will be subject to an immediate refund policy after being reviewed by the competent tax department.

2. According to the "Notice of the State Council on Issuing Several Policies to Promote the High-Quality Development of the Integrated Circuit Industry and the Software Industry in the New Era" (Guofa [2020] No. 8), the "National Development and Reform Commission and other departments have made arrangements to enjoy preferential tax policies in 2023" Notice on the Relevant Requirements for the Development of Lists of Integrated Circuit Companies or Projects and Software Companies (Fagai Gaoji [2023] No. 287) and the Announcement of the Ministry of Industry and Information Technology of the People's Republic of China, the National Development and Reform Commission, the Ministry of Finance, and the State Administration of Taxation in 2021 No. 10", the company enjoys preferential corporate income tax policies for key software companies, and corporate income tax is calculated and paid at 10% of taxable income in 2023.

3. According to the Zhejiang Provincial Department of Science and Technology 's "Notice on the Registration and Publicity of High-tech Enterprises Certified by Zhejiang Provincial Certification Agencies in 2022", subsidiaries Zhejiang SUPCON Xizi Technology Co., Ltd., Zhejiang SUPCON Fluid Technology Co., Ltd., and SUPCON Global Technology (Hangzhou) Co., Ltd. has been recognized as a high-tech enterprise and will pay a reduced corporate income tax of 15% within three years starting from January 1, 2022. The applicable corporate income tax rate in 2023 is 15%.

According to the "Announcement on the Registration of the First Batch of High-tech Enterprises Recognized by the Beijing Recognition Agency in 2022" of the National High-tech Enterprise Recognition Management Leading Group Office, the subsidiary SUPCON Innovation (Beijing) Energy Technology Co., Ltd. passed the high-tech enterprise It is determined that the corporate income tax will be calculated and paid at a reduced rate of 15% within three years starting from January 1, 2022, and the applicable corporate income tax rate in 2023 will be 15%.

According to the Zhejiang Provincial Department of Science and Technology's "Notice on the Registration and Publicity of the First Batch of High-tech Enterprises Recognized in Zhejiang Province in 2021", the subsidiary Zhejiang SUPCON Sensing Technology Co., Ltd. has passed the certification of high-tech enterprises. Since January 1, 2021 The corporate income tax will be calculated and paid at a reduced rate of 15% within the next three years, and the applicable corporate income tax rate in 2023 will be 15%.

According to the Office of the National High-tech Enterprise Recognition and Management Leading Group Office's " Announcement on the Planned Registration of High-tech Enterprises Recognized and Reported by Zhejiang Provincial Recognition Agencies in 2023", subsidiaries Zhejiang

SUPCON Software Technology Co., Ltd. and Zhejiang SUPCON Automation Instrument Co. , Ltd. The company has been certified as a high-tech enterprise and will pay a reduced corporate income tax of 15% for three years starting from January 1, 2023. The applicable corporate income tax rate in 2023 is 15%.

4. According to the "Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing Preferential Income Tax Policies for Small and Micro Enterprises" (Finance and Taxation [2022] No. 13): From January 1, 2022 to December 31, 2024, the annual income tax for small and micro-profit enterprises The portion of taxable income exceeding RMB 1 million but not exceeding RMB 3 million shall be included in the taxable income at a reduced rate of 25%, and the corporate income tax shall be paid at a rate of 20%. According to the "Announcement of the Ministry of Finance and the State Administration of Taxation on Preferential Income Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households" (Caishui [2023] No. 6): From January 1, 2023 to December 31, 2024, the annual income tax for small and low-profit enterprises The portion of the taxable income not exceeding 1 million yuan will be included in the taxable income at a reduced rate of 25%, and the corporate income tax will be paid at a tax rate of 20%. 68 subsidiaries, including Hangzhou Baojie Investment Consulting Co., Ltd., Ningbo SUPCON Automation Technology Co., Ltd., and Zhejiang SUPCON Park Intelligent Housekeeper Technology Co., Ltd., enjoy the above-mentioned preferential policies in this period.

3. other

applicable √not applicable

7. Notes to Consolidated Financial Statement Items

1、 Money funds

√ applicable not applicable

Unit: Currency: RMB

project	Ending balance	Opening Balance
cash in stock	83,958.68	98,201.16
Bank savings	5,404,403,024.17	1,331,704,255.31
Other monetary fund	68,204,648.49	55,052,857.90
total	5,472,691,631.34	1,386,855,314.37
Including: total amount of money deposited abroad	2,682,503,880.18	40,970,947.78

other instructions

project	Closing amount	Beginning balance
Fund use is restricted		
Including: Guarantee deposit	36,933,822.62	39,285,841.23
Bill margin	408.42	15,592,546.18
Litigation deposit		752,102.44
Total	36,934,231.04	55,630,489.85

2、 trading financial assets

√ applicable not applicable

Unit: Currency: RMB

project	Ending balance	Opening Balance	Reasons and basis for designation
Financial assets measured at fair value with changes included in current profits and losses	1,650,000,000.00	2,275,808,701.79	/
in:			
Financial product	1,650,000,000.00	2,273,994,000.00	/
Securities products		1,814,701.79	/
Designated financial assets measured			

at fair value with changes included in current profits and losses			
in:			
total	1,650,000,000.00	2,275,808,701.79	/

other instructions :
applicable √not applicable

3、 Derivative financial assets

applicable √not applicable

4、 bill receivable

(1). Classified presentation of notes receivable

√ applicable not applicable
Unit: Currency: RMB

project	Ending balance	Opening Balance
Banker's Acceptance Note	692,256,724.84	660,691,064.65
commercial acceptance notes	98,045,989.20	91,968,607.59
total	790,302,714.04	752,659,672.24

(2). The company's pledged notes receivable at the end of the period

√ applicable not applicable
Unit: Currency: RMB

project	Amount pledged at the end of the period
Banker's Acceptance Note	33,915,532.68
commercial acceptance notes	
total	33,915,532.68

(3). Notes receivable that have been endorsed or discounted by the company at the end of the period and have not yet matured on the balance sheet date

√ applicable not applicable
Unit: Currency: RMB

project	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Banker's Acceptance Note		424,645,338.38
commercial acceptance notes		76,564,734.04
total		501,210,072.42

(4). Classified disclosure according to bad debt accrual method

√ applicable not applicable
Unit: Currency: RMB

category	Ending balance					Opening Balance				
	Book balance		Provision for bad debts		book value	Book balance		Provision for bad debts		book value
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debts on an individual basis										
in:										

Provision for bad debts on a portfolio basis	797,797,876.45	100.00	7,495,162.41	0.94	790,302,714.04	757,728,072.64	100.00	5,068,400.40	0.67	752,659,672.24
in:										
bank acceptance draft	692,256,724.84	86.77			692,256,724.84	660,691,064.65	87.19			660,691,064.65
trade acceptance draft	105,541,151.61	13.23	7,495,162.41	7.10	98,045,989.20	97,037,007.99	12.81	5,068,400.40	5.22	91,968,607.59
total	797,797,876.45	/	7,495,162.41	/	790,302,714.04	757,728,072.64	/	5,068,400.40	/	752,659,672.24

Provision for bad debts is made individually:
applicable √not applicable
Provision for bad debts by group:
√ applicable not applicable
Group accrual items : Group accrual of bad debt provisions based on acceptance bill type

Unit: Currency: RMB

name	Ending balance		
	bill receivable	Provision for bad debts	Provision ratio (%)
bank acceptance bill portfolio	692,256,724.84		
Commercial Acceptance Bill Portfolio	105,541,151.61	7,495,162.41	7.10
total	797,797,876.45	7,495,162.41	0.94

Instructions on accruing bad debt provisions by portfolio
√ applicable not applicable
12. Notes Receivable" of "Section 10 Financial Report" for details on the recognition standards and explanations of bad debt provision on a group basis .

Provision for bad debts based on the general expected credit loss model
applicable √not applicable
Basis for division of each stage and provision ratio for bad debts
none

Explanation of significant changes in the book balance of accounts receivable that have experienced changes in loss provisions during the current period:
applicable √not applicable

(5). Bad debt provision status

√ applicable not applicable

Unit: Currency: RMB

category	Opening Balance	Amount of changes in the current period				Ending balance
		Provision	withdraw or transfer	Write-off or write-off	Other changes	
Provision for bad debts on a portfolio basis	5,068,400.40	2,426,762.01				7,495,162.41
total	5,068,400.40	2,426,762.01				7,495,162.41

Among them, the amount of recovery or reversal of bad debt provisions for the current period is important:
applicable √not applicable
other instructions:

none

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

applicable √not applicable
Among them, the important write-off of bills receivable:
applicable √not applicable
Instructions for writing off notes receivable:
applicable √not applicable
other instructions
√ applicable not applicable

The company's notes receivable include bank acceptance bills and commercial acceptance bills. The acceptors of bank acceptance bills include large commercial banks, listed joint-stock banks, and other commercial banks. The company has classified the credit ratings of acceptors of bank acceptance bills based on the principle of prudence, and classified them into six categories with higher credit ratings: Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank, Bank of Communications, and Postal Savings Bank of China. There are nine large commercial banks, including China Merchants Bank, Shanghai Pudong Development Bank, China CITIC Bank, China Everbright Bank, Hua Xia Bank, China Minsheng Bank, Ping An Bank, Industrial Bank, and Zheshang Bank. Credit ratings generally include other commercial banks other than the above-mentioned banks. Bank acceptance bills and commercial acceptance bills accepted by commercial banks with average credit ratings will not be derecognized when endorsed or discounted, but will be derecognized when the bills mature.

5、 accounts receivable

(1). Disclosure by age

√ applicable not applicable
Unit: Currency: RMB

Aging	Ending book balance	Opening book balance
Within 1 year		
Among them: Items within 1 year		
Within 1 year	2,025,013,659.61	1,442,619,584.30
Subtotal within 1 year	2,025,013,659.61	1,442,619,584.30
1 to 2 years	518,965,376.49	337,405,838.56
2 to 3 years	141,169,775.48	69,313,555.65
3 to 4 years	37,681,019.63	45,800,313.45
More than 4 years	77,745,799.16	61,649,349.88
total	2,800,575,630.37	1,956,788,641.84

(2). **Classified disclosure according to bad debt accrual method**

√ applicable not applicable

Unit: Currency: RMB

category	Ending balance					Opening Balance				
	Book balance		Provision for bad debts		book value	Book balance		Provision for bad debts		book value
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debts on an individual basis	30,621,598.10	1.09	30,621,598.10	100.00		20,185,898.02	1.03	20,185,898.02	100.00	
in:										
Provision for bad debts on a portfolio basis	2,769,954,032.27	98.91	284,549,064.69	10.27	2,485,404,967.58	1,936,602,743.82	98.97	204,450,783.76	10.56	1,732,151,960.06
in:										
total	2,800,575,630.37	/	315,170,662.79	/	2,485,404,967.58	1,956,788,641.84	/	224,636,681.78	/	1,732,151,960.06

Provision for bad debts is made individually:
√ applicable not applicable

Unit: Currency: RMB

name	Ending balance			
	Book balance	Provision for bad debts	Provision ratio (%)	Reasons for provision
Jiangsu Jingyuanhong Technology Co., Ltd.	6,448,114.16	6,448,114.16	100.00	Not expected to be recovered
Yunnan Yunshui Construction Engineering Co., Ltd.	4,988,177.99	4,988,177.99	100.00	Not expected to be recovered
Anshun Hongsheng Chemical Co., Ltd.	4,130,433.63	4,130,433.63	100.00	Not expected to be recovered
Qujing Zhongyi Synthetic Chemical Co., Ltd.	1,407,452.98	1,407,452.98	100.00	Not expected to be recovered
Hainan Handi Fluid Materials Co., Ltd.	1,236,274.60	1,236,274.60	100.00	Not expected to be recovered
Yunnan Yunshui Construction Engineering Co., Ltd.	1,190,998.31	1,190,998.31	100.00	Not expected to be recovered
Shandong Baoshun Chemical Technology Co., Ltd.	1,052,000.00	1,052,000.00	100.00	Not expected to be recovered
Total of other scattered items (69 households)	10,168,146.43	10,168,146.43	100.00	Not expected to be recovered
total	30,621,598.10	30,621,598.10	100.00	/

Instructions on accruing bad debt provisions individually:
applicable √not applicable

Provision for bad debts by group:
√ applicable not applicable
Portfolio accrual items: aging portfolio

Unit: Currency: RMB

name	Ending balance		
	accounts receivable	Provision for bad debts	Provision ratio (%)
Aging combination	2,769,954,032.27	284,549,064.69	10.27
total	2,769,954,032.27	284,549,064.69	10.27

Instructions on accruing bad debt provisions by group:
√ applicable not applicable

Aging	Closing amount		
	Book balance	Provision for bad debts	Provision ratio (%)
Within 1 year	2,023,621,603.43	101,181,080.17	5.00
1-2 years	506,437,038.85	50,643,703.89	10.00
2-3 years	132,588,846.91	39,776,654.07	30.00
3-4 years	35,897,291.29	21,538,374.77	60.00
More than 4 years	71,409,251.79	71,409,251.79	100.00
Subtotal	2,769,954,032.27	284,549,064.69	10.27

Provision for bad debts based on the general expected credit loss model
applicable √not applicable
Basis for division of each stage and provision ratio for bad debts
none

Explanation of significant changes in the book balance of accounts receivable that have experienced changes in loss provisions during the current period:
applicable √not applicable

(3). Bad debt provision status

√ applicable not applicable
Unit: Currency: RMB

category	Opening Balance	Amount of changes in the current period				Ending balance
		Provision	withdraw or transfer	Write-off or write-off	Other changes	
Individual provision for bad debts	20,185,898.02	19,116,522.22	-6,029,067.61	-2,651,754.53		30,621,598.10
Provision for bad debts on a portfolio basis	204,450,783.76	87,135,492.02	4,182,145.25	-13,486,450.63	2,267,094.29	284,549,064.69
total	224,636,681.78	106,252,014.24	-1,846,922.36	- 16,138,205.16	2,267,094.29	315,170,662.79

Among them, the amount of recovery or reversal of bad debt provisions for the current period is important:
applicable √not applicable
other instructions:
none

(4). write-off of accounts receivable in the current period

√ applicable not applicable
Unit: Currency: RMB

project	Write-off amount
Accounts receivable actually written off	16,138,205.16

Among them, the important write-off of accounts receivable
applicable √not applicable
Instructions for writing off accounts receivable:
applicable √not applicable

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

√ applicable not applicable
Unit: Currency: RMB

company name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion of the total closing balance of accounts receivable and contract assets (%)	Ending balance of bad debt provision
Lubei Wanrun Smart Energy Technology (Shandong) Co., Ltd.	30,952,099.97	15,416,900.00	46,368,999.97	1.36	2,318,450.00
China National Petroleum Corporation	30,970,604.87		30,970,604.87	0.91	2,030,621.86
Shenghong Refining and Chemical (Lianyungang) Co., Ltd.	27,419,169.14	3,544,631.66	30,963,800.80	0.91	1,548,190.04
Puyang Zhonghui New Energy Technology Co., Ltd.	29,889,255.82		29,889,255.82	0.88	1,494,462.79
Zhejiang SUPCON Zhixin Technology Co., Ltd.	25,551,753.25		25,551,753.25	0.75	2,072,508.94

total	144,782,883.05	18,961,531.66	163,744,414.71	4.81	9,464,233.63

other instructions
none

other instructions:
applicable √not applicable

6、 **contract assets**

(1). **Contract assets**

√ applicable not applicable

Unit: Currency: RMB

project	Ending balance			Opening Balance		
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Warranty deposit receivable	604,309,692.48	55,017,861.96	549,291,830.52	404,266,970.96	34,746,986.94	369,519,984.02
total	604,309,692.48	55,017,861.96	549,291,830.52	404,266,970.96	34,746,986.94	369,519,984.02

(2). **Amount and reasons for significant changes in book value during the reporting period**

applicable √not applicable

(3). Classified disclosure according to bad debt accrual method

√ applicable not applicable

Unit: Currency: RMB

category	Ending balance					Opening Balance				
	Book balance		Provision for bad debts		book value	Book balance		Provision for bad debts		book value
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debts on an individual basis										
in:										
Provision for bad debts on a portfolio basis	604,309,692.48	100.00	55,017,861.96	9.10	549,291,830.52	404,266,970.96	100.00	34,746,986.94	8.60	369,519,984.02
in:										
total	604,309,692.48	/	55,017,861.96	/	549,291,830.52	404,266,970.96	/	34,746,986.94	/	369,519,984.02

Provision for bad debts is made individually:

applicable √not applicable

Instructions on accruing bad debt provisions individually:

applicable √not applicable

Provision for bad debts by group:
√ applicable not applicable
Portfolio accrual items : aging portfolio

Unit: Currency: RMB

name	Ending balance		
	contract assets	Provision for bad debts	Provision ratio (%)
Aging combination	604,309,692.48	55,017,861.96	9.10
total	604,309,692.48	55,017,861.96	9.10

Instructions on accruing bad debt provisions by portfolio
applicable √not applicable
Provision for bad debts based on the general expected credit loss model
applicable √not applicable
Basis for division of each stage and provision ratio for bad debts
none

Explanation of significant changes in the book balance of contract assets that have experienced changes in loss provisions during the current period:
applicable √not applicable

(4). Bad debt provisions for contract assets in the current period

√ applicable not applicable
Unit: Currency: RMB

project	Provision for this period	Business mergers increase	Withdraw or transfer in this period	Write-off/write-off in current period	foreign currency discount Calculate the difference	reason
Provision for impairment on a group basis	20,05 2,787.06	204,758.22			13,329.74	/
total	20,052,787.06	204,758.22			13,329.74	/

Among them, the amount of recovery or reversal of bad debt provisions for the current period is important:
applicable √not applicable
other instructions:
none

(5). Contract assets actually written off in this period

applicable √not applicable
Among them, the important write-off of contract assets
applicable √not applicable
Instructions for write-off of contract assets:
applicable √not applicable
other instructions:
applicable √not applicable

7、 Receivables Financing

(1) Classified presentation of accounts receivable financing

√ applicable not applicable
Unit: Currency: RMB

project	Ending balance	Opening Balance
bank acceptance draft	183,711,330.47	421,387,418.83
total	183,711,330.47	421,387,418.83

(2) the company's pledged receivables at the end of the period

√ applicable not applicable

Unit: Currency: RMB

project	Amount pledged at the end of the period
bank acceptance draft	102,763,469.67
total	102,763,469.67

(3) Financing of receivables that have been endorsed or discounted by the company at the end of the period and have not yet matured on the balance sheet date

√ applicable not applicable

Unit: Currency: RMB

project	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
bank acceptance draft	515,209,844.11	
total	515,209,844.11	

(4) according to bad debt accrual method

applicable √not applicable

Provision for bad debts is made individually:

applicable √not applicable

Instructions on accruing bad debt provisions individually:

applicable √not applicable

Provision for bad debts by group:

applicable √not applicable

Provision for bad debts based on the general expected credit loss model

applicable √not applicable

Basis for division of each stage and provision ratio for bad debts

none

Explanation of significant changes in the book balance of accounts receivable financing that have experienced changes in loss provisions in the current period:

applicable √not applicable

(5) Bad debt provision status

applicable √not applicable

Among them, the amount of recovery or reversal of bad debt provisions for the current period is important:

applicable √not applicable

other instructions:

none

(6) Financing of receivables actually written off in the current period

applicable √not applicable

Important financing write-offs of receivables

applicable √not applicable

Write-off instructions:

applicable √not applicable

(7) Increases and decreases in receivables financing during the current period and changes in fair value :

applicable √not applicable

(8) other instructions :

√ applicable not applicable

The acceptor of the bank acceptance bill is a commercial bank with relatively high credit, and the possibility that the bank acceptance bill accepted by it will not be paid when due is low, so the company will derecognize the bank acceptance bill that has been endorsed or discounted. However, if the bills are not paid when due, the company will still be jointly and severally liable to the holders in accordance with the provisions of the Negotiable Instruments Law.

8、 **Prepayments**

(1). **Prepayments are listed based on age**

√ applicable not applicable

Unit: Currency: RMB

Aging	Ending balance		Opening Balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	221,679,873.82	77.79	371,167,884.44	85.37
1 to 2 years	31,489,079.13	11.05	50,344,050.96	11.58
2 to 3 years	24,496,362.85	8.59	11,449,574.90	2.63
3 to 3 years	6,025,633.29	2.11	742,045.11	0.17
More than 4 years	1,325,241.11	0.46	1,064,786.13	0.25
total	285,016,190.20	100.00	434,768,341.54	100.00

the reasons why prepayments with an aging of more than 1 year and significant amounts are not settled in a timely manner :

none

(2). **Prepayments of the top five ending balances by prepayment objects**

√ applicable not applicable

company name	Ending balance	Proportion of total closing balance of prepayments (%)
Siemens Energy Transformer (Wuhan) Co., Ltd.	6,664,000.00	2.34
Zhejiang Yuantong Cable Manufacturing Co., Ltd.	4,894,134.60	1.72
Anhui Bule Automation Equipment Co., Ltd.	4,469,000.00	1.57
Chongqing Chuanyi Automation Co., Ltd.	4,443,206.24	1.56
Nanjing Junshi Automatic Control Technology Co., Ltd.	4,095,709.51	1.44
total	24,566,050.35	8.63

other instructions

none

other instructions

applicable √not applicable

9、 **Other receivables**

Item list

√ applicable not applicable

Unit: Currency: RMB

project	Ending balance	Opening Balance
interest receivable		
Dividends receivable		
Other receivables	100,620,386.87	93,303,006.06

total	100,620,386.87	93,303,006.06

other instructions:
applicable √not applicable

interest receivable

(1). **Interest receivable classification**

applicable √not applicable

(2). **Important overdue interest**

applicable √not applicable

(3). **according to bad debt accrual method**

applicable √not applicable

Provision for bad debts is made individually:
applicable √not applicable
Instructions on accruing bad debt provisions individually:
applicable √not applicable
Provision for bad debts by group:
applicable √not applicable

(4). **Provision for bad debts based on the general expected credit loss model**

applicable √not applicable
Basis for division of each stage and provision ratio for bad debts
none

Explanation of significant changes in the book balance of interest receivable due to changes in loss provisions in the current period:
applicable √not applicable

(5). **Bad debt provision status**

applicable √not applicable
Among them, the amount of recovery or reversal of bad debt provisions for the current period is important:
applicable √not applicable
other instructions:
none

(6). **Interest receivable actually written off in the current period**

applicable √not applicable
Among them, the important write-off of interest receivable
applicable √not applicable
Write-off instructions:
applicable √not applicable
other instructions:
applicable √not applicable

Dividends receivable

(1). **Dividends receivable**

applicable √not applicable

(2). **Important dividends receivable aged more than 1 year**

applicable √not applicable

(3). according to bad debt accrual method

applicable √not applicable
Provision for bad debts is made individually:
applicable √not applicable
Instructions on accruing bad debt provisions individually:
applicable √not applicable
Provision for bad debts by group:
applicable √not applicable

(4). Provision for bad debts based on the general expected credit loss model

applicable √not applicable
Basis for division of each stage and provision ratio for bad debts
none

Explanation of significant changes in the book balance of dividends receivable due to changes in loss provisions in the current period:
applicable √not applicable

(5). Bad debt provision status

applicable √not applicable
Among them, the amount of recovery or reversal of bad debt provisions for the current period is important:
applicable √not applicable
other instructions:
none

(6). Dividends receivable actually written off in the current period

applicable √not applicable
Among them, the important write-off of dividends receivable
applicable √not applicable
Write-off instructions:
applicable √not applicable

other instructions:
applicable √not applicable

Other receivables

(1). Disclosure by age

√ applicable not applicable
Unit: Currency: RMB

Aging	Ending book balance	Opening book balance
Within 1 year		
Among them: Items within 1 year		
Within 1 year	66,772,298.72	71,086,837.61
Subtotal within 1 year	66,772,298.72	71,086,837.61
1 to 2 years	28,483,992.08	22,492,444.41
2 to 3 years	14,796,814.40	5,002,795.56
3 to 4 years	2,983,350.38	5,063,383.72
4 years	7,106,654.36	4,607,369.88
total	120,143,109.94	108,252,831.18

(2). Classification by nature of payment

√applicable not applicable

Unit: Currency: RMB

Nature of payment	Ending book balance	Opening book balance

Deposit security deposit	85,159,886.49	75,768,381.45
Employee loan	15,471,050.63	14,315,747.06
Lease receivable	7,414,688.49	7,768,320.25
Provisional payment receivable	3,491,179.09	2,034,604.80
Reserve fund	3,424,136.45	3,696,322.81
Withholding and payment	2,696,631.93	3,411,746.58
Service fees receivable	356,474.66	598,014.60
other	2,129,062.20	659,693.63
Total	120,143,109.94	108,252,831.18

(3). **Bad debt provision accrual status**

√ applicable not applicable

Unit: Currency: RMB

Provision for bad debts	The first stage	second stage	The third phase	total
	Expected credit losses over the next 12 months	Expected credit losses throughout the entire duration (no credit impairment has occurred)	Expected credit losses throughout the lifetime (credit impairment has occurred)	
Balance as of January 1, 2023	3,554,341.89	2,249,244.45	9,146,238.78	14,949,825.12
The balance on January 1, 2023 in this period	——	——	——	
--Transfer to the second stage	-1,424,199.60	1,424,199.60		
--Transfer to the third stage		-1,479,681.44	1,479,681.44	
--Return to the second stage				
--Return to the first stage				
Provision for this period	1,169,490.14	654,636.60	2,709,788.69	4,533,915.43
Transferred in this period				
Sales in this period				
Write-off in this period				
Other changes	38,982.52			38,982.52
Balance as of December 31, 2023	3,338,614.95	2,848,399.21	13,335,708.91	19,522,723.07

Basis for division of each stage and provision ratio for bad debts

The first stage means that the credit risk of other receivables has not increased significantly since the initial recognition; the second stage means that the credit risk of other receivables has increased significantly since the initial recognition but no credit impairment has occurred; the third stage means that the credit risk of other receivables has increased significantly since the initial recognition but no credit impairment has occurred; Stage three refers to other receivables that have experienced credit impairment.

Explanation of significant changes in the book balance of other receivables that have experienced changes in loss provisions during the current period:

applicable √not applicable

The amount of bad debt provision for the current period and the basis for assessing whether the credit risk of financial instruments has significantly increased:
applicable √not applicable

(4). Bad debt provision status

√ applicable not applicable
Unit: Currency: RMB

category	Opening Balance	Amount of changes in the current period				Ending balance
		Provision	withdraw or transfer	Write-off or write-off	Other changes	
Provision for bad debts on a portfolio basis	14,949,825.12	4,533,915.43			38,982.52	19,522,723.07
total	14,949,825.12	4,533,915.43			38,982.52	19,522,723.07

Among them, the amount of bad debt provision for the current period that is reversed or recovered is important:
applicable √not applicable
other instructions
none

(5). Other receivables actually written off in the current period

applicable √not applicable
Important write-offs of other receivables:
applicable √not applicable
Instructions for writing off other receivables:
applicable √not applicable

(6). Other receivables with top five closing balances by debtors

√ applicable not applicable
Unit: Currency: RMB

company name	Ending balance	Proportion to the total closing balance of other receivables (%)	Nature of payment	Aging	Provision for bad debts Ending balance
Hangzhou Intermediate People's Court	9,780,058.00	8.14	Deposit security deposit	1-2 years	1,005,058.00
Hangzhou Shangkun Binchuang Technology Co., Ltd.	5,049,156.93	4.20	Lease receivable	Within 1 year	252,457.85
Sinopec International Co., Ltd.	1,407,518.47	1.17	Deposit security deposit	Within 1 year	70,375.92
	2,849,856.89	2.37		1-2 years	284,985.69
	549,999.22	0.46		2-3 years	164,999.77
Fuyang Economic and Technological Development Zone Management Committee	4,100,000.00	3.41	Deposit security deposit	2-3 years	1,230,000.00

SUPCON Industrial Park Operation Management Co., Ltd.	4,080,000.00	3.40	Deposit security deposit	Within 1 year	204,000.00
total	27,816,589.51	23.15	/	/	3,211,877.23

(7). Presented in other receivables due to centralized management of funds

applicable √not applicable

other instructions:

applicable √not applicable

10、 stock

(1). Inventory classification

√ applicable not applicable

Unit: Currency: RMB

project	Ending balance			Opening Balance		
	Book balance	Provision for inventory decline /provision for impairment of contract performance costs	Book value	Book balance	Provision for inventory decline /provision for impairment of contract performance costs	Book value
raw materials	1,098,273,494.89	26,743,076.09	1,071,530,418.80	1,003,894,833.82	11,836,203.81	992,058,630.01
In product	43,545,134.87	388,787.51	43,156,347.36	73,777,056.35	424,897.05	73,352,159.30
Inventory items	272,426,333.60	3,542,478.05	268,883,855.55	211,995,238.94	3,072,395.67	208,922,843.27
release products	2,575,046,898.30	15,870,781.99	2,559,176,116.31	2,455,558,737.07	8,017,053.39	2,447,541,683.68
total	3,989,291,861.66	46,545,123.64	3,942,746,738.02	3,745,225,866.18	23,350,549.92	3,721,875,316.26

(2). Provision for inventory decline and provision for impairment of contract performance costs

√ applicable not applicable

Unit: Currency: RMB

project	Opening Balance	Increase amount in this period		Decrease amount in this period		Ending balance
		Provision	other	Transfer or resale	other	
raw materials	11,836,203.81	6,693,154. 38	9,881,806.77	1,668,088. 87		26,743,076.09
In product	424,897.05	3,427.36		39,536.90		388,787.51
Inventory items	3,072,395.67	2,288,411.95		1,818,329.57		3,542,478.05
release products	8,017,053.39	11,005,773.09		3,152,044.49		15,870,781.99
total	23,350,549.92	19,990,766. 78	9,881,806.77	6,677,999.8 3		46,545,123.64

other instructions:

[Note] Increase due to other business mergers

Reasons for the reversal or write-off of inventory depreciation provisions in the current period

√ applicable not applicable

project	Specific basis for determining net realizable value	Reasons for write-off of inventory depreciation provisions in the current period
raw materials	The net realizable value is determined by deducting the estimated selling price of the relevant finished products from the	Inventory scrapping disposal and production use for which inventory depreciation provisions were made in

	estimated costs to be incurred to completion, estimated sales expenses and related taxes.	previous years
In product		Inventory scrapping disposal and production use for which inventory depreciation provisions were made in previous years
Inventory items	The net realizable value is determined by the relevant selling price or contract price minus estimated sales expenses and related taxes.	Inventory scrapping and sales for which inventory depreciation provisions were made in previous years
release products		Inventories for which inventory depreciation provisions were made in previous years are sold or disposed of in the current period

Provision for inventory decline in value on a group basis
applicable √not applicable

Standards for accruing inventory depreciation provisions on a group basis
applicable √not applicable

(3). The capitalized amount of borrowing costs included in the closing balance of inventory and its calculation standards and basis

applicable √not applicable

(4). Explanation of the amortization amount of contract performance costs for the current period

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

Debt investments due within one year

applicable √not applicable

Other debt investments due within one year

applicable √not applicable

instructions for non-current assets due within one year
none

13、 Other current assets

√ applicable not applicable
Unit: Currency: RMB

project	Ending balance	Opening Balance
Treasury bond reverse repurchase products	100,000,000.00	400,000,000.00
Prepayment of corporate income tax	27,207,311.42	100,963.17
Prepaid and to-be-deducted value-added tax	14,124,243.40	13,022,474.41
Prepaid rent	913,360.32	801,229.27
total	142,244,915.14	413,924,666.85

other instructions
none

14、 debt investment

(1). Debt investment situation

applicable √not applicable
Changes in provision for impairment of debt investments during the current period
applicable √not applicable

(2). Important debt investments at the end of the period

applicable √not applicable

(3). Impairment provision accrual

applicable √not applicable
Basis for dividing each stage and proportion of impairment provision:
none

Explanation of significant changes in the book balance of debt investments that have experienced changes in loss provisions during the current period:
applicable √not applicable
of impairment provision for the current period and the basis for assessing whether the credit risk of financial instruments has significantly increased
applicable √not applicable

(4). Actual write-off of debt investments in the current period

applicable √not applicable
Among them, the important debt investment situation is written off
applicable √not applicable

debt investments :
applicable √not applicable
other instructions
applicable √not applicable

15、 Other debt investments

(1). Other debt investments

applicable √not applicable

Changes in impairment provisions for other debt investments during the current period
applicable √not applicable

(2). Important other debt investments at the end of the period

applicable √not applicable

(3). Impairment provision accrual

applicable √not applicable

Basis for dividing each stage and proportion of impairment provision:
none

Explanation of significant changes in the book balance of other debt investments that have experienced changes in loss provisions during the current period:
applicable √not applicable

The amount of impairment provision for the current period and the basis for assessing whether the credit risk of financial instruments has significantly increased
applicable √not applicable

(4). Other debt investments actually written off in the current period
applicable √not applicable

the write-off of other important debt investments
applicable √not applicable

other debt investments :
applicable √not applicable

other instructions:
applicable √not applicable

16、 Long-term receivables

(1). Long-term receivables
applicable √not applicable

(2). according to bad debt accrual method
applicable √not applicable

Provision for bad debts is made individually:
applicable √not applicable

Instructions on accruing bad debt provisions individually:
applicable √not applicable

Provision for bad debts by group:
applicable √not applicable

(3). Provision for bad debts based on the general expected credit loss model
applicable √not applicable

Basis for division of each stage and provision ratio for bad debts
none

Explanation of significant changes in the book balance of long-term receivables that have experienced changes in loss provisions in the current period:
applicable √not applicable

The amount of bad debt provision for the current period and the basis for assessing whether the credit risk of financial instruments has significantly increased
applicable √not applicable

(4). Bad debt provision status
applicable √not applicable

Among them, the amount of recovery or reversal of bad debt provisions for the current period is important:
applicable √not applicable

other instructions:
none

(5). Long-term receivables actually written off in the current period
applicable √not applicable

Among them, the important write-off of long-term receivables
applicable √not applicable

Instructions for writing off long-term receivables:
applicable √not applicable

other instructions
applicable √not applicable

17、 long term equity investment

(1). Long-term equity investment

√ applicable not applicable

Unit: Currency: RMB

Investee	Beginning of period balance	Increases and decreases in the current period								End of term balance	Closing balance of impairment provision
		additional investment	Reduce investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustments	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	other		
1. Joint ventures											
Subtotal											
2. Associated enterprises											
SUPCON Global Technology (Hangzhou) Co., Ltd.	11,543,721.94			-3,319,165.87					-8,224,556.07		
Jiaxing Industrial Internet Innovation Center Co., Ltd.	753,868.99			132,199.66						886,068.65	
Petrochemical Yingke Information Technology Co., Ltd.	588,292,020.91			65,663,261.40	68,721.90	38,497.57	-17,389,760.93			636,672,740.85	
Zhongyi Wood Engineering Co., Ltd.	70,941,653.90			6,197,346.67		-11,627.59				77,127,372.98	
Zhejiang Guoli Network Security Technology Co., Ltd.		45,322,583.00								45,322,583.00	
Anhui Huayi SUPCON Technology Co., Ltd.		3,500,000.00		-680,158.59						2,819,841.41	
Beijing Damei Sheng Software Co.,		139,240,506.00		6,380,778.74		575,961.23				146,197,245.97	

Ltd.											
SUPCON Marine Equipment (Zhejiang) Co., Ltd.		3,000,000.00		-373,190.70						2,626,809.30	
Zhejiang SUPCON Ruixin Intelligent Technology Co., Ltd.	5,301,163.33			771,198.57						6,072,361.90	
Shenzhen Shengchao Zhizhi Intelligent Technology Co., Ltd.	5,056,589.75			-2,446,220.04						2,610,369.71	
Zhejiang Zhongju Intelligent Technology Co., Ltd.		2,000,000.00		418,098.86						2,418,098.86	
Zhejiang SUPCON Zhixin Technology Co., Ltd.		2,550,000.00		-102,286.58						2,447,713.42	
Subtotal	681,889,018.82	195,613,089.00		72,641,862.12	68,721.90	602,831.21	-17,389,760.93		-8,224,556.07	925,201,206.05	
total	681,889,018.82	195,613,089.00		72,641,862.12	68,721.90	602,831.21	-17,389,760.93		-8,224,556.07	925,201,206.05	

(2). Impairment testing of long-term equity investments

applicable √not applicable

other instructions
none

18、 Other equity instrument investments

(1). Investment status of other equity instruments

√ applicable not applicable

Unit: Currency: RMB

project	Opening Balance	Increases and decreases in the current period					End of term balance	Dividend income recognized in the current period	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	Reasons for designation at fair value through other comprehensive income
		additional investment	Reduce investment	Gains included in other comprehensive income for the current period	Losses included in other comprehensive income during the period	other					
Zhejiang Hengchuang Advanced Functional Fiber Innovation Center Co., Ltd.	3,000,000.00						3,000,000.00				
Shanghai Huayi Information Technology Co., Ltd.	9,916,000.00						9,916,000.00	492,417.72			
Hangzhou Peimu Technology Co., Ltd.		10,000,000.00					10,000,000.00				
Chenju (Suzhou) Science and Technology Development Co., Ltd.		2,000,000.00					2,000,000.00				
Zhejiang Yuanchuang Intelligent Control Technology Co., Ltd.	1,197,692.31						1,197,692.31				
Total	14,113,692.31	12,000,000.00					26,113,692.31	492,417.72			/

(2). Explanation of termination of confirmation in this period

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

(1). Investment real estate using cost measurement model

Unit: Currency: RMB

project	building	Land use rights	total
1. Original book value			
1. Opening balance	106,226,075.43	8,158,890.11	114,384,965.54
2. Increase amount in this period	128,200.84	29,067.49	157,268.33
(1) Outsourcing			
(2) Transfer of inventories\fixed assets\projects under construction \ transfer of intangible assets	128,200.84	29,067.49	157,268.33
(3) Increase in business mergers			
3. Reduction amount in this period			
(1) Disposal			
(2) Other transfer-out			
4. Ending balance	106,354,276.27	8,187,957.60	114,542,233.87
2. Accumulated depreciation and accumulated amortization			
1. Opening balance	35,087,412.50	2,258,241.98	37,345,654.48
2. Increase amount in this period	3,215,693.45	222,536.20	3,438,229.65
(1) Provision or amortization	3,186,699.95	216,399.26	3,403,099.21
(2) Transfer to fixed assets /None tangible assets	28,993.50	6,136.94	35,130.44
3. Reduction amount in this period			
(1) Disposal			
(2) Other transfer-out			
4. Ending balance	38,303,105.95	2,480,778.18	40,783,884.13
3. Impairment provision			
1. Opening balance			
2. Increase amount in this period			
(1) Provision			
3. Reduction amount in this period			
(1) Disposal			
(2) Other transfer-out			
4. Ending balance			
4. Book value			
1. Book value at the end of the period	68,051,170.32	5,707,179.42	73,758,349.74
2. Book value at the beginning of the period	71,138,662.93	5,900,648.13	77,039,311.06

(2). Investment real estate for which title certificates have not been obtained

applicable √not applicable

(3). Impairment testing of investment properties using cost measurement model

applicable √not applicable

other instructions
applicable √not applicable

21、 fixed assets

Item list

√ applicable not applicable
Unit: Currency: RMB

project	Ending balance	Opening Balance
fixed assets	350,840,377.55	313,282,418.64
Fixed asset liquidation		
total	350,840,377.55	313,282,418.64

other instructions:
applicable √not applicable

fixed assets

(1). Fixed assets situation

√ applicable not applicable
Unit: Currency: RMB

project	houses and buildings	General Equipment	Professional setting	means of transport	total
1. Original book value:					
1. Opening balance	221,423,845.07	78,416,424.26	203,376,081.72	15,172,256.70	518,388,607.75
2. Increase amount in this period	4,329,467.55	45,842,701.83	44,179,158.61	3,273,688.35	97,625,016.34
(1) Purchase	720,435.63	41,627,747.95	40,786,737.98	3,173,168.25	86,308,089.81
(2) Transfer of projects under construction	3,609,031.92	40,277.88	3,020,217.74		6,669,527.54
(3) Foreign currency conversion		137,154.85			137,154.85
(4) Increase in business mergers		4,037,521.15	372,202.89	100,520.10	4,510,244.14
3. Reduction amount in this period	134,123.17	5,046,578.40	4,502,754.31	2,335,287.15	12,018,743.03
(1) Disposal or scrapping	5,922.33	4,821,228.17	4,417,645.38	2,135,105.94	11,379,901.82
(2) Transfer to investment real estate	128,200.84				128,200.84
(3) Other transfer-out numbers		225,350.23	85,108.93	200,181.21	510,640.37
4. Ending balance	225,619,189.45	119,212,547.69	243,052,486.02	16,110,657.90	603,994,881.06
2. Accumulated depreciation					
1. Opening balance	78,692,995.86	36,083,125.63	82,069,473.82	8,260,593.80	205,106,189.11
2. Increase amount in this period	8,739,228.06	19,287,236.35	28,139,348.85	1,418,033.47	57,583,846.73
(1) Provision	8,739,228.06	17,129,089.87	27,826,206.16	1,346,405.45	55,040,929.54
(2) Foreign currency conversion		98,046.82			98,046.82
(3) Increase in business mergers		2,060,099.66	313,142.69	71,628.02	2,444,870.37
3. Reduction amount in this period	34,915.83	4,138,032.70	3,357,810.73	2,004,773.07	9,535,532.33
(1) Disposal or scrapping	5,922.33	4,022,998.33	3,336,110.35	1,943,363.31	9,308,394.32
(2) Transfer to investment real estate	28,993.50				28,993.50
(3) Other transfer-out numbers		115,034.37	21,700.38	61,409.76	198,144.51
4. Ending balance	87,397,308.09	51,232,329.28	106,851,011.94	7,673,854.20	253,154,503.51

3. Impairment provision					
1. Opening balance					
2. Increase amount in this period					
(1) Provision					
3. Reduction amount in this period					
(1) Disposal or scrapping					
4. Ending balance					
4. Book value					
1. Book value at the end of the period	138,221,881.36	67,980,218.41	136,201,474.08	8,436,803.70	350,840,377.55
2. Book value at the beginning of the period	142,730,849.21	42,333,298.63	121,306,607.90	6,911,662.90	313,282,418.64

(2). Temporarily idle fixed assets

applicable √not applicable

(3). Fixed assets leased through operating leases

applicable √not applicable

(4). Fixed assets whose property rights certificates have not been obtained

applicable √not applicable

(5). Impairment testing of fixed assets

applicable √not applicable

other instructions:
applicable √not applicable

Fixed asset liquidation

applicable √not applicable

22、 Construction in progress

Item list

√ applicable not applicable
Unit: Currency: RMB

project	Ending balance	Opening Balance
Construction in progress	385,164,808.27	125,396,841.95
Engineer material		
total	385,164,808.27	125,396,841.95

other instructions:
applicable √not applicable

Construction in progress

(1). Projects under construction

√ applicable not applicable
Unit: Currency: RMB

project	Ending balance			Opening Balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Fuyang Industrial Park-Phase II Expansion Project	348,459,574.46		348,459,574.46	101,176,658.46		101,176,658.46
Intelligent control valve factory digital transformation, relocation and expansion project	16,118,679.18		16,118,679.18	19,082,568.81		19,082,568.81
Intelligent regulating valve R&D center project	5,895,097.64		5,895,097.64	5,137,614.68		5,137,614.68
Other sporadic projects	14,691,456.99		14,691,456.99			

Total	385,164,808.27		385,164,808.27	125,396,841.95		125,396,841.95

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

√ applicable not applicable

Unit: Currency: RMB

project name	budget number	Beginning of period balance	Increase amount in this period	Amount transferred to fixed assets / intangible assets in this period	Other decreases in the current period	End of term balance	Proportion of cumulative project investment to budget (%)	project progress(%)	Accumulated amount of interest capitalization	Including: Amount of interest capitalization for the current period	Interest capitalization rate for the current period (%)	Sources of funds
Fuyang Industrial Park-Phase II Expansion Project	420,000,000.00	101,176,658.46	247,282,916.00			348,459,574.46	90.43	90.00				private capital
Intelligent control valve factory digital transformation, relocation and expansion project	29,000,000.00	19,082,568.81	2,491,659.56	5,455,549.19		16,118,679.18	81.09	80.00				Fund raising
Intelligent regulating valve R&D center project	7,000,000.00	5,137,614.68	757,482.96			5,895,097.64	91.80	90.00				Fund raising
Other sporadic projects			18,340,766.79	3,649,309.8		14,691,456.99						private capital
total	456,000,000.00	125,396,841.95	268,872,825.31	9,104,858.99		385,164,808.27	/	/			/	/

(3). **Provision for impairment of projects under construction in the current period**
applicable √not applicable
(4). **Impairment testing of projects under construction**
applicable √not applicable

other instructions
applicable √not applicable
Engineer material
(1). **Project materials situation**
applicable √not applicable
23、 **productive biological assets**
(1). **Productive biological assets using cost measurement model**
applicable √not applicable
(2). **Impairment testing of productive biological assets using cost measurement model**
applicable √not applicable
(3). **Productive biological assets using fair value measurement model**
applicable √not applicable other instructions
applicable √not applicable
24、 **Oil and gas assets**
(1) Oil and gas assets
applicable √not applicable
(2) Impairment testing of oil and gas assets
applicable √not applicable
other instructions:
none

25、 **right-of-use assets**
(1) Right-of-use assets
√ applicable not applicable
Unit: Currency: RMB

project	houses and buildings	total
1. Original book value		
1. Opening balance	51,376,028.30	51,376,028.30
2. Increase amount in this period	29,853,537.31	29,853,537.31
(1) Rent	13,853,109.40	13,853,109.40
(2) Foreign currency conversion	420,224.81	420,224.81
(3) Increase in business mergers	15,580,203.10	15,580,203.10
3. Reduction amount in this period	19,159,354.41	19,159,354.41
(1) Disposal	18,890,647.96	18,890,647.96
(2) Other transfer-out numbers	268,706.45	268,706.45
4. Ending balance	62,070,211.20	62,070,211.20
2. Accumulated depreciation		
1. Opening balance	21,687,331.58	21,687,331.58
2. Increase amount in this period	21,947,794.88	21,947,794.88
(1)Provision	14,384,920.10	14,384,920.10
(2) Foreign currency	209,301.42	209,301.42

conversion		
(3) Increase in business mergers	7,353,573.36	7,353,573.36
3. Reduction amount in this period	14,522,813.38	14,522,813.38
(1) Disposal	14,321,283.54	14,321,283.54
(2) Other transfer-out numbers	201,529.84	201,529.84
4. Ending balance	29,112,313.08	29,112,313.08
3. Impairment provision		
1. Opening balance		
2. Increase amount in this period		
(1)Provision		
3. Reduction amount in this period		
(1) Disposal		
4. Ending balance		
4. Book value		
1. Book value at the end of the period	32,957,898.12	32,957,898.12
2. Book value at the beginning of the period	29,688,696.72	29,688,696.72

(2) Impairment testing of right-of-use assets

applicable √not applicable

other instructions:
none

26、 intangible assets

(1). Intangible assets

√ applicable not applicable
Unit: Currency: RMB

project	Land use rights	patent	Unpatented technology	software	total
1. Original book value					
1. Opening balance	61,786,123.64		4,177,060.41	86,034,377.19	151,997,561.24
2. Increase amount in this period		43,838,487.52		24,393,722.03	68,232,209.55
(1) Purchase				21,586,383.19	21,586,383.19
(2) Increase in business mergers		43,813,964.43		359,757.88	44,173,722.31
(3) Foreign currency conversion		24,523.09		12,249.51	36,772.60
(4) Transfer of projects under construction				2,435,331.45	2,435,331.45
3. Reduction amount in this period	29,067.49			833,607.77	862,675.26

(1) Disposal or scrapping				833,607.77	833,607.77
(2) Transfer to investment real estate	29,067.49				29,067.49
4. Ending balance	61,757,056.15	43,838,487.52	4,177,060.41	109,594,491.45	219,367,095.53
2. Accumulated amortization					
1. Opening balance	9,120,556.56		4,177,060.41	23,673,068.11	36,970,685.08
2. Increase amount in this period	1,252,520.76	6,313,608.50		16,609,182.39	24,175,311.65
(1) Provision	1,252,520.76	4,056,849.00		16,291,328.32	21,600,698.08
(2) Increase in business mergers		2,256,044.24		306,352.39	2,562,396.63
(3) Foreign currency conversion		715.26		11,501.68	12,216.94
3. Reduction amount in this period	6,136.94			698,432.51	704,569.45
(1) Disposal or scrapping				698,432.51	698,432.51
(2) Transfer to investment real estate	6,136.94				6,136.94
4. Ending balance	10,366,940.38	6,313,608.50	4,177,060.41	39,583,817.99	60,441,427.28
3. Impairment provision					
1. Opening balance					
2. Increase amount in this period					
(1) Provision					
3. Reduction amount in this period					
(1) Disposal					
4. Ending balance					
4. Book value					
1. Book value at the end of the period	51,390,115.77	37,524,879.02		70,010,673.46	158,925,668.25
2. Book value at the beginning of the period	52,665,567.08			62,361,309.08	115,026,876.16

At the end of the period, the proportion of intangible assets formed through the company's internal research and development to the balance of intangible assets was 0%

(2). Land use rights for which property rights certificates have not been obtained
applicable √not applicable

(3) Impairment testing of intangible assets
applicable √not applicable

other instructions:
applicable √not applicable

27、 **goodwill**

(1). Original book value of goodwill
√ applicable not applicable
Unit: Currency: RMB

Name of the invested unit or matters forming goodwill	Opening Balance	Increased in this issue		Decrease in this period		Ending balance
		Formed by business merger		Dispose		
Hobré International B.V.		159,466,545.03				159,466,545.03
Among them: core goodwill		159,279,840.84				159,279,840.84
non-core goodwill		186,704.19				186,704.19
SUPCON Global Technology (Hangzhou) Co., Ltd.		6,998,721.25				6,998,721.25
Among them: core goodwill		3,519,683.86				3,519,683.86
non-core goodwill		3,479,037.39				3,479,037.39
total		166,465,266.28				166,465,266.28

(2). Goodwill impairment provision
√ applicable not applicable
Unit: Currency: RMB

Name of the invested unit or matters forming goodwill	Opening Balance	Increased in this issue		Decrease in this period		Ending balance
		Provision	Formed by business merger in this period	Dispose		
Hobré International B.V.			11,075.65			11,075.65
Among them: core goodwill						
non-core goodwill			11,075.65			11,075.65
SUPCON Global Technology (Hangzhou) Co., Ltd.			344,641.03			344,641.03
Among them: core goodwill						
non-core goodwill			344,641.03			344,641.03
total			355,716.68			355,716.68

(3). Information related to the asset group or asset group combination where goodwill is located
√ applicable not applicable

name	The composition and basis of the asset group or portfolio to which it belongs	Operating segments and basis	Is it consistent with previous years?

Hobré Corporate Asset Group Portfolio	Hobré company as a whole as an asset group	Instrumentation	yes
Global Technology Company Asset Group Portfolio	Treat global technology companies as an asset group	S2B	yes

Changes in asset group or asset group combination
applicable √not applicable

other instructions
applicable √not applicable

(4). **Specific method for determining recoverable amount**

The recoverable amount is determined as the net amount after fair value minus disposal costs.
applicable √not applicable

The recoverable amount is determined based on the present value of expected future cash flows.
√ applicable not applicable
Unit: Currency: RMB

project	Book value	Recoverable amount	Impairment amount	The number of years in the forecast period	Key parameters for the forecast period (growth rate, profit margin, etc.)	Basis for determining parameters during the forecast period	Key parameters of the stable period (growth rate, profit rate, discount rate, etc.)	Basis for determining the key parameters of the stable period	Discount rate and its basis for determination
Hobré Corporate Asset Group Portfolio	225,552,739.12	229,488,640.00		5 years	Revenue growth rate is 0.51% to 8.26%; profit margin is 5.80% to 9.27%	It is determined comprehensively based on historical experience and forecasts of market development.	Growth rate in stable period: 0%; Profit rate in stable period: 9.72%	It is assumed that each asset group will maintain a stable level of profitability	13.35% Basis for determination: Determined based on future profit forecasts made by Hobré's management
Global Technology Company Asset Group Portfolio	71,031,914.17	73,000,000.00		5 years	Revenue growth rate is 5% to 172.14%; profit margin is -2.72% to 8.29%	It is determined comprehensively based on historical experience and forecasts of market development.	Growth rate in stable period: 0%; Profit rate in stable period: 8.29%	It is assumed that each asset group will maintain a stable level of profitability	9.73% Basis for determination: Determined based on future profit forecasts made by the management

									of Global Technology Company
total	296,584,653.29	302,488,640.00		/	/	/	/	/	

Reasons for the obvious inconsistency between the aforementioned information and the information used in impairment testing in previous years or external information
applicable √not applicable

Reasons for the discrepancy between the information used in the company's impairment testing in previous years and the actual situation of that year.
applicable √not applicable

(5). Performance commitments and corresponding goodwill impairment

There is a performance commitment when goodwill is formed and the reporting period or the previous period of the reporting period is within the performance commitment period
applicable √not applicable

other instructions
√ applicable not applicable
Specific method for determining recoverable amount
1) According to the "Evaluation Report" (Kunyuan Review [2024] No. 149) issued by Kunyuan Asset Appraisal Co., Ltd. hired by the company, the recoverable amount of Hobré's asset group or asset group combination containing goodwill is 229,488,640.00 yuan.
2) According to the "Evaluation Report" (Kunyuan Review [2024] No. 148) issued by Kunyuan Asset Appraisal Co., Ltd. hired by the company, the recoverable amount of the asset group or asset group combination containing goodwill of Global Technology Company is 73,000,000.00 yuan. .

28、 Long-term prepaid expenses

√ applicable not applicable
Unit: Currency: RMB

project	Opening Balance	Increase amount in this period	Amortization amount for the current period	Other reduction amounts	Ending balance
Renovation costs	33,204,113.82	22,785,434.71	12,059,338.69	6,904.58	43,923,305.26
other	1,965,267.91		536,569.87		1,428,698.04
total	35,169,381.73	22,785,434.71	12,595,908.56	6,904.58	45,352,003.30

other instructions:
none

29、 Deferred income tax assets/deferred income tax liabilities

(1). Deferred tax assets not offset

√ applicable not applicable
Unit: Currency: RMB

project	Ending balance		Opening Balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Impairment of assets	364,893,426.57	47,721,655.10	250,467,399.63	31,724,585.11
unrealized profits	52,915,244.37	6,961,593.30	59,563,052.46	6,532,052.71
Deductible losses	41,470,598.84	10,699,414.50		
Lease liability	34,536,944.22	5,865,233.93		
Deferred income	60,490,793.05	6,523,410.08	64,074,039.06	6,725,668.57
total	554,307,007.05	77,771,306.91	374,104,491.15	44,982,306.39

(2). Deferred tax liabilities not offset

√ applicable not applicable

Unit: Currency: RMB

project	Ending balance		Opening Balance	
	Taxable temporary differences	Deferred income tax Liabilities	Taxable temporary differences	Deferred income tax Liabilities
Value added of asset valuation for merger of enterprises not under common control	37,108,677.46	5,642,391.79		
Accelerated depreciation of fixed assets	7,918,327.89	875,028.39	10,450,355.83	1,141,316.52
right-of-use assets	32,957,898.12	5,592,413.99		
total	77,984,903.47	12,109,834.17	10,450,355.83	1,141,316.52

(3). Deferred tax assets or liabilities presented net of offsets

√ applicable not applicable

Unit: Currency: RMB

project	The amount of offset of deferred income tax assets and liabilities at the end of the period	Closing balance of deferred income tax assets or liabilities after offsetting	The amount of offset between deferred income tax assets and liabilities at the beginning of the period	Opening balance of deferred income tax assets or liabilities after offsetting
Deferred tax assets	6,467,442.38	71,303,864.53		44,982,306.39
Deferred income tax liability	6,467,442.38	5,642,391.79		1,141,316.52

(4). Details of unrecognized deferred income tax assets

√ applicable not applicable

Unit: Currency: RMB

project	Ending balance	Opening Balance
Deductible temporary differences	84,626,506.76	52,285,044.53
Deductible losses	119,830,421.65	140,512,607.38
total	204,456,928.41	192,797,651.91

(5). Deductible losses that have not been recognized as deferred income tax assets will expire in the following years

√ applicable not applicable

Unit: Currency: RMB

years	Ending amount	Beginning amount	Remark
2023		7,166,894.63	
2024		3,114,370.75	
2025	5,034,359.13	17,863,724.47	
2026	394,842.73	66,919,320.17	
2027	16,248,927.24	45,448,297.36	
2028	28,369,993.53		
2029			
2030			
2031	49,306,891.65		

2032	13,067,418.04		
2033	7,407,989.33		
total	119,830,421.65	140,512,607.38	/

30、 Other non-current assets

√ applicable not applicable

Unit: Currency: RMB

project	Ending balance			Opening Balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepayment for engineering equipment	41,895,913.39		41,895,913.39	23,780,114.04		23,780,114.04
total	41,895,913.39		41,895,913.39	23,780,114.04		23,780,114.04

other instructions:

none

31、 Assets with restricted ownership or use rights

√ applicable not applicable

Unit: Currency: RMB

project	End of term				Beginning of period			
	Book balance	Book value	Restricted type	restricted situation	Book balance	Book value	Restricted type	restricted situation
Money funds	408.42	408.42	pledge	Bill margin	15,592,546.18	15,592,546.18	pledge	Bill margin
	36,933,822.62	36,933,822.62	pledge	Guarantee deposit	39,285,841.23	39,285,841.23	pledge	Guarantee deposit
					752,102.44	752,102.44	freeze	Litigation deposit
bill receivable	33,915,532.68	33,915,532.68	pledge	Bill pledge	123,740,222.15	123,740,222.15	pledge	Bill pledge
Receivables Financing	102,763,469.67	102,763,469.67	pledge	Bill pledge	376,977,214.54	376,977,214.54	pledge	Bill pledge
total	173,613,233.39	173,613,233.39	/	/	556,347,926.54	556,347,926.54	/	/

other instructions:

none

32、 short-term loan

(1). Short-term loan classification

√ applicable not applicable

Unit: Currency: RMB

project	Ending balance	Opening Balance
Credit loan	201,000,000.00	101,000,000.00
Debt discount loan	6,327,387.00	
Unpaid interest payable on short-term borrowings	637,166.66	80,250.00
Bill discount borrowing		4,012,598.18
Factoring of accounts receivable		1,137,947.20
total	207,964,553.66	106,230,795.38

Description of short-term loan classification:

none

(2). Overdue short-term borrowings that have not been repaid
applicable √not applicable

Among them, the important overdue short-term borrowings that have not been repaid are as follows:
applicable √not applicable

other instructions
applicable √not applicable

33、 Trading financial liabilities
applicable √not applicable

other instructions :
applicable √not applicable

34、 Derivative financial liabilities
applicable √not applicable

35、 Notes payable

(1). List of notes payable
√ applicable not applicable
Unit: Currency: RMB

type	Ending balance	Opening Balance
trade acceptance draft		
bank acceptance draft	723,014,307.53	992,587,518.08
total	723,014,307.53	992,587,518.08

The total amount of due and unpaid bills payable at the end of this period was RMB 0 .

36、 accounts payable

(1). Accounts payable presentation
√ applicable not applicable
Unit: Currency: RMB

project	Ending balance	Opening Balance
payment	2,682,495,723.97	2,263,881,024.26
Engineering equipment	142,759,943.74	51,290,072.34
Expenses	2,113,238.20	3,237,264.21
total	2,827,368,905.91	2,318,408,360.81

(2). Important accounts payable that are aged more than 1 year or are overdue
applicable √not applicable

other instructions
applicable √not applicable

37、 advance payment

(1). List of accounts received in advance
√ applicable not applicable
Unit: Currency: RMB

project	Ending balance	Opening Balance
rent	528,076.48	

total	528,076.48	

(2). **aged more than 1 year**
applicable √not applicable

(3). **Amount and reasons for significant changes in book value during the reporting period**
applicable √not applicable

other instructions
applicable √not applicable

38、 **Contract liabilities**

(1). **Contract liabilities**
√ applicable not applicable
Unit: Currency: RMB

project	Ending balance	Opening Balance
payment	2,475,705,767.49	2,620,149,203.20
total	2,475,705,767.49	2,620,149,203.20

(2). **aged more than 1 year**
applicable √not applicable

(3). **Amount and reasons for significant changes in book value during the reporting period**
applicable √not applicable

other instructions:
applicable √not applicable

39、 **Employee compensation payable**

(1). **Presentation of employee benefits payable**
√ applicable not applicable
Unit: Currency: RMB

project	Opening Balance	Increased in this issue	Decrease in this period	Ending balance
1. Short-term compensation	375,076,566.19	1,841,178,964.89	1,782,178,639.50	434,076,891.58
2. Post-employment benefits-defined contribution plan	5,856,536.53	134,062,709.87	125,149,943.73	14,769,302.67
total	380,933,102.72	1,975,241,674.76	1,907,328,583.23	448,846,194.25

(2). **Short-term compensation presentation**
√ applicable not applicable
Unit: Currency: RMB

project	Opening Balance	Increased in this issue	Decrease in this period	Ending balance
1. Wages, bonuses, allowances and subsidies	357,390,147.96	1,584,019,477.43	1,528,707,170.80	412,702,454.59
2. Employee welfare fees	299,045.96	81,488,039.62	81,468,255.19	318,830.39
3. Social insurance premiums	4,884,962.01	70,233,963.42	70,525,750.28	4,593,175.15
Among them: medical insurance premiums	4,790,821.01	67,832,887.74	68,183,359.54	4,440,349.21
Work injury insurance premium	87,683.75	2,014,518.92	1,951,869.56	150,333.11
maternity insurance	6,457.25	386,556.76	390,521.18	2,492.83

premium				
4. Housing Provident Fund	413,921.93	89,525,238.11	89,301,353.44	637,806.60
5. Trade Union Funds and Employee Education Funds	12,088,488.33	15,912,246.31	12,176,109.79	15,824,624.85
total	375,076,566.19	1,841,178,964.89	1,782,178,639.50	434,076,891.58

(3). Set up a contribution plan list

√ applicable not applicable
Unit: Currency: RMB

project	Opening Balance	Increased in this issue	Decrease in this period	Ending balance
1. Basic pension insurance	5,655,206.51	130,069,836.03	121,300,318.51	14,424,724.03
2. Unemployment insurance premiums	201,330.02	3,992,873.84	3,849,625.22	344,578.64
total	5,856,536.53	134,062,709.87	125,149,943.73	14,769,302.67

other instructions:
√ applicable not applicable

The increase in employee benefits payable in the current period includes RMB 15,907,052.45 transferred in due to the increase in the scope of consolidation , and the decrease in the current period includes RMB 1,893,330.97 transferred out due to the decrease in the scope of consolidation.

40、 Taxes payable

√ applicable not applicable
Unit: Currency: RMB

project	Ending balance	Opening Balance
VAT	127,798,367.18	119,303,448.69
Withholding and payment of personal income tax	30,064,576.70	21,607,402.76
corporate income tax	28,052,268.33	26,835,227.17
stamp duty	3,861,354.31	2,409,260.62
Urban maintenance and construction tax	3,064,262.93	3,528,712.33
land holding tax	2,282,254.00	1,031,992.00
property tax	1,614,268.37	1,119,962.32
Education fee surcharge	1,324,773.82	1,512,331.81
Local education surcharges	883,182.52	1,008,221.21
Local water conservancy construction fund	4,338.67	2,945.96
total	198,949,646.83	178,359,504.87

other instructions:
none

41、 Other payables

(1). Item list

√ applicable not applicable
Unit: Currency: RMB

project	Ending balance	Opening Balance
Dividends payable		
Other payables	142,878,776.84	93,507,790.90
total	142,878,776.84	93,507,790.90

other instructions:
applicable √not applicable

(2). Interest payable

Classification list
applicable √not applicable

Important overdue interest payable:
applicable √not applicable

other instructions:
applicable √not applicable

(3). Dividends payable

Classification list
applicable √not applicable

(4). Other payables

Present other payables according to nature of payment
√ applicable not applicable
Unit: Currency: RMB

project	Ending balance	Opening Balance
Payable and unpaid	113,921,151.14	81,830,044.52
current account	12,752,238.00	
Deposit security deposit	8,430,301.03	7,334,083.56
Withholding and payment of funds	3,760,768.17	2,651,810.57
Payable to temporary collections	1,132,539.75	1,264,373.11
other	2,881,778.75	427,479.14
total	142,878,776.84	93,507,790.90

Important other payables aged more than 1 year or overdue
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
Unit: Currency: RMB

project	Ending balance	Opening Balance
Long-term borrowings due within 1 year		500,000,000.00
Lease liabilities due within 1 year	13,509,742.32	13,742,140.67
Interest payable and unpaid		443,055.56
total	13,509,742.32	514,185,196.23

other instructions:

none

44、 Other current liabilities

Other current liabilities
√ applicable not applicable

Unit: Currency: RMB

project	Ending balance	Opening Balance
Endorsed undue notes receivable (not derecognized)	501,210,072.42	437,170,631.22
Output tax to be reversed	7,379,458.55	22,282,869.67
total	508,589,530.97	459,453,500.89

Changes in short-term bonds payable :
applicable √not applicable

other instructions:

applicable √not applicable

45、 Long term loan

(1). Long-term loan classification

√ applicable not applicable
Unit: Currency: RMB

project	Ending balance	Opening Balance
Credit loan	300,000,000.00	
Interest payable and unpaid	247,500.00	
total	300,247,500.00	

Description of long-term loan classification:

none

other instructions
applicable √not applicable

46、 Bonds payable

(1). Bonds payable

applicable √not applicable

(2). Details of bonds payable : (excluding preferred stocks, perpetual bonds and other financial instruments classified as financial liabilities)

applicable √not applicable

(3). convertible corporate bonds

applicable √not applicable √不适用

Accounting treatment and judgment basis for equity transfer

applicable √not applicable

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

Basic information on preferred shares, perpetual bonds and other financial instruments outstanding at the end of the period
applicable √not applicable

Statement of changes in outstanding preferred stocks, perpetual bonds and other financial instruments at the end of the period
applicable √not applicable

Explanation of the basis for classifying other financial instruments as financial liabilities:

applicable √not applicable

other instructions:

applicable √not applicable

47、 Lease liability

√ applicable not applicable
Unit: Currency: RMB

project	Ending balance	Opening Balance
Realtor	21,214,303.17	17,477,346.29
total	21,214,303.17	17,477,346.29

other instructions:

none

48、 Long-term payables

Item list

applicable √not applicable

other instructions:
√ applicable not applicable
none

Long-term payables

(1). Present long-term payables according to nature of payment

applicable √not applicable

Special payables

(1). List special payables according to nature of payment

applicable √not applicable

49、 Long-term employee benefits payable

applicable √not applicable

50、 Estimated liabilities

applicable √not applicable

51、 Deferred income

Deferred income
√ applicable not applicable
Unit: Currency: RMB

project	Opening Balance	Increased in this issue	Decrease in this period	Ending balance	Causes
government subsidy	64,074,039.06	70,638,466.00	68,453,312.56	66,259,192.50	Receive subsidy
total	64,074,039.06	70,638,466.00	68,453,312.56	66,259,192.50	/

other instructions:

√ applicable not applicable
Government Subsidy " in Section 10 "Financial Report" of this report.

52、 Other non-current liabilities

applicable √not applicable

53、 share capital

√ applicable not applicable

Unit: Currency: RMB

	Opening Balance	This change increases or decreases (+, one)					Ending balance
		issued new shares	Bonus shares	provident fund Share transfer	other	Subtotal	
Total number of shares	499,566,000.00	46,441,430.00		243,907,658.00		290,349,088.00	789,915,088.00

other instructions:

(1) According to the resolutions of the 18th meeting of the fifth session of the board of directors of the company and the second extraordinary general meeting of shareholders in 2022, and approved by the Prospectus Office of the Swiss Stock Exchange Supervisory Authority and the China Securities Regulatory Commission's "About the Prospective Prospecting of Zhejiang SUPCON Technology Co., Ltd." Co., Ltd.'s initial public issuance of global depositary receipts and listing on the Swiss Stock Exchange" (China Securities Regulatory Commission Permit [2023] No. 710) was approved. According to the issuance plan and subscription status, the company will invest in qualified international investors and other investments that comply with relevant regulations. The company issued 20,958,000 GDRs, corresponding to 41,916,000 basic A shares of the company. The issuance price of each GDR was US$26.94, and the total raised funds were US$564,608,520.00 (equivalent to RMB 3,885,297,069.53). The net amount of funds raised after deducting the issuance expenses was 3,834,603,871.75 yuan, of which the share capital was increased by 41,916,000.00 yuan and the capital reserve (equity premium) was increased by 3,792,687,871.75 yuan.

(2) According to the resolutions of the eighth and ninth meetings of the company's fifth board of directors and the third extraordinary general meeting of shareholders in 2021, as well as the "About Adjustments to the 2021 Restricted Stock Incentive Plan" reviewed and approved by the fifteenth meeting of the fifth board of directors "Proposal on the Award Price" and "Proposal on the Achievement of the Attribution Conditions for the First Vesting Period of the Company's 2021 Restricted Stock Incentive Plan" reviewed and approved by the 20th meeting of the fifth board of directors. The company issued shares to 945 incentive targets including Ding Xiaobo 535,018 shares, the company received its capital contribution in currency of 20,940,608.12 yuan, including an increase in share capital of 535,018.00 yuan and an increase in capital reserve (share capital premium) of 20,405,590.12 yuan.

(3) According to the capital reserve transfer plan reviewed and approved by the company's 2022 Annual General Meeting of Shareholders, the company will use the total share capital of 542,017,018 shares as the base and transfer 4.5 shares for every 10 shares to all shareholders in the form of capital reserve transfer, for a total transfer of 243,907,658 shares. share.

(4) According to the resolutions adopted at the 14th and 17th meetings of the fourth session of the Board of Directors in 2019 and the second and fourth extraordinary shareholders' meetings in 2019, as well as the " "Proposal on Adjusting the Exercise Price and Quantity of the 2019 Stock Option Incentive Plan" and "Proposal on the Achievement of Exercise Conditions for the Fourth Exercise Period of the Company's 2019 Stock Option Incentive Plan" reviewed and approved by the first meeting of the sixth session of the Board of Directors, Huang Wenjun and other 204 incentive objects exercised a total of 3,990,412 shares of their options, and the company received a total of 29,257,903.12 yuan of capital contribution paid in currency. Among them, the share capital increased by RMB 3,990,412.00 and the capital reserve (share premium) increased by RMB 25,267,491.12.

54、 Other equity instruments

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

applicable √not applicable

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

applicable √not applicable

Changes in other equity instruments during the current period, explanations of the reasons for the changes, and the basis for relevant accounting treatments:
applicable √not applicable

other instructions:
applicable √not applicable

55、 capital reserve

√ applicable not applicable
Unit: Currency: RMB

project	Opening Balance	Increased in this issue	Decrease in this period	Ending balance
Capital premium (equity premium)	2,488,619,049.35	3,910,846,712.22	243,907,658.00	6,155,558,103.57
Other capital reserves	49,976,214.52	21,321,546.30	23,759,522.08	47,538,238.74
total	2,538,595,263.87	3,932,168,258.52	267,667,180.08	6,203,096,342.31

Other explanations, including changes in increases and decreases in the current period and explanations of reasons for changes:
(1) The capital reserve (capital premium) increased by RMB 3,792,687,871.75, which was the premium paid for the capital increase from the company’s issuance of GDR. For details, please see the description of capital in the notes to this financial statement.
(2) The capital reserve (capital premium) increased by RMB 20,405,590.12, which was the premium paid for the capital increase from the issuance of restricted stocks by the company. For details, please see the description of capital in the notes to this financial statement. At the same time, the share-based payment expenses of RMB 16,992,352.30 originally recognized in the first vesting period of the restricted stock incentive plan were transferred from capital reserve (other capital reserve) to capital reserve (share premium).
(3) The capital reserve (capital premium) of RMB 243,907,658.00 was converted into share capital. For details, please see the description of share capital in the notes to this financial statement.
(4) The capital reserve (equity premium) increased by RMB 25,267,491.12, which was the premium from the exercise of options to increase capital. For details, please see the description of capital in the notes to this financial statement. At the same time, the share-based payment expenses of RMB 6,767,169.78 originally recognized in the fourth exercise period of the stock option incentive plan were transferred from capital reserve (other capital reserve) to capital reserve (share premium).
(5) Equity-settled share-based payments of RMB 51,527,998.28 and RMB 20,718,715.09 were included in capital reserves (share premium) and capital reserves (other capital reserves) respectively. For details, see the explanation of share-based payments in the notes to this financial statement.
(6) The company purchases 20% of the equity of its subsidiary Zhejiang SUPCON Huiji Technology Co., Ltd. from minority shareholders . The purchase price is equal to the net assets of the subsidiary calculated continuously from the date of merger based on the new shareholding ratio. The difference of -2,801,761.13 yuan was included in the capital reserve (share premium).
(7) A change of RMB 602,831.21 in capital reserve of associates calculated based on the company’s shareholding ratio was included in capital reserve (other capital reserve).

56、 treasury stock

√ applicable not applicable
Unit: Currency: RMB

project	Opening Balance	Increased in this issue	Decrease in this period	Ending balance

treasury stock		89,159,943.10		89,159,943.10
total		89,159,943.10		89,159,943.10

Other explanations, including changes in increases and decreases in the current period and explanations of reasons for changes:

According to the "Proposal on the Plan to Repurchase the Company's Shares through Centralized Bidding Transactions" reviewed and approved at the 22nd meeting of the fifth session of the Board of Directors, the company used over-raised funds and its own funds to repurchase the company's shares through centralized bidding transactions. As of December 31, 2023, the company has repurchased a total of 1,972,133 shares of the company, with a total transaction amount of 89,159,943.10 yuan.

57、 Other comprehensive income

√ applicable not applicable

Unit: Currency: RMB

project	Beginning of period balance	Amount incurred in this period						End of term balance
		Amount before income tax for the current period	Less: included in other comprehensive income in the previous period and transferred to profit and loss in the current period	Less: Included in other comprehensive income in the previous period and transferred to retained earnings in the current period	Deduct: income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	
1. Other comprehensive income that cannot be reclassified into profit or loss								
2. Other comprehensive income that will be reclassified into profit and loss	-564,553.06	6,059,015.28				6,083,638.52	-24,623.24	5,519,085.46
Including: other comprehensive income that can be converted to profit or loss under the equity method	146,122.68	68,721.90				68,721.90		214,844.58
Translation differences of foreign currency financial	-710,675.74	5,990,293.38				6,014,916.62	-24,623.24	5,304,240.88

statements								
Total other comprehensive income	-564,553.06	6,059,015.28				6,083,638.52	-24,623.24	5,519,085.46

Other explanations include adjustments to the initial recognition amount of the effective portion of cash flow hedging gains and losses converted into hedged items: none

58、 Special reserves

applicable √not applicable

59、 Surplus reserve

√ applicable not applicable

Unit: Currency: RMB

project	Opening Balance	Increased in this issue	Decrease in this period	Ending balance
Statutory surplus reserve	249,783,000.00	89,895,417.13		339,678,417.13
total	249,783,000.00	89,895,417.13		339,678,417.13

Description of surplus reserve, including changes in increases and decreases in the current period and explanation of reasons for changes:

According to the provisions of the company's articles of association, the increase in this period is to withdraw 10% of the statutory surplus reserve based on the net profit realized by the parent company in 2023.

60、 undistributed profit

√ applicable not applicable

Unit: Currency: RMB

project	This period	Previous period
Undistributed profits at the end of the previous period before adjustments	1,970,552,725.02	1,354,220,821.47
Adjust the total amount of undistributed profits at the beginning of the period (increase + , decrease -)		
Adjusted opening undistributed profits	1,970,552,725.02	1,354,220,821.47
Add: Net profit attributable to owners of the parent company for the current period	1,101,763,732.92	797,929,183.55
Less: Withdrawal from statutory surplus reserve	89,895,417.13	2,741,000.00
Dividends payable on common shares	406,512,763.50	178,856,280.00
Undistributed profit at the end of the period	2,575,908,277.31	1,970,552,725.02

Adjust the details of undistributed profits at the beginning of the period:

1. Due to the retrospective adjustment of the Accounting Standards for Business Enterprises and its related new regulations, the undistributed profit at the beginning of the period was affected by RMB 0 .
2. Due to changes in accounting policies, the undistributed profit at the beginning of the period was affected by RMB 0 .
3. Due to the correction of major accounting errors, the undistributed profit at the beginning of the period was affected by RMB 0 .
4. The change in the scope of consolidation due to the same control affects the undistributed profit at the beginning of the period of 0 yuan.
5. The total impact of other adjustments on the undistributed profit at the beginning of the period is 0 yuan.

61、 Operating income and operating costs

(1). Operating income and operating costs

√ applicable not applicable

Unit: Currency: RMB

project	Amount incurred this period	Amount incurred last period

	income	cost	income	cost
Main business	8,564,722,840.64	5,723,798,624.68	6,596,425,135.67	4,243,370,785.13
Other business	55,187,961.80	35,294,061.79	27,431,411.15	17,391,094.92
total	8,619,910,802.44	5,759,092,686.47	6,623,856,546.82	4,260,761,880.05

(2). Decomposition information of operating income and operating costs

√ applicable not applicable

Unit: Currency: RMB

Contract classification	total	
	operating income	Operating cost
Product Types		
Industrial automation and intelligent manufacturing solutions	4,955,849,893.49	2,921,093,461.06
Instrumentation	621,353,459.24	431,690,060.89
Industrial software	702,681,808.43	413,325,768.39
Operation and maintenance services	279,581,345.86	162,395,661.68
S2B platform business	1,896,762,190.16	1,705,061,237.96
other	108,494,143.46	90,232,434.70
Subtotal	8,564,722,840.64	5,723,798,624.68
Classification by time of transfer of goods		
Recognize revenue at a certain point in time	8,563,875,528.76	5,728,487,388.29
Recognize revenue over a certain period of time	17,124,652.59	10,116,890.85
Subtotal	8,581,000,181.35	5,738,604,279.14
total	8,581,000,181.35	5,738,604,279.14

other instructions

√ applicable not applicable

Unit: Currency: RMB

project	Current Amount	Same period last year
Revenue generated from contracts with customers	8,581,000,181.35	6,601,132,078.76
total	8,581,000,181.35	6,601,132,078.76

(3). Description of performance obligations

applicable √not applicable

(4). Description of allocation to remaining performance obligations

applicable √not applicable

(5). Major contract changes or major transaction price adjustments

applicable √not applicable

other instructions:

none

62、 Taxes and surcharges

√ applicable not applicable

Unit: Currency: RMB

project	Amount incurred this period	Amount incurred last period
Urban maintenance and construction tax	24,110,507.00	22,779,179.02
Education fee surcharge	10,420,951.44	9,765,367.07
stamp duty	9,515,999.76	5,636,892.96
Local education surcharges	6,928,465.19	6,519,738.34
property tax	4,696,974.24	3,811,543.14
land holding tax	2,751,290.00	1,105,052.00

environmental tax		3,920.00
total	58,424,187.63	49,621,692.53

other instructions:

none

63、 sales expense

√ applicable not applicable

Unit: Currency: RMB

project	Amount incurred this period	Amount incurred last period
Salary	549,539,446.28	452,281,051.15
travel expenses	116,741,023.25	77,478,401.43
Business Hospitality	41,020,999.40	37,046,247.83
Advertising fee	23,319,363.71	8,302,945.24
office expenses	15,102,385.70	13,174,080.40
Depreciation and amortization	12,967,986.27	15,349,844.24
Rental fees	10,643,759.40	5,540,105.29
Tender fee	7,981,568.27	5,995,407.55
Material consumption	4,412,896.07	2,676,510.43
repair fee	3,617,918.90	2,193,750.20
other	3,498,605.62	2,722,882.64
total	788,845,952.87	622,761,226.40

other instructions:

none

64、 Management costs

√ applicable not applicable

Unit: Currency: RMB

project	Amount incurred this period	Amount incurred last period
Salary	225,707,574.14	170,901,115.68
share-based payment	72,480,741.99	97,954,196.69
Depreciation and amortization	37,285,963.70	25,920,165.36
Agency fee	37,207,067.58	30,070,914.70
Rental fees	19,865,667.06	10,313,612.77
travel expenses	14,049,528.98	8,487,321.33
Business Hospitality	13,025,564.40	10,096,873.99
office expenses	11,952,981.39	9,611,081.44
Fees for technical services	2,912,334.18	1,165,624.12
Energy consumption fee	2,185,151.97	6,394,572.00
Maintenance and testing costs	5,711,403.17	3,808,301.28
other	7,905,025.75	2,717,161.40
total	450,289,004.31	377,440,940.76

other instructions:

none

65、 R&D expenses

√ applicable not applicable

Unit: Currency: RMB

project	Amount incurred this period	Amount incurred last period
Direct labor	755,015,350.82	585,176,043.18
travel expenses	35,691,440.00	21,665,612.12
Depreciation and amortization	27,582,056.31	21,452,740.12
direct material	27,803,557.47	25,060,801.70
other	61,714,588.07	38,916,400.09
total	907,806,992.67	692,271,597.21

other instructions:
none

66、 Financial expenses

√ applicable not applicable
Unit: Currency: RMB

project	Amount incurred this period	Amount incurred last period
interest income	-120,912,223.23	-21,900,152.51
interest expense	25,787,668.54	25,985,441.23
Exchange gains and losses	-120,975,611.86	-3,411,227.27
handling fee	11,273,106.40	3,426,890.14
total	-204,827,060.15	4,100,951.59

other instructions:
none

67、 Other income

√ applicable not applicable

Unit: Currency : RMB

Classification by nature	Amount incurred this period	Amount incurred last period
Government subsidies related to income [Note]	278,531,838.65	242,633,834.66
Asset-related government subsidies [Note]	7,106,954.33	6,033,882.60
other	4,454,436.38	904,514.96
total	290,093,229.36	249,572,232.22

other instructions:
[Note] For details of government subsidies included in other income during the current period, please refer to Note 11. Government Subsidy to this financial statement.

68、 investment income

√ applicable not applicable

Unit : Currency : RMB

project	Amount incurred this period	Amount incurred last period
Long-term equity investment income calculated using the equity method	72,641,862.12	23,327,106.18
Financial management income	94,844,780.00	68,666,269.15
Receivables Financing Discount Losses	-2,020,532.07	-1,138,122.79
Investment income from financial assets measured at fair value through profit or loss during the holding period	154,206.04	-1,493.91
Investment income from disposal of long-term equity investments	5,095,713.66	
Dividend income obtained during the holding period of other equity instruments	492,417.72	
Gains arising from remeasurement of the original equity at fair value after obtaining control	10,344,176.21	
total	181,552,623.68	90,853,758.63

other instructions:

none

69、 Net exposure hedging gain

applicable √not applicable

70、 Gains from changes in fair value

√ applicable not applicable

Unit: Currency: RMB

Sources of gains from changes in fair value	Amount incurred this period	Amount incurred last period
trading financial assets	-72,988.41	28,704.48
Including: Income from changes in fair value of financial assets measured at fair value through profit or loss for the current period	-72,988.41	28,704.48
total	-72,988.41	28,704.48

other instructions:

none

71、 Credit impairment loss

√ applicable not applicable

Unit: Currency: RMB

project	Amount incurred this period	Amount incurred last period
Bad debt losses on notes receivable	-2,426,762.01	4,007,356.93
Bad debt losses on accounts receivable	-100,118,850.96	-68,007,821.78
Bad debt losses on other receivables	-4,533,915.43	-4,150,168.10
total	-107,079,528.40	-68,150,632.95

other instructions :
none

72、 Asset impairment loss

√ applicable not applicable

Unit: Currency: RMB

project	Amount incurred this period	Amount incurred last period
1. Impairment losses on contract assets	- 20,052,787.06	-9,448,782.43
2. Inventory depreciation losses and contract performance cost impairment losses	-19,990,766.78	-7,735,324.15
3. Goodwill impairment loss	-355,716.68	
total	-40,399,270.52	-17,184,106.58

other instructions:

none

73、 Asset disposal income

√ applicable not applicable

Unit: Currency : RMB

project	Amount incurred this period	Amount incurred last period
Fixed asset disposal income	190,560.32	235,777.70
Income from disposal of right-of-use assets	202,104.78	
total	392,665.10	235,777.70

other instructions:
none

74、 Non-operating income

Non-operating income
√ applicable not applicable

Unit: Currency: RMB

project	Amount incurred this period	Amount incurred last period	Amount included in non-recurring gains and losses for the current period
compensation income	651,816.00	48,029.43	651,816.00
liquidated damages income	319,040.15	48,000.00	319,040.15
fine income	698,935.37		698,935.37
other	100,915.45	37,462.13	100,915.45
total	1,770,706.97	133,491.56	1,770,706.97

other instructions:

applicable √not applicable

75、 Operating expenses

√ applicable not applicable

Unit: Currency: RMB

project	Amount incurred this period	Amount incurred last period	Amount included in non-recurring gains and losses for the current period
Losses due to damage or scrapping of non-current assets	1,904,278.91	1,019,564.54	1,904,278.91
late payment fee	666,284.10	423,601.35	666,284.10
external donation	900,107.38	150,000.00	900,107.38
Local water conservancy construction fund	33,792.91	15,850.82	
other	264,055.25	374,356.21	264,055.25
total	3,768,518.55	1,983,372.92	3,734,725.64

other instructions:

none

76、 Income tax expense

(1). income tax expense schedule

√ applicable not applicable

Unit: Currency: RMB

project	Amount incurred this period	Amount incurred last period
Current income tax expense	67,772,771.60	67,990,304.42
Deferred income tax expense	-8,014,485.74	-4,898,627.91
total	59,758,285.86	63,091,676.51

(2). Accounting profit and income tax expense adjustment process

√ applicable not applicable

Unit: Currency: RMB

project	Amount incurred this period
The total profit	1,182,767,957.87
Income tax expense calculated at statutory / applicable tax rates	118,276,795.79
The impact of different tax rates applicable to subsidiaries	21,097,950.60
Effect of Adjusting Prior Period Income Taxes	2,592,090.05
Effect of non-deductible costs, expenses and losses	1,413 , 397.11
The impact of super deduction of expenses	-78,782,434.60
The impact of using deductible losses that have not been recognized as deferred income tax assets in prior periods	-4,728,616.85
No deductible temporary differences or deductible losses were recognized for deferred income tax assets in the current period.	6,982,059.96
other	-7,092,956.20
Income tax expense	59,758,285.86

other instructions:

applicable √not applicable

77、 Other comprehensive income

√ applicable not applicable

57 of this financial statement.

78、 cash flow statement items

(1). Cash related to operating activities

Other cash received related to operating activities

√ applicable not applicable

Unit: Currency: RMB

project	Amount incurred this period	Amount incurred last period
Restricted Funds Recovery	46,420,290.87	24,764,337.12
Repayment of employees' house purchase loans	6,824,989.65	5,627,352.44
Deposit security deposit	64,015,321.01	110,704,243.22
interest income	120,912,223.23	21,900,152.51
receive government subsidies	103,131,988.17	86,688,522.21
Property rental income	45,136,298.27	20,699,763.85
current account	743,143.10	934,125.41
employee reserve fund	1,966,570.51	1,571,694.20
other	8,434,035.53	4,095,083.10
total	397,584,860.34	276,985,274.06

Description of other cash received related to operating activities:

none

Other cash paid related to operating activities

√ applicable not applicable

Unit: Currency: RMB

project	Amount incurred this period	Amount incurred last period
Restricted Funds Payment	27,724,032.06	55,380,138.10
Pay employees' house purchase loans	7,980,293.22	7,269,175.49
Deposit security deposit	72,310,608.58	130,119,061.67
handling fee	6,884,564.77	3,426,890.14
Transferring government subsidies to partners	20,826,100.00	21,260,500.00
Pay cash sales charges	212,070,957.67	146,477,032.96
Pay cash management fees	122,411,280.47	86,628,257.87
Pay out-of-pocket R&D expenses	121,904,116.01	85,694,849.88
current account	7,897,790.89	498,791.82
employee reserve fund	1,694,384.15	261,960.67
Donation expenditure	690,000.00	
other	4,718,846.10	11,819,421.09
total	607,112,973.92	548,836,079.69

Description of other cash paid related to operating activities:

none

(2). Cash related to investing activities

Cash received in connection with significant investing activities
applicable √not applicable

Cash payments related to significant investment activities
□适用 √不适用

Other cash received related to investing activities
√ applicable not applicable

Unit: Currency: RMB

project	Amount incurred this period	Amount incurred last period
Withdraw financial products	4,863,994,000.00	7,297,000,000.00
total	4,863,994,000.00	7,297,000,000.00

Description of other cash received related to investing activities:

none

Other cash paid related to investing activities
√ applicable not applicable

Unit: Currency: RMB

project	Amount incurred this period	Amount incurred last period
Purchase financial products	3,940,000,000.00	7,385,994,017.89
Cash balance of Zhejiang SUPCON Zhixin Technology Co., Ltd. on the disposal date	254,282.74	
total	3,940,254,282.74	7,385,994,017.89

Description of other cash paid related to investment activities:

none

(3). Cash related to financing activities

Other cash received related to financing activities
applicable √not applicable

Other cash payments related to financing activities
√ applicable not applicable

Unit: Currency: RMB

project	Amount incurred this period	Amount incurred last period
Lease payment	16,073,521.20	21,217,121.85
Share buyback	89,159,943.10	
Pay GDR issuance fees	11,840,089.45	
Purchase price of minority shareholders' equity in subsidiaries		30,260,050.00
total	117,073,553.75	51,477,171.85

Description of other cash payments related to financing activities:

none

Changes in various liabilities arising from financing activities
√ applicable not applicable

Unit: Currency: RMB

project	Opening Balance	Business mergers increase	Increased in this issue		Decrease in this period		Ending balance
			Cash changes	non-cash changes	Cash changes	non-cash changes	
short-term loan	106,230,795.38	3,535,966.03	207,327,387.00	6,194,124.17	110,173,173.54	5,150,545.38	207,964,553.66
Long-term borrowings (including long-term borrowings due within one year)	500,443,055.56	80,957,040.00	300,000,000.00	16,429,242.40	597,581,837.96		300,247,500.00
Lease liabilities (including lease liabilities due within one year)	31,219,486.96	7,194,966.55		11,070,754.05	16,073,521.20	-1,312,359.13	34,724,045.49
total	637,893,337.90	91,687,972.58	507,327,387.00	33,694,120.62	723,828,532.70	3,838,186.25	542,936,099.15

(4). Instructions for presenting cash flows on a net basis

applicable √not applicable

(5). Major activities and financial impacts that do not involve current cash receipts and payments but affect the company's financial status or may affect the company's cash flow in the future

√ applicable not applicable

project	Number of current period	Same period last year
Amount of commercial bill transferred by endorsement	2,005,873,033.24	1,451,265,493.39
Among them: payment for goods	1,791,114,058.82	1,327,391,887.95
Payment for the purchase of long-term assets such as fixed assets	214,758,974.42	123,873,605.44

79、 **Cash Flow Statement Supplementary Information**

(1). **Cash Flow Statement Supplementary Information**

√ applicable not applicable

Unit: Currency: RMB

additional materials	Current Amount	Amount of last period
1 . Reconcile net profit to cash flow from operating activities:		
net profit	1,123,009,672.01	807,312,433.91
Add: Asset impairment provision	40,399,270.52	17,184,106.58
Credit impairment loss	107,079,528.40	68,150,632.95
Depreciation of fixed assets, depreciation of oil and gas assets, depreciation of productive biological assets	58,329,229.31	43,827,651.99
Amortization of right-of-use assets	14,384,920.10	19,655,307.55
Amortization of intangible assets	21,715,497.52	13,714,754.79
Amortization of long-term deferred expenses	12,595,908.56	7,287,831.65
Losses from disposal of fixed assets, intangible assets and other long-term assets (income is listed with " - ")	-392,665.10	-235,777.70
Loss from scrapping of fixed assets (income is listed with " - ")	1,904,278.91	1,019,564.54
Loss from changes in fair value (income is listed with " - ")	72,988.41	-28,704.48
Financial expenses (income is listed with " - ")	-97,313,117.04	7,718,507.73
Investment losses (income is listed with " - ")	-183,573,155.75	-91,991,881.42
Decrease in deferred income tax assets (increases are indicated by “ - ”)	-6,261,673.65	-6,039,944.43
Increase in deferred income tax liabilities (decreases are indicated with “ - ”)	-1,752,812.09	1,141,316.52
Decrease in inventory (increases are listed with " - ")	-148,740,981.87	-695,261,349.60
Decrease in operating receivables (increases are indicated with “ - ”)	-934,281,626.17	-1,399,502,676.42
Increase in operating payables (decreases are indicated with “ - ”)	111,774,930.73	1,468,358,909.06
other	72,480,741.99	97,954,196.69
Net cash flow from operating activities	191,430,934.79	360,264,879.91
2 . Major 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 changes in cash and cash equivalents:		
Closing balance of cash	5,435,757,400.30	1,331,224,824.52
Less: Opening balance of cash	1,331,224,824.52	1,367,175,277.48
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	4,104,532,575.78	-35,950,452.96

(2). paid to acquire subsidiaries in the current period

√ applicable not applicable

Unit: Currency: RMB

	Amount
Cash or cash equivalents paid in the current period for business mergers that occurred in the current period	122,658,429.52
Less: Cash and cash equivalents held by the company at the date of purchase	16,359,125.76
Add: Cash or cash equivalents paid in the current period for business combinations that occurred in previous periods	
Obtain net cash paid by subsidiaries	106,299,303.76

other instructions:

none

(3). Net cash received from disposal of subsidiaries during the period

√ applicable not applicable

Unit: Currency: RMB

	Amount
Cash or cash equivalents received from disposal of subsidiaries in the current period	2,100,000.00
Less: Cash and cash equivalents held by the company on the date of loss of control	680,720.80
Add: Cash or cash equivalents received in the current period from disposal of subsidiaries in previous periods	
Net cash received from disposal of subsidiaries	1,419,279.20

other instructions :

none

(4). Composition of cash and cash equivalents

√ applicable not applicable

Unit: Currency: RMB

project	Ending balance	Opening Balance
1. Cash	5,435,757,400.30	1,331,224,824.52
Of which: cash on hand	83,958.68	98,201.16
Bank deposits available for payment at any time	5,404,403,024.17	1,330,952,152.87
Funds in other currencies readily available for payment	31,270,417.45	174,470.49
2. Cash equivalents		
Including: Bond investments due within three months		
3. Closing balance of cash and cash equivalents	5,435,757,400.30	1,331,224,824.52
Of which: Restricted cash and cash equivalents used by the parent company or subsidiaries within the group		

(5). Situations where the scope of use is restricted but still presented as cash and cash equivalents

applicable √not applicable

(6). **Monetary funds other than cash and cash equivalents**

√ applicable not applicable

Unit: Currency: RMB

project	Current Amount	Amount of last period	reason
Bill margin	408.42	15,592,546.18	There is a situation where withdrawal cannot be made at any time
Guarantee deposit	36,933,822.62	39,285,841.23	
Litigation deposit		752,102.44	
total	36,934,231.04	55,630,489.85	/

other instructions:

√ applicable not applicable

Amount of endorsement and transfer of commercial bills not involving cash receipts and disbursements

project	Number of current period	Same period last year
Amount of commercial bill transferred by endorsement	2,005,873,033.24	1,451,265,493.39
Among them: payment for goods	1,791,114,058.82	1,327,391,887.95
Payment for the purchase of long-term assets such as fixed assets	214,758,974.42	123,873,605.44

80、 **Notes on items in the statement of changes in owners' equity**

Explain the names of "other" items that were adjusted to the closing balance of the previous year and the amount of adjustment, etc.:
applicable √not applicable

81、 **Foreign currency monetary items**

(1). Foreign currency monetary items

√ applicable not applicable

unit: yuan

project	Ending foreign currency balance	Conversion exchange rate	Converted into RMB at the end of the period balance
Money funds			
Of which: US dollars	381,658,437.40	7.0827	2,703,172,214.57
EUR	7,740,052.50	7.8592	60,830,620.61
Hong Kong dollar	20,424.15	0.9062	18,508.36
indian rupee	79,744,214.50	0.0851	6,786,232.65
Singapore dollar	247,053.80	5.3772	1,328,457.69
Malaysian Ringgit	1,927,592.70	1.5415	2,971,384.15
Saudi riyal	3,590,766.41	1.8926	6,795,884.51
Thai Baht	3,122,766.07	0.2074	647,661.68
Indonesian rupiah	139,606,014.00	0.0005	69,803.01
JPY	2,966,301,772.00	0.0502	148,908,348.95
Hungarian Forint	21,020,962.88	0.0205	430,929.74
Pakistani Rupee	25,000.00	0.0251	627.50
Uzbekistan soum	22,552,019.33	0.0006	13,531.21
GBP	29,722.38	9.0411	268,723.01
accounts receivable			
Of which: US dollars	1,543,506.31	7.0827	10,932,192.14

EUR	6,027,178.98	7.8592	47,368,805.04
indian rupee	82,257,329.15	0.0851	7,000,098.71
Singapore dollar	1,923,707.76	5.3772	10,344,161.37
Malaysian Ringgit	1,510,835.60	1.5415	2,328,953.08
Saudi riyal	1,415,892.16	1.8926	2,679,717.50
Thai Baht	3,831,737.59	0.2074	794,702.38
Other receivables			
Of which: US dollars	952,960.08	7.0827	6,749,530.36
EUR	173,290.25	7.8592	1,361,922.73
indian rupee	4,855,024.90	0.0851	413,162.62
Singapore dollar	176,575.87	5.3772	949,483.77
Malaysian Ringgit	5,000.00	1.5415	7,707.50
Indonesian rupiah	4,030,000.00	0.0005	2,015.00
JPY	544,569.60	0.0502	27,337.39
accounts payable			
Of which: US dollars	478,490.20	7.0827	3,389,002.54
EUR	2,678,599.58	7.8592	21,051,649.82
indian rupee	11,201,482.23	0.0851	953,246.14
Singapore dollar	1,625,875.19	5.3772	8,742,656.07
Malaysian Ringgit	6,391,567.63	1.5415	9,852,601.50
Saudi riyal	564,239.51	1.8926	1,067,879.70
Thai Baht	3,778,482.38	0.2074	783,657.25
Other payables			
Of which: Euro	1,163,131.54	7.8592	9,141,283.40
indian rupee	1,492,246.91	0.0851	126,990.21
Singapore dollar	40,205.69	5.3772	216,194.04
Malaysian Ringgit	532,762.00	1.5415	821,252.62
Saudi riyal	28,510.03	1.8926	53,958.08
Thai Baht	1,000.00	0.2074	207.40
Indonesian rupiah	1,442,080,000.00	0.0005	721,040.00
JPY	63,372.98	0.0502	3,181.32
Pakistani Rupee	12,273.90	0.0251	308.07

other instructions:

none

(2). overseas **business entities, including important overseas business entities, should disclose their main overseas business location, accounting standard currency and the basis for selection. If the accounting standard currency changes, the reasons should also be disclosed.**

√ applicable not applicable

Name of overseas business entity	principal place of business	Reporting currency	Reasons for choosing the accounting standard currency
SUPINCO AUTOMATION PRIVATE LIMITED	India	indian rupee	The currency of the primary economic environment in which it operates
SUPCON INTERNATIONAL HOLDING PTE. LTD.	Singapore	Singapore dollar	The currency of the primary economic environment in which it operates
SUPCON TECHNOLOGY (SINGAPORE) PTE. LTD.	Singapore	Singapore dollar	The currency of the primary economic environment in which it operates
SUPCON HOLDING	Thailand	Thai Baht	The currency of the

(THAILAND)CO.,LTD			primary economic environment in which it operates
SUPCON TECHNOLOGY (THAILAND)CO.,LTD	Thailand	Thai Baht	The currency of the primary economic environment in which it operates
SUPCON SAUDI CO., LTD.	Saudi Arabia	Saudi riyal	The currency of the primary economic environment in which it operates
SUPCON TECHNOLOGY (MALAYSIA) SDN. BHD.	Malaysia	Malaysian Ringgit	The currency of the primary economic environment in which it operates
PT SUPCON TECHNOLOGY INDONESIA	Indonesia	Indonesian rupiah	The currency of the primary economic environment in which it operates
SUPCON TECHNOLOGY PAKISTAN (PRIVATE) LIMITED	Pakistan	Pakistani Rupee	The currency of the primary economic environment in which it operates
SUPCON JAPAN CO., LTD.	Japan	JPY	The currency of the primary economic environment in which it operates
"SUPCON" LIMITED LIABILITY COMPANY	Uzbekistan	Uzbekistan soum	The currency of the primary economic environment in which it operates
Hobré International B.V.	Netherlands	EUR	The currency of the primary economic environment in which it operates
Hobré Instruments B.V.	Netherlands	EUR	The currency of the primary economic environment in which it operates
Hobré USA Inc	USA	Dollar	The currency of the primary economic environment in which it operates
Hobré Laser Technology Kft	Hungary	Hungarian Forint	The currency of the primary economic environment in which it operates
SUPCON Kazakhstan	Kazakhstan	Kazakh Tenge	The currency of the primary economic environment in which it operates
SUPCON CANADA INC.	Canada	Canadian dollar	The currency of the primary economic environment in which it operates

82、 **lease**

(1) as lessee

√ applicable not applicable

For detailed information on right-of-use assets, please refer to the description of "VII. 25 Right-of-use Assets" in "Section 10 Financial Report";
Variable lease payments not included in the measurement of lease liabilities
applicable √not applicable

Simplified treatment of short-term leases or lease payments for low-value assets
√ applicable not applicable

project	Number of current period	Same period last year
short term rental fees	43,098,233.81	22,284,192.43
Leasing expenses for low-value assets (other than short-term leases)		
total	43,098,233.81	22,284,192.43

Sale and leaseback transactions and basis for judgment
applicable √not applicable
The total cash outflow related to leasing is 59,283,886.06 (Unit: Yuan Currency: RMB)

(2) as lessor

lease as lessor
√ applicable not applicable

Unit: Currency: RMB

project	rental income	Including : income related to variable lease payments not included in lease receipts
rental income	38,910,621.09	
total	38,910,621.09	

Finance lease as lessor
applicable √not applicable

Reconciliation of undiscounted lease receipts and net lease investment
applicable √not applicable

Undiscounted lease receipts over the next five years
applicable √not applicable

(3) Recognizing financial lease sales profits and losses as a manufacturer or distributor

applicable √not applicable

other instructions
none

83、 **other**

applicable √not applicable

8. R & D spending

(1). **Listed by nature of expenses**

√ applicable not applicable

Unit: Currency: RMB

project	Amount incurred this period	Amount incurred last period
direct material	27,803,557.47	25,060,801.70
Direct labor	755,015,350.82	585,176,043.18
Depreciation and amortization	27,582,056.31	21,452,740.12
travel expenses	35,691,440.00	21,665,612.12
other	61,714,588.07	38,916,400.09
total	907,806,992.67	692,271,597.21
Including: expensed R&D expenditures	907,806,992.67	692,271,597.21
Capitalized R&D expenditures		

other instructions:
none

(2). **Development expenditures for R&D projects eligible for capitalization**

applicable √not applicable

Significant Capitalized R&D Projects
applicable √not applicable

Impairment provision for development expenditures
applicable √not applicable

other instructions
none

(3). **Important outsourced research projects**

applicable √not applicable

9. Changes in consolidation scope

1、 Business combination not under common control

√ applicable not applicable

(1). Business merger transactions not under common control that occurred during the current period

√ applicable not applicable

Unit: Currency: RMB

Purchased party name	Equity acquisition time	equity acquisition cost	Equity acquisition ratio (%)	Equity acquisition method	Purchase date	Basis for determining purchase date	Income of the purchased party from the date of purchase to the end of the period	Net profit of the purchased party from the date of purchase to the end of the period	The cash flow of the purchased party from the purchase date to the end of the period
SUPCON Global Technology (Hangzhou) Co., Ltd.	01 , 2016	20,505,600.00	25.60	set up	June 20, 2023	Complete handover procedures and obtain control			0
	June 20, 2023	26,585,531.00	3 1.80	Business combination not under common control		Complete handover procedures and obtain control	28,700,367.74	-287,731.51	-10,265,429.03
Hangzhou Jihui Management Consulting Partnership (Limited Partnership)	July 31, 2023	900,000.00	60.00	Business combination not under common control	July 31, 2023	Complete handover procedures and obtain control		-700.00	
Hobré International BV[Note]	09 , 2023	94,604,875.37	100.00	Business combination not under common control	June 9, 2023	Complete handover procedures and obtain control	185,442,346.51	14,411,872.38	45,884,817.07

other instructions:

[Note] Among them, Hobré Instruments BV, Hobré Laser Technology Kft and Hobré USA Inc. are subsidiaries of Hobré International BV and are included in the scope of consolidation.

(2). Merger costs and goodwill
√ applicable not applicable

Unit: Currency: RMB

Merger costs	SUPCON Global Technology (Hangzhou) Co., Ltd.	Hangzhou Jihui Management Consulting Partnership (Limited Partnership)	Hobré International B.V.
--cash	26,585,531.00	900,000.00	94,604,875.37
--Fair value of non-cash assets			
--Fair value of debt issued or assumed			
--Fair value of equity securities issued			
--Fair value of contingent consideration			
--The fair value of the equity held before the purchase date on the purchase date	18,568,732.28		
--other			
Total combined costs	45,154,263.28	900,000.00	94,604,875.37
Less: Share of fair value of identifiable net assets acquired	38,155,542.03	900,000.00	-64,861,669.66
goodwill / merger cost is less than the fair value share of identifiable net assets acquired	6,998,721.25		159,466,545.03

Method for determining the fair value of merger costs:
√ applicable not applicable

The fair value of the merger costs is determined based on the cash assets paid.

Completion status of performance commitments:
applicable √not applicable

The main reasons for the formation of large amounts of goodwill:
√ applicable not applicable

The price of this transaction is the market price, and the transaction price is greater than the fair value of the identifiable net assets on the merger date of Hobré International BV and SUPCON Global Technology (Hangzhou) Co., Ltd., thus forming goodwill.

other instructions:
none

(3). **of the purchased party on** the purchase **date**

√ applicable not applicable

Unit: Currency: RMB

	Hobré International B.V.		SUPCON Global Technology (Hangzhou) Co., Ltd.		Hangzhou Jihui Management Consulting Partnership (Limited Partnership)	
	Fair value on	Book value on purchase	Fair value on purchase	Book value on purchase	Fair value on purchase	Book value on
assets:	169,767,397.41	444,081,282.46	93,097,942.36	52,691,004.02	1,500,000.00	1,500,000.00
Money funds	2,619,015.05	2,619,015.05	13,740,110.71	13,740,110.71		
Accounts receivable	37,773,507.90	37,773,507.90	8,454,201.43	8,454,201.43		
stock	88,006,904.93	88,006,904.93	12,357,107.10	12,357,107.10		
fixed assets	1,477,839.67	1,477,839.67	587,534.10	587,534.10		
right-of-use assets	6,636,801.66	6,636,801.66	1,589,828.08	1,589,828.08		
intangible assets	777,065.20	53,405.50	40,843,995.00	437,056.66		
goodwill		275,037,544.75				
Other assets	32,476,263.00	32,476,263.00	15,525,165.94	15,525,165.94	1,500,000.00	1,500,000.00
Liabilities:	234,629,067.03	234,629,067.03	26,624,872.63	26,624,872.63		
loan						
Accounts payable	28,024,244.42	28,024,244.42	8,599,684.20	8,599,684.20		
Contract liabilities	72,868,657.41	72,868,657.41	6,537,818.38	6,537,818.38		
Other liabilities	133,736,165.20	133,736,165.20	11,487,370.05	11,487,370.05		
Deferred income tax liability						
Net assets	-64,861,669.62	209,452,215.43	66,473,069.73	26,066,131.39	1,500,000.00	1,500,000.00
Less: Minority interests			28,317,527.70	11,104,171.97	600,000.00	600,000.00
Net assets acquired	-64,861,669.62	209,452,215.43	38,155,542.03	14,961,959.42	900,000.00	900,000.00

Method for determining the fair value of identifiable assets and liabilities:

The fair value of Hobré International BV's identifiable assets and liabilities is based on the "Allocation of Merger Consideration Proposed by SUPRON Technologies Co., Ltd. for Financial Reporting Purposes" issued by Shanghai Lixin Asset Appraisal Co., Ltd. with a base date of May 31, 2023. Based on the "Asset Appraisal Report on the Fair Value of the Identifiable Net Assets of Hobré International BV" (Credit Assessment Report [2023] No. B20064), the fair value of each identifiable asset and liability of Hobré International BV on the date of purchase is determined accordingly.

The fair value of the identifiable assets and liabilities of SUPCON Global Technology (Hangzhou) Co., Ltd. is based on the " Involvement in the Planned Acquisition of Equity Interests by Zhejiang SUPCON Technology Co., Ltd." issued by Tianyuan Asset Appraisal Co., Ltd. with a base date of March 31, 2023. Based on the "Instructions on Asset Valuation of All Equity Values of Shareholders of Zhejiang Quanshi Technology Co., Ltd." (Tianyuan Pingbao Zi [2023] No. 0391), the identifiable items of SUPCON Quanshi Technology (Hangzhou) Co., Ltd. on the date of purchase were adjusted accordingly. The fair value of assets and liabilities.

Contingent liabilities of the purchased party assumed in a business combination:

none

other instructions:

none

(4). Gains or losses arising from remeasurement of equity held before the purchase date at fair value

Is there any transaction that realizes the business combination step by step through multiple transactions and obtains control during the reporting period?
√ applicable not applicable

Unit: Currency: RMB

Purchased party name	The time of acquisition of the originally held equity before the purchase date	Proportion of equity originally held before the purchase date	The acquisition cost of the original equity held before the purchase date	How to obtain the equity originally held before the purchase date	The book value of the equity originally held before the purchase date on the purchase date	The fair value of the equity originally held before the purchase date on the purchase date	Gains or losses arising from the remeasurement of the originally held equity shares at fair value before the purchase date	Determination method and main assumptions of the fair value of the equity originally held before the purchase date on the purchase date	The amount of other comprehensive income related to the original equity held before the purchase date that is transferred to investment income or retained earnings
SUPCON Global	March 01, 2016	2 5.60 %	20,505,600.00	set up	8,224,556.07	18,568,732.28	10,344,176.21	Determined based on the	0.00

Technology (Hangzhou) Co., Ltd.								transaction price of the company's equity purchase	

other instructions:

none

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

applicable √not applicable

(6). other instructions

applicable √not applicable

2、 Business combination under common control

applicable √not applicable

3、 reverse buy

applicable √not applicable

4、 Disposal of subsidiaries

Are there any transactions or events that result in the loss of control of subsidiaries during this period?
√ applicable not applicable

Unit: Currency: RMB

Subsidiary name	The point at which control is lost	Disposal price when control is lost	Disposal ratio at the point of loss of control (%)	What to do when control is lost	Basis for judging when control is lost	The difference between the disposal price and the share of the subsidiary's net assets at the consolidated financial statement level corresponding to the disposal investment	Proportion of remaining equity on the date of loss of control (%)	Book value of remaining equity at the consolidated financial statement level on the date of loss of control	The fair value of the remaining equity at the consolidated financial statement level on the date of loss of control	Gains or losses arising from remeasurement of remaining equity at fair value	Method and main assumptions for determining the fair value of remaining equity at the consolidated financial statement level on the date of loss of control	The amount of other comprehensive income related to the equity investment of the atomic company transferred to investment profits and losses or retained earnings
SUPCON Marine Equipment (Zhejiang) Co., Ltd.	December 6, 2023	2,100,000.00	2 1.00	transfer	Complete the handover procedures and complete the industrial and commercial change registration	1,056,131.86	30.00	1,491,240.19	3,000,000.00	1,508,759.81	Determined based on the transaction price of the company's equity transfer	
Zhejiang SUPCON Zhixin Technology Co., Ltd.	December 11, 2023		25.50	transfer	Complete the handover procedures and complete the industrial and commercial change registration	1,265,411.00	25.50	1,284,589.01	2,550,000.00	1,265,410.99	Determined based on the transaction price of the company's equity transfer	

other instructions:
applicable √not applicable

Is there any situation where investments in subsidiaries are disposed of step by step through multiple transactions and control is lost in the current period?
applicable √not applicable

other instructions:
applicable √not applicable

5、 **Changes in consolidation scope 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 their related circumstances:
√applicable not applicable

Company Name	Equity acquisition method	Equity acquisition time	Contribution	Funded ratio
Hangzhou Fuchuang Equity Investment Partnership (Limited Partnership)	New	May 31 , 2023	5 million yuan	100.00%
Hangzhou Shulian Management Consulting Partnership (Limited Partnership)	New	November 16, 2023	25 million yuan	100.00%
Zhejiang Gongziyi Holdings Co., Ltd.	New	December 14, 2023	30,000.00 yuan	100.00%
Zhejiang Gongziyi Technology Co., Ltd.	New	December 18, 2023	50 million yuan	100.00%
Anqing SUPCON Intelligent Housekeeper Technology Co., Ltd.	New	October 20, 2023	1.1248 million yuan	70.30%
Bengbu Zhekong Intelligent Technology Co., Ltd.	New	October 24, 2023	1.0545 million yuan	70.30%
Cangzhou Zhekong Intelligent Technology Co., Ltd.	New	October 8, 2023	1.2654 million yuan	70.30%
Daqing SUPCON Guanjia Intelligent Technology Co., Ltd.	New	October 10, 2023	703,000 yuan	70.30%
Danjiangkou SUPCON Guanjia Intelligent Technology Co., Ltd.	New	October 9, 2023	703,000 yuan	70.30%
Dongguan SUPCON Intelligent Technology Co., Ltd.	New	November 27, 2023	2.6466 million yuan	80.20%
Foshan SUPCON Intelligent Housekeeper Technology Co., Ltd.	New	October 23, 2023	2.8872 million yuan	80.20%
Fuquan Zhekong Guanjia Intelligent Technology Co., Ltd.	New	October 9, 2023	773,300 yuan	70.30%
Fuzhou SUPCON Intelligent Housekeeper Technology Co., Ltd.	New	October 27, 2023	703,000 yuan	70.30%
Ganzhou Zhekong Intelligent Technology Co., Ltd.	New	October 26, 2023	703,000 yuan	70.30%
Hefei Zhekong Intelligent Technology Co., Ltd.	New	September 27, 2023	913,900 yuan	70.30 %
Huaian Zhekong Automation Co., Ltd.	New	October 27, 2023	1.1248 million yuan	70.30%
Huizhou SUPCON Guanjia Intelligent Technology Co., Ltd.	New	October 13, 2023	703,000 yuan	70.30%
Karamay SUPCON Technology Intelligent Technology Co., Ltd.	New	September 28, 2023	703,000 yuan	70.30%
Leshan SUPCON Intelligent Housekeeper Technology Co., Ltd.	New	September 28, 2023	703,000 yuan	70.30%
Luoyang SUPCON Guanjia Intelligent Technology Co., Ltd.	New	September 22, 2023	703,000 yuan	70.30%
Mianyang SUPCON Intelligent Housekeeper Technology Co., Ltd.	New	September 18, 2023	913,900 yuan	70.30%
Ningbo SUPCON Intelligent Housekeeper Technology Co., Ltd.	New	October 7, 2023	1.5466 million yuan	70.30%
Praite (Shenyang) Intelligent Technology Co., Ltd.	New	October 20, 2023	1.406 million yuan	70.30%

Company Name	Equity acquisition method	Equity acquisition time	Contribution	Funded ratio
Sanming SUPCON Intelligent Management Technology Co., Ltd.	New	October 13, 2023	703,000 yuan	70.30%
Shanghai Shangpukong Intelligent Technology Co., Ltd.	New	November 8, 2023	2.6466 million yuan	80.20%
Shanghai Shupu Kong Intelligent Technology Co., Ltd.	New	October 11, 2023	2.406 million yuan	80.20 %
SUPCON (Dongying) Intelligent Technology Co., Ltd.	New	September 26, 2023	2.6466 million yuan	80.20 %
Suqian SUPCON Guanjia Intelligent Technology Co., Ltd.	New	October 20, 2023	1.1248 million yuan	70.30%
Wuhan SUPCON Intelligent Housekeeper Technology Co., Ltd.	New	September 27, 2023	3.4486 million yuan	80.20%
Xiaoyi SUPCON Intelligent Housekeeper Technology Co., Ltd.	New	September 22, 2023	843,600 yuan	70.30%
Xinxiang SUPCON Intelligent Technology Co., Ltd.	New	September 28, 2023	703,000 yuan	70.30%
Yulin Prime Technology Co., Ltd.	New	December 27, 2022	1.8278 million yuan	70.30%
Yueyang Zhekong Intelligent Technology Co., Ltd.	New	October 27, 2023	2.8872 million yuan	80.20%
Changsha Zhekong Intelligent Technology Co., Ltd.	New	October 8, 2023	773,300 yuan	70.30%
Zhekong (Shizuishan) Intelligent Technology Co., Ltd.	New	October 20, 2023	843,600 yuan	7 0. 3 0%
Zhenjiang SUPCON Intelligent Housekeeper Technology Co., Ltd.	New	October 13, 2023	773,300 yuan	70.30%
SUPCON (Huidong) Intelligent Technology Co., Ltd.	New	October 30, 2023	984,200 yuan	70.30%
SUPCON (Jinxiang) Intelligent Technology Co., Ltd.	New	September 28, 2023	1.0545 million yuan	70.30%
SUPCON (Puyang) Intelligent Technology Co., Ltd.	New	October 25, 2023	703,000 yuan	70.30%
SUPCON (Qianjiang) Intelligent Technology Co., Ltd.	New	September 27, 2023	1.406 million yuan	70.30%
SUPCON (Quzhou) Intelligent Housekeeper Technology Co., Ltd.	New	November 29, 2023	3.1278 million yuan	80.20%
SUPCON (Shaoxing Shangyu) Intelligent Technology Co., Ltd.	New	October 31, 2023	9.911 million yuan	90.10%
SUPCON (Tangshan) Intelligent Technology Co., Ltd.	New	October 11, 2023	703,000 yuan	70.30%
SUPCON (Tongxiang) Intelligent Technology Co., Ltd.	New	November 2, 2023	1.5466 million yuan	70.30%
SUPCON (Yangzhou) Intelligent Technology Co., Ltd.	New	October 17, 2023	2.1654 million yuan	80.20%
SUPCON (Yichang) Intelligent Technology Co., Ltd.	New	October 16, 2023	1.406 million yuan	70.30%
SUPCON (Changchun) Intelligent Technology Co., Ltd.	New	September 28, 2023	703,000 yuan	70.30%
SUPCON Guanjia (Changzhou) Intelligent Technology Co., Ltd.	New	October 17, 2023	984,200 yuan	70.30%
SUPCON Guanjia (Liuzhou) Intelligent Technology Co., Ltd.	New	November 1, 2023	703,000 yuan	70.30%
SUPCON Technology (Taizhou) Co., Ltd.	New	October 13, 2023	1.1248 million yuan	70.30%

Company Name	Equity acquisition method	Equity acquisition time	Contribution	Funded ratio
SUPCON Intelligent Housekeeper Technology (Taizhou) Co., Ltd.	New	November 16, 2023	1.0545 million yuan	70.30%
SUPCON Intelligent Technology (Huaibei) Co., Ltd.	New	September 27, 2023	703,000 yuan	70.30%
SUPCON Intelligent Technology (Jilin) Co., Ltd.	New	November 8, 2023	1.5466 million yuan	70.30%
SUPCON Intelligent Technology (Pingdingshan) Co., Ltd.	New	October 9, 2023	30.7 million yuan	70.3 0%
Zigong SUPCON Intelligent Housekeeper Technology Co., Ltd.	New	September 27, 2023	703,000 yuan	70.30%
SUPCONJAPANCO.,LTD.	New	May 1, 2023	80 million yen	100.00%
"SUPCON" LIMITED LIABILITY COMPANY	New	April 3, 2023	695 , 5.806 million soms	100.00%
SUPCON Kazakhstan	New	October 28, 2023	480,000,000 tenge	100.00%
SUPCON CANADA INC.	New	July 13, 2023	1 million Canadian dollars	100.00%
Zhejiang SUPCON Digital Intelligence Technology Co., Ltd.	New	December 7, 2023	10,000.00 yuan	100.00%
SUPCON Global Technology (Ningbo) Co., Ltd.	New	July 11, 2023	17.175 million yuan	68.70%

6、 **other**

applicable √not applicable

10. Interests in other entities

1、 Interests in subsidiaries

(1). The structure of a business group

√ applicable not applicable

Unit: Currency: RMB

Subsidiaries name	principal place of business	Registered capital	Registration	Nature of business	Shareholding ratio (%)		obtain Way
					direct	indirect	
Zhejiang SUPCON System Engineering Co., Ltd.	Hangzhou, Zhejiang	50,000,000.00	Hangzhou, Zhejiang	Software and information technology services industry	1 00.00		set up
Zhejiang SUPCON Sensing Technology Co., Ltd.	Hangzhou, Zhejiang	10,000,000.00	Hangzhou, Zhejiang	Instrument manufacturing industry		1 00.00	set up
Zhejiang SUPCON Fluid Technology Co., Ltd.	Hangzhou, Zhejiang	100,000,000.00	Hangzhou, Zhejiang	General equipment manufacturing	98.27		set up
Hangzhou Valxin Technology Co., Ltd.	Hangzhou, Zhejiang	5,000,000.00	Hangzhou, Zhejiang	Software and information technology services industry		98.27	set up
SUPCON Technology (Hong Kong) Co., Ltd.	Hongkong	18.0 million Hong Kong dollars	Hongkong	import and export trade	1 00.00		set up
Zhejiang SUPCON Xizi Technology Co., Ltd.	Hangzhou, Zhejiang	17,100,000.00	Hangzhou, Zhejiang	Electrical machinery and equipment manufacturing	6 5.00		set up
SUPCON Technology (Xi'an) Co., Ltd.	Xi'an, Shaanxi	50,000,000.00	Xi'an, Shaanxi	Software and information technology services industry	1 00.00		set up
SUPCON Technology (Fuyang) Co., Ltd.	Hangzhou, Zhejiang	600,000,000.00	Hangzhou, Zhejiang	Instrument manufacturing industry	1 00.00		set up
Ningbo SUPCON Automation Technology Co., Ltd.	Ningbo, Zhejiang	10,000,000.00	Ningbo, Zhejiang	Instrument manufacturing industry	1 00.00		set up
Zhejiang SUPCON Intelligent Technology Industry Development Co., Ltd.	Hangzhou, Zhejiang	50,000,000.00	Hangzhou, Zhejiang	Software and information	1 00.00		set up

				technology services industry			
Zhejiang SUPCON Software Technology Co., Ltd.	Hangzhou, Zhejiang	40,000,000.00	Hangzhou, Zhejiang	Software and information technology services industry	1 00.00		Business combinatic under common control
Zhejiang SUPCON Automation Instrument Co., Ltd.	Hangzhou, Zhejiang	50,020,000.00	Hangzhou, Zhejiang	Instrument manufacturing industry	72.02	27.98	Business combinatic under common control
SUPINCO AUTOMATION PRIVATE LIMITED	India	21 Crores	India	manufacturing	81.68		Business combinatic not under commc control
Hangzhou Baojie Investment Consulting Co., Ltd.	Hangzhou, Zhejiang	12,320,000.00	Hangzhou, Zhejiang	Business services	1 00.00		Business combinatic not under commc control
Zhejiang Gongziyi Network Co., Ltd.	Hangzhou, Zhejiang	350,000,000.00	Hangzhou, Zhejiang	Software and information technology services industry		1 00.00	set up
Zhejiang SUPCON Park Intelligent Housekeeper Technology Co., Ltd.	Hangzhou, Zhejiang	80,000,000.00	Hangzhou, Zhejiang	Technology promotion and application service industry	1 00.00		set up
SUPCON INTERNATIONAL HOLDING PTE. LTD.	Singapore	5,000.00 million US dollars	Singapore	business services	1 00.00		set up
SUPCON TECHNOLOGY (SINGAPORE) PTE. LTD.	Singapore	US$2 million	Singapore	Software and information technology services industry		1 00.00	set up
SUPCON Innovation (Beijing) Energy Technology Co., Ltd.	Beijing	26,000,000.00	Beijing	Technology promotion and application service industry	6 6.00		Business combinatic not under commc control
Ningxia Ningdong Kekong Big Data Co., Ltd.	Ningdong, Ningxia	20,000,000.00	Ningdong, Ningxia	Technology promotion and application service industry		8 0.00	set up
Zhejiang Lingben Management Consulting Co., Ltd.	Hangzhou, Zhejiang	50,000,000.00	Hangzhou, Zhejiang	Business services		1 00.00	set up
Shaanxi SUPCON Digital Technology Engineering Co., Ltd.	Xi'an, Shaanxi	10,000,000.00	Xi'an, Shaanxi	Software and information		7 0.00	set up

				technology services industry			
Zhejiang SUPCON Huiji Technology Co., Ltd.	Hangzhou, Zhejiang	30,000,000.00	Hangzhou, Zhejiang	Technology promotion and application service industry	95.00	3.005	set up
SUPCON SAUDI CO., LTD.	Saudi Arabia	2 million Saudi Riyals	Saudi Arabia	manufacturing		70.00	set up
SUPCON TECHNOLOGY (MALAYSIA) SDN.BHD.	Malaysia	2 million US dollars	Malaysia	manufacturing		100.00	set up
PT.SUPCON TECHNOLOGY INDONESIA	Indonesia	US$700,000	Indonesia	manufacturing		99.998	set up
Shanghai Zhiying Technology Co., Ltd.	Shanghai	10,000,000.00	Shanghai	Technology promotion and application service industry	100.00		set up
Zhejiang Zhihuiyuan Digital Technology Co., Ltd.	Ningbo, Zhejiang	30,000,000.00	Ningbo, Zhejiang	Internet and related services	80.00		set up
Zhejiang SUPCON Weir Oil and Gas Technology Co., Ltd.	Hangzhou, Zhejiang	50,000,000.00	Hangzhou, Zhejiang	Technology promotion and application service industry	100.00		set up
SUPCON Wind Energy Control Technology (Beijing) Co., Ltd.	Beijing	10,000,000.00	Beijing	Software and information technology services industry	67.00		set up
SUPCON HOLDING (THAILAND) CO., LTD.	Thailand	100,000 baht	Thailand	manufacturing		49.00	set up
SUPCON TECHNOLOGY (THAILAND) CO., LTD.	Thailand	5 million baht	Thailand	manufacturing		49.01	set up
SUPCON TECHNOLOGY PAKISTAN (PRIVATE)CO.,LTD	Pakistan	US$100,000	Pakistan	import and export trade		99.99	set up
Meishan SUPCON Intelligent Housekeeper Technology Co., Ltd.	Meishan, Sichuan	2,000,000.00	Meishan, Sichuan	Software and information technology services industry		70.3 0	set up
Zhuhai SUPCON Guanjia Intelligent Technology Co., Ltd.	Zhuhai, Guangdong	2,300,000.00	Zhuhai, Guangdong	Internet and related services		70.3 0	set up
Yulin Prime Technology Co., Ltd.	Yulin, Shaanxi	2,600,000.00	Yulin, Shaanxi	Technology promotion and application service industry		70.3 0	set up
SUPCON (Hangzhou) Venture Capital Co., Ltd.	Hangzhou, Zhejiang	30,000,000.00	Hangzhou, Zhejiang	Business services	100.00		set up

Hobré International B.V.	Netherlands	€3,272,379.62	Netherlands	Business services		100.00	Business combinatio not under commo control
Hobré Instruments B.V.	Netherlands	€45,000.00	Netherlands	manufacturing		100.00	Business combinatio not under commo control
Hobré Laser Technology Kft	Hungary	HUF 16.34 million	Hungary	manufacturing		100.00	Business combinatio not under commo control
Hobré USA Inc.	USA	USD 200.00	USA	manufacturing		100.00	Business combinatio not under commo control
"SUPCON" LIMITED LIABILITY COMPANY	Uzbekistan	$600,000	Uzbekistan	manufacturing		100.00	set up
SUPCON JAPAN CO., LTD.	Japan	320 million yen	Japan	manufacturing		100.00	set up
Hangzhou Fuchuang Equity Investment Partnership (Limited Partnership)	Hangzhou, Zhejiang	5,000,000.00	Hangzhou, Zhejiang	Business services		100.00	set up
Hangzhou Shulian Management Consulting Partnership (Limited Partnership)	Hangzhou, Zhejiang	25,000,000.00	Hangzhou, Zhejiang	Business services		100.00	set up
Zhejiang Gongziyi Holdings Co., Ltd.	Hangzhou, Zhejiang	300,000,000.00	Hangzhou, Zhejiang	Software and information technology services industry	100.00		set up
Zhejiang Gongziyi Technology Co., Ltd.	Hangzhou, Zhejiang	50,000,000.00	Hangzhou, Zhejiang	Software and information technology services industry		100.00	set up
Anqing SUPCON Intelligent Housekeeper Technology Co., Ltd.	Anqing, Anhui	1,600,000.00	Anqing, Anhui	Technology promotion and application service industry		70.30	set up
Bengbu Zhekong Intelligent Technology Co., Ltd.	Bengbu, Anhui	1,500,000.00	Bengbu, Anhui	Software and information technology services industry		7 0.30	set up
Cangzhou Zhekong Intelligent Technology Co., Ltd.	Cangzhou, Hebei	1,800,000.00	Cangzhou, Hebei	Software and information technology services industry		7 0.30	set up
Daqing SUPCON Guanjia Intelligent Technology Co., Ltd.	Heilongjiang Daqing	1,000,000.00	Heilongjiang Daqing	Software and information technology services		7 0.30	set up

				industry			
Danjiangkou SUPCON Guanjia Intelligent Technology Co., Ltd.	Hubei Shiyan	1,000,000.00	Hubei Shiyan	Software and information technology services industry		7 0.30	set up
Dongguan SUPCON Intelligent Technology Co., Ltd.	Guangdong Dongguan	3,300,000.00	Guangdong Dongguan	Software and information technology services industry		8 0.20	set up
Foshan SUPCON Intelligent Housekeeper Technology Co., Ltd.	Foshan, Guangdong	3,600,000.00	Foshan, Guangdong	Technology promotion and application service industry		8 0.20	set up
Fuquan Zhekong Guanjia Intelligent Technology Co., Ltd.	Guizhou Qiannan Buyi and Miao Autonomous Prefecture	1,100,000.00	Guizhou Qiannan Buyi and Miao Autonomous Prefecture	Software and information technology services industry		7 0.30	set up
Fuzhou SUPCON Intelligent Housekeeper Technology Co., Ltd.	Fuzhou, Fujian	1,000,000.00	Fuzhou, Fujian	Technology promotion and application service industry		7 0.30	set up
Ganzhou Zhekong Intelligent Technology Co., Ltd.	Ganzhou, Jiangxi	1,000,000.00	Ganzhou, Jiangxi	Software and information technology services industry		7 0.30	set up
Hefei Zhekong Intelligent Technology Co., Ltd.	Hefei, Anhui	1,300,000.00	Hefei, Anhui	research and experimental development		7 0 .30	set up
Huaian Zhekong Automation Co., Ltd.	Huaian, Jiangsu	1,600,000.00	Huaian, Jiangsu	Instrument manufacturing industry		7 0.30	set up
Huizhou SUPCON Guanjia Intelligent Technology Co., Ltd.	Guangdong Huizhou	1,000,000.00	Guangdong Huizhou	Software and information technology services industry		7 0.30	set up
Karamay SUPCON Technology Intelligent Technology Co., Ltd.	Karamay, Xinjiang Uygur Autonomous Region	1,000,000.00	Karamay, Xinjiang Uygur Autonomous Region	Software and information technology services industry		7 0.30	set up
Leshan SUPCON Intelligent Housekeeper Technology Co., Ltd.	Leshan, Sichuan	1,000,000.00	Leshan, Sichuan	Technology promotion and		7 0.30	set up

				application service industry			
Luoyang SUPCON Guanjia Intelligent Technology Co., Ltd.	LuoYang HeNan	1,000,000.00	LuoYang HeNan	Software and information technology services industry		7 0.30	set up
Mianyang SUPCON Intelligent Housekeeper Technology Co., Ltd.	Mianyang, Sichuan	1,300,000.00	Mianyang, Sichuan	Technology promotion and application service industry		7 0.30	set up
Ningbo SUPCON Intelligent Housekeeper Technology Co., Ltd.	Ningbo, Zhejiang	2,200,000.00	Ningbo, Zhejiang	Technology promotion and application service industry		7 0.30	set up
Praite (Shenyang) Intelligent Technology Co., Ltd.	Shenyang, Liaoning	2,000,000.00	Shenyang, Liaoning	research and experimental development		7 0.30	set up
Sanming SUPCON Intelligent Management Technology Co., Ltd.	Sanming, Fujian	1,000,000.00	Sanming, Fujian	Software and information technology services industry		7 0.30	set up
Shanghai Shangpukong Intelligent Technology Co., Ltd.	Shanghai	3,300,000.00	Shanghai	Software and information technology services industry		8 0.20	set up
Shanghai Shupu Kong Intelligent Technology Co., Ltd.	Shanghai	3,000,000.00	Shanghai	Software and information technology services industry		8 0.20	set up
SUPCON (Dongying) Intelligent Technology Co., Ltd.	Dongying, Shandong	3,300,000.00	Dongying, Shandong	Software and information technology services industry		80.20	set up
Suqian SUPCON Guanjia Intelligent Technology Co., Ltd.	Suqian, Jiangsu	1,600,000.00	Suqian, Jiangsu	Software and information technology services industry		7 0.30	set up
Wuhan SUPCON Intelligent Housekeeper Technology Co., Ltd.	Wuhan, Hubei	4,300,000.00	Wuhan, Hubei	Software and information technology services industry		8 0.20	set up

Xiaoyi SUPCON Intelligent Housekeeper Technology Co., Ltd.	Luliang, Shanxi	1,200,000.00	Luliang, Shanxi	Technology promotion and application service industry		7 0.30	set up
Xinxiang SUPCON Intelligent Technology Co., Ltd.	Xinxiang, Henan	1,000,000.00	Xinxiang, Henan	Software and information technology services industry		7 0.30	set up
Yueyang Zhekong Intelligent Technology Co., Ltd.	Yueyang, Hunan	3,600,000.00	Yueyang, Hunan	Software and information technology services industry		8 0.20	set up
Changsha Zhekong Intelligent Technology Co., Ltd.	Changsha, Hunan	1,100,000.00	Changsha, Hunan	Software and information technology services industry		7 0.30	set up
Zhekong (Shizuishan) Intelligent Technology Co., Ltd.	Shizuishan, Ningxia Hui Autonomous Region	1,200,000.00	Shizuishan, Ningxia Hui Autonomous Region	Software and information technology services industry		70.30	set up
Zhenjiang SUPCON Intelligent Housekeeper Technology Co., Ltd.	Zhenjiang, Jiangsu	1,100,000.00	Zhenjiang, Jiangsu	Technology promotion and application service industry		7 0.30	set up
SUPCON (Huidong) Intelligent Technology Co., Ltd.	Guangdong Huizhou	1,400,000.00	Guangdong Huizhou	Software and information technology services industry		7 0.30	set up
SUPCON (Jinxiang) Intelligent Technology Co., Ltd.	Jining, Shandong	1,500,000.00	Jining, Shandong	Software and information technology services industry		7 0.30	set up
SUPCON (Puyang) Intelligent Technology Co., Ltd.	Puyang, Henan	1,000,000.00	Puyang, Henan	Software and information technology services industry		7 0.30	set up
SUPCON (Qianjiang) Intelligent Technology Co., Ltd.	Qianjiang, Hubei	2,000,000.00	Qianjiang, Hubei	Software and information technology services industry		7 0.30	set up
SUPCON (Quzhou) Intelligent Housekeeper	Quzhou, Zhejiang	3,900,000.00	Quzhou, Zhejiang	Software and		8 0.20	set up

Technology Co., Ltd.				information technology services industry			
SUPCON (Shaoxing Shangyu) Intelligent Technology Co., Ltd.	Shaoxing, Zhejiang	11,000,000.00	Shaoxing, Zhejiang	Software and information technology services industry		9 0.10	set up
SUPCON (Tangshan) Intelligent Technology Co., Ltd.	Tangshan, Hebei	1,000,000.00	Tangshan, Hebei	Software and information technology services industry		7 0.30	set up
SUPCON (Tongxiang) Intelligent Technology Co., Ltd.	Jiaxing, Zhejiang	2,200,000.00	Jiaxing, Zhejiang	Software and information technology services industry		7 0.30	set up
SUPCON (Yangzhou) Intelligent Technology Co., Ltd.	Yangzhou Hanjiang	2,700,000.00	Yangzhou Hanjiang	Software and information technology services industry		8 0.20	set up
SUPCON (Yichang) Intelligent Technology Co., Ltd.	Yichang, Hubei	2,000,000.00	Yichang, Hubei	Software and information technology services industry		7 0.30	set up
SUPCON (Changchun) Intelligent Technology Co., Ltd.	Changchun, Jilin	1,000,000.00	Changchun, Jilin	Software and information technology services industry		7 0.30	set up
SUPCON Guanjia (Changzhou) Intelligent Technology Co., Ltd.	Changzhou, Jiangsu	1,400,000.00	Changzhou, Jiangsu	Software and information technology services industry		7 0.30	set up
SUPCON Guanjia (Liuzhou) Intelligent Technology Co., Ltd.	Liuzhou, Guangxi Zhuang Autonomous Region	1,000,000.00	Liuzhou, Guangxi Zhuang Autonomous Region	Software and information technology services industry		7 0.30	set up
SUPCON Technology (Taizhou) Co., Ltd.	Taizhou, Zhejiang	1,600,000.00	Taizhou, Zhejiang	Software and information technology services industry		7 0.30	set up
SUPCON Intelligent Housekeeper Technology (Taizhou) Co., Ltd.	Taizhou, Zhejiang	1,500,000.00	Taizhou, Zhejiang	Software and information		7 0.30	set up

				technology services industry			
SUPCON Intelligent Technology (Huaibei) Co., Ltd.	Huaibei, Anhui	1,000,000.00	Huaibei, Anhui	Software and information technology services industry		7 0.30	set up
SUPCON Intelligent Technology (Jilin) Co., Ltd.	Jilin Jilin	2,200,000.00	Jilin Jilin	Software and information technology services industry		7 0.30	set up
SUPCON Intelligent Technology (Pingdingshan) Co., Ltd.	Pingdingshan, Henan	1,000,000.00	Pingdingshan, Henan	Software and information technology services industry		70.30	set up
Zigong SUPCON Intelligent Housekeeper Technology Co., Ltd.	Zigong, Sichuan	1,000,000.00	Zigong, Sichuan	Technology promotion and application service industry		7 0.30	set up
SUPCON CANADA INC.	Canada	CAD 1,000,000	Canada	manufacturing		100.00	set up
Zhejiang SUPCON Digital Intelligence Technology Co., Ltd.	Hangzhou, Zhejiang	100,000,000.00	Hangzhou, Zhejiang	Software and information technology services industry	75.00	2 5.00	set up
SUPCON Global Technology (Hangzhou) Co., Ltd.	Hangzhou, Zhejiang	63,000,000.00	Hangzhou, Zhejiang	Software and information technology services industry	57.40		Business combinatio not under commo control
SUPCON Global Technology (Ningbo) Co., Ltd.	Ningbo, Zhejiang	25,000,000.0 0	Ningbo, Zhejiang	Technology promotion and application service industry	20.00	4 8.70	set up
Hangzhou Jihui Management Consulting Partnership (Limited Partnership)	Hangzhou, Zhejiang	1,500,000.00	Hangzhou, Zhejiang	Business services		60.10	Business combinatio not under commo control
SUPCON TECHNOLOGY(KAZAKHSTAN) LLP	Kazakhstan	480 million tenge	Kazakhstan	manufacturing		1 00.00	set up

Explanation on the difference between the proportion of shareholding in subsidiaries and the proportion of voting rights:

According to the company's articles of association, each capital contribution ratio of the company represents one voting right, and every 10 capital contribution ratios of the remaining shareholders represents one voting right. Therefore, the company's voting right ratio is 90.57%, which is included in the scope of consolidation;

of subsidiaries SUPCON HOLDING (THAILAND) CO., LTD. and SUPCON INTERNATIONAL HOLDING PTE. LTD. are 99.00% and 0.50% respectively. Therefore, the company's voting rights ratio is 99.50% and they are included in the scope of consolidation.

Basis for holding half or less of the voting rights but still controlling the invested unit, and holding more than half of the voting rights but not controlling the invested unit:
none

For important structured entities included in the scope of consolidation, the basis for control is:
none

Basis for determining whether a company is agent or 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 the use of corporate group assets and settlement of corporate group debts
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 owner's share of the subsidiary's equity changes and he or she still controls the subsidiary**
applicable √not applicable

3、 **Interests in joint ventures or associates**
(1). **Significant joint ventures or associates**
√ applicable not applicable

Name of joint venture or associated enterprise	principal place of business	Registration	Nature of business	Shareholding ratio (%)		Accounting treatment for investments in joint ventures or associates
				direct	indirect	
Petrochemical Yingke Information Technology Co., Ltd.	Beijing	Beijing	Internet and related services	22.00		Equity method accounting

Explanation on the difference between the proportion of shareholdings in joint ventures or associates and the proportion of voting rights:
none

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:
none

(2). **Key financial information of important joint ventures**
applicable √not applicable

(3). **Key financial information of important associates**
√ applicable not applicable

Unit: Currency: RMB

	Ending balance / Amount incurred in the current period	Beginning balance / Amount incurred in the previous period

	Petrochemical Yingke Information Technology Co., Ltd.	Petrochemical Yingke Information Technology Co., Ltd.
current assets	3,213,974,037.72	3,227,077,233.99
Non-current assets	505,442,480.26	484,623,836.78
Total assets	3,719,416,517.98	3,711,701,070.77
Current liabilities	2,022,909,810.13	2,229,347,969.59
Non-current liabilities	142,443,391.40	148,202,148.08
Total Liabilities	2,165,353,201.53	2,377,550,117.67
minority interests		
Equity attributable to shareholders of the parent company	1,554,063,316.45	1,334,150,953.10
Share of net assets calculated based on shareholding ratio	341,893,929.62	293,513,209.68
Adjustments		
--Goodwill	294,778,811.23	294,778,811.23
--Unrealized profits from internal transactions		
--other		
Book value of equity investments in associates	636,672,740.85	588,292,020.91
Fair value of equity investments in associates with publicly quoted prices		
operating income	3,839,176,357.45	2,437,976,592.69
net profit	298,469,369.98	121,262,804.03
Net profit from discontinued operations		
Other comprehensive income	312,372.26	664,194.01
Total comprehensive income	298,781,742.24	121,926,998.04
Dividends received from associates during the year	17,389,760.93	

other instructions
none

(4). Summary financial information of immaterial joint ventures and associates

√ applicable not applicable

Unit: Currency: RMB

	Ending balance / Amount incurred in the current period	Beginning balance / Amount incurred in the previous period
Joint ventures:		
Total book value of investments		
The total of the following items calculated based on shareholding ratio		
--Net profit		
--Other comprehensive income		
--Total comprehensive income		
Associates:		
Total book value of investments	288,528,465.20	93,596,997.91
The total of the following items calculated based on shareholding ratio		
--Net profit	6,978,600.72	-3,350,710.71
--Other comprehensive income		
--Total comprehensive income	6,978,600.72	-3,350,710.71

other instructions
none

(5). Explanation of significant restrictions on the ability of joint ventures or associates to transfer funds to the company

applicable √not applicable

(6). Excess losses incurred by joint ventures or associates

applicable √not applicable

(7). Unconfirmed commitments related to investments in joint ventures

applicable √not applicable

(8). Contingent liabilities related to investments in joint ventures or associates

applicable √not applicable

4、 important joint operations

applicable √not applicable

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

Relevant instructions for structured entities not included in the scope of consolidated financial statements:
applicable √not applicable

6、 other

applicable √not applicable

11. government subsidy

1、 Government subsidies recognized according to the amount receivable at the end of the reporting period

applicable √not applicable

Reasons for failure to receive the estimated amount of government subsidy at the estimated time
applicable √not applicable

2、 Liability items involving government subsidies

√ applicable not applicable

Unit: Currency: RMB

financial statement items	Opening Balance	New subsidy amount for this period	The amount included in non-operating income in the current period	Transferred to other income in this period	Other changes in this period	Ending balance	to assets /income
Deferred income	15,737,862.27	4,410,000.00		7,106,954.33		13,040,907.94	related to assets
Deferred income	48,336,176.79	66,131,196.00		40,520,258.23	-20,728,830.00	53,218,284.56	related to income
total	64,074,039.06	70,541,196.00		47,627,212.56	-20,728,830.00	66,259,192.50	/

[Note] Other changes in this period: RMB 97,270.00 was increased due to business mergers; RMB 20,826,100.00 was transferred to relevant cooperative developers;

[Note] The closing balance includes the balance of government subsidies related to both assets and income of RMB 42,114,073.73. The amount included in the current profit and loss based on the amortization of the service life of the subsidy assets in this period is RMB 17,131,611.66 .

3、 Government subsidies included in current profits and losses

√ applicable not applicable

Unit: Currency: RMB

type	Amount incurred this period	Amount incurred last period
related to assets	7,106,954.33	6,033,882.60
related to income	278,531,838.65	242,633,834.66
total	285,638,792.98	248,667,717.26

other instructions:
none

12. Risks associated with financial instruments

1、 Risks of Financial Instruments

√ applicable not applicable

The company's goal in risk management is to strike a balance between risks and returns, minimize the negative impact of risks on the company's operating performance, and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the company's basic risk management strategy is to identify and analyze the various risks faced by the company, establish an appropriate risk tolerance bottom line and conduct risk management, and supervise various risks in a timely and reliable manner to control risks. Within a limited range.

The Company faces various risks related to financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk. Management has reviewed and approved policies for managing these risks, which are summarized below.

(1) Credit risk

Credit risk refers to the risk that one party to a financial instrument cannot fulfill its obligations, causing financial losses to the other party.

1.Credit risk management practices

(1) Evaluation method of credit risk

The Company assesses at each balance sheet date whether the credit risk of relevant financial instruments has increased significantly since initial recognition. When determining whether credit risk has increased significantly since initial recognition, the company considers obtaining reasonable and evidence-based information without unnecessary additional cost or effort, including qualitative and quantitative analysis based on historical data and external credit risk ratings. and forward-looking information. Based on a single financial instrument or a combination of financial instruments with similar credit risk characteristics, the company determines the risk of default of the financial instrument on the balance sheet date with the risk of default on the initial recognition date to determine the risk of default of the financial instrument during its expected duration. Changes in default risk.

When one or more of the following quantitative and qualitative criteria are triggered, the company believes that the credit risk of financial instruments has increased significantly:

1) The quantitative standard is mainly that the default probability of the remaining duration on the balance sheet date has increased by more than a certain percentage compared with the initial recognition;

2) Qualitative standards mainly include major adverse changes in the debtor's operating or financial conditions, existing or expected changes in technology, market, economic or legal environment, which will have a major adverse impact on the debtor's ability to repay the company, etc.

(2) Definition of default and credit-impaired assets

When a financial instrument meets one or more of the following conditions, the company defines the financial asset as having defaulted, and its standards are consistent with the definition of credit impairment:

1) The debtor encounters major financial difficulties;

2) The debtor violates the binding terms on the debtor in the contract;

3) The debtor is likely to go bankrupt or undergo other financial reorganization;

4) The creditor grants concessions to the debtor that the debtor would not make under any other circumstances due to economic or contractual considerations related to the debtor's financial difficulty.

2. Measurement of expected credit losses

Key parameters for measuring expected credit losses include probability of default, loss given default rate and exposure to default risk. The company considers quantitative analysis and forward-looking information of historical statistical data (such as counterparty ratings, guarantee methods and collateral types, repayment methods, etc.) to establish default probability, default loss rate and default risk exposure models.

3. Reconciliation statement between the opening balance and the closing balance of financial instrument loss provisions

For details, please refer to the notes to this financial statement " VII . 4 Notes Receivable", " VII. 5 Accounts Receivable" , "VII. 6 Contract Assets" , " VII. 7 Accounts Receivable Financing" , " VII. 9 Other Receivables" "Account Collection" and " VII. 30 Other Non-Current Assets" .

4. Credit risk exposure and credit risk concentration

The company's credit risk mainly comes from monetary funds and accounts receivable. In order to control the above-mentioned related risks, the Company has taken the following measures.

(1) Monetary funds

The Company places bank deposits and other monetary funds in financial institutions with higher credit ratings, so its credit risk is lower.

(2) Accounts receivable and contract assets

The company regularly conducts credit assessments on customers who trade on credit. Based on the credit assessment results, the Company chooses to conduct transactions with approved customers with good credit and monitors their receivable balances to ensure that the Company does not face significant bad debt risks.

Since the company's accounts receivable risk points are distributed among multiple partners and customers, as of December 31, 2023, 4.81 % of the company's accounts receivable and contract assets (December 31 , 2022 day: 4.78%) due to the top five customers with balances, the Company does not have significant credit concentration risk.

The Company's maximum exposure to credit risk is the carrying value of each financial asset on the balance sheet.

(2) Liquidity risk

Liquidity risk refers to the risk of a shortage of funds when the company fulfills its obligations to settle by delivering cash or other financial assets. Liquidity risk may arise from the inability to sell financial assets at fair value as quickly as possible; or from the counterparty's inability to repay its contractual debts; or from debts that mature prematurely; or from the inability to generate expected cash flows.

In order to control this risk, the Company comprehensively uses various financing methods such as bill settlement and bank borrowing, and adopts an appropriate combination of long-term and short-term financing methods to optimize the financing structure and maintain a balance between financing continuity and flexibility. The Company has obtained bank credit lines from a number of commercial banks to meet its working capital requirements and capital expenditures.

Financial liabilities are classified by remaining maturity

project	Closing amount				
	Book value	Undiscounted contract amount	Within 1 year	1-3 years	over 3 years
Bank loan	508,212,053.66	520,825,563.38	219,565,563.38	301,260,000.00	
Notes payable	723,014,307.53	723,014,307.53	723,014,307.53		
accounts payable	2,827,368,905.91	2,827,368,905.91	2,827,368,905.91		
Other payables	142,878,776.84	142,878,776.84	142,878,776.84		
Other current liabilities	501,210,072.42	501,210,072.42	501,210,072.42		

Lease liability	34,724,045.49	38,155,591.56	14,614,264.48	13,166,544.57	10,374,782.51
Subtotal	4,737,408,161.85	4,753,453,217.64	4,428,651,890.56	314,426,544.57	10,374,782.51

(Continued from above table)

project	End of last year				
	Book value	Undiscounted contract amount	Within 1 year	1-3 years	over 3 years
Bank loan	606,673,850.94	623,663,378.72	623,663,378.72		
Notes payable	992,587,518.08	992,587,518.08	992,587,518.08		
accounts payable	2,318,408,360.81	2,318,408,360.81	2,318,408,360.81		
Other payables	93,507,790.90	93,507,790.90	93,507,790.90		
Other current liabilities	437,170,631.22	437,170,631.22	437,170,631.22		
Lease liability	31,219,486.96	34,224,098.71	14,857,196.76	10,619,034.88	8,747,867.07
Subtotal	4,479,567,638.91	4,499,561,778.44	4,480,194,876.49	10,619,034.88	8,747,867.07

(3) Market risk

Market risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risks mainly include interest rate risk and foreign exchange risk.

1. Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. Fixed-rate interest-bearing financial instruments expose the Company to fair value interest rate risk, while floating-rate interest-bearing financial instruments expose the Company to cash flow interest rate risk. The Company determines the proportion of fixed-rate and floating-rate financial instruments based on market conditions, and maintains an appropriate portfolio of financial instruments through regular review and monitoring. The cash flow interest rate risk faced by the Company is mainly related to the Company's bank borrowings with floating interest rates.

As of December 31, 2023, the company's bank borrowings with floating interest rates were RMB 300,000,000.00 (December 31, 2022: RMB 500,000,000.00). Under the assumption that other variables remain unchanged, it is assumed that the interest rate changes by 50 The benchmark point will not have a significant impact on the company's total profits and shareholders' equity.

2. Foreign exchange risk

Foreign exchange risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The risk of exchange rate changes faced by the Company is mainly related to the Company's foreign currency monetary assets and liabilities. For foreign currency assets and liabilities, if short-term imbalances occur, the Company will buy and sell foreign currencies at market exchange rates when necessary to ensure that the net risk exposure is maintained at an acceptable level .

For details of the Company's foreign currency monetary assets and liabilities at the end of the period, please refer to Note VII. 81 Foreign Currency Monetary Items of this Financial Statement .

2、 **Hedging**

(1) The company carries out hedging business for risk management

applicable √not applicable

other instructions

applicable √not applicable

(2) The company carries out qualified hedging business and applies hedging accounting

applicable √not applicable

other instructions

applicable √not applicable

(3) The company conducts hedging business for risk management and expects to achieve risk management objectives but does not apply hedging accounting.

applicable √not applicable

other instructions

applicable √not applicable

3、 Financial asset transfer

(1) Transfer method classification

√ applicable not applicable

Unit: Currency: RMB

transfer method	Nature of financial assets transferred	Amount of financial assets transferred	Termination of confirmation	Basis for judgment on termination of confirmation
endorsement	Receivables Financing	1,504,662,960.82	Termination confirmation	For details, please refer to Notes VII. 4 Notes Receivable and VII. 7 Notes Receivable Financing to this Financial Statement.
discount	Receivables Financing	333,480,162.97	Termination confirmation	
endorsement	bill receivable	501,210,072.42	Not terminated confirmation	Notes Receivable to the Financial Statements.
Factoring of accounts receivable	accounts receivable	338,690,925.00	Termination confirmation	Non-recourse factoring of accounts receivable with a factoring company belonging to the same group as the client
Factoring of accounts receivable	accounts receivable	97,485,003.51	Termination confirmation	Non-recourse factoring of accounts receivable to banks
Debt voucher discount	accounts receivable	6,327,387.00	Not terminated confirmation	Debt voucher discount
total	/	2,781,856,511.72	/	/

(2) Financial assets derecognised due to transfer

√ applicable not applicable

Unit: Currency: RMB

project	How financial assets are transferred	Amount of financial assets derecognized	Gains or losses related to derecognition
Receivables Financing	endorsement	1,504,662,960.82	
Receivables Financing	discount	333,480,162.97	-2,020,532.07
accounts receivable	Factoring of accounts receivable	338,690,925.00	-7,987,985.59
accounts receivable	Factoring of accounts receivable	97,485,003.51	-3,366,617.50

total	/	2,274,319,052.30	-13,375,135.16

(3) Transfer of financial assets with continuing involvement

√ applicable not applicable

Unit: Currency: RMB

project	Asset transfer method	The amount of assets formed by continued involvement	The amount of liabilities arising from continued involvement
accounts receivable	Debt voucher discount	6,327,387.00	6,327,387.00
total	/	6,327,387.00	6,327,387.00

other instructions

applicable √not applicable

13. Fair Value Disclosure

1、 Closing fair value of assets and liabilities measured at fair value

√ applicable not applicable

Unit: Currency: RMB

project	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	total
1. Continuous fair value measurement				
(1) Trading financial assets			1,650,000,000.00	1,650,000,000.00
1. Financial assets measured at fair value and changes included in current profit and loss				
(1) Debt instrument investment				
(2) Equity instrument investment				
(3) Derivative financial assets				
2. Designate financial assets measured at fair value and whose changes are included in current profits and losses.			1,650,000,000.00	1,650,000,000.00
(1) Debt instrument investment				
(2) Equity instrument investment				
(3) Financial management products			1,650,000,000.00	1,650,000,000.00
(2) Other debt investments				
(3) Investment in other equity instruments			26,113,692.31	26,113,692.31
(4) Investment real estate				
1. Land use rights for				

lease				
2. Buildings for rent				
3. Hold and prepare to transfer land use rights after appreciation				
(5) Biological assets				
1. Consumable biological assets				
2. Productive biological assets				
(6) Accounts receivable financing			183,711,330.47	183,711,330.47
Total assets measured at fair value on an ongoing basis			1,859,825,022.78	1,859,825,022.78
(6) Trading financial liabilities				
1. Financial liabilities measured at fair value and changes included in current profit and loss				
Including: trading bonds issued				
Derivative financial liabilities				
other				
2. Financial liabilities designated as measured at fair value and changes included in current profit and loss				
Total liabilities measured at fair value on an ongoing basis				
2. Non-continuous fair value measurement				
(1) Assets held for sale				
Total assets measured at fair value on an ongoing basis				
Total liabilities measured at fair value on an ongoing basis				

2、 **Basis for determining the market price of continuous and non-continuous first-level fair value measurement items**

applicable √not applicable

3、 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、 Continuous and non-continuous third-level fair value measurement items, valuation techniques used and qualitative and quantitative information on important parameters

√ applicable not applicable

The company's third-level fair value measurement items are receivables financing, wealth management products and other equity instrument investments. The remaining term of receivables financing and wealth management products is short, and the difference between fair value and book value is small, so its book value is used. The value is regarded as fair value; on the balance sheet date , the operating conditions of each investee and the market, economic environment and financial conditions faced by other equity instrument investments have not changed significantly, so the company uses investment cost as a reasonable estimate of fair value for measurement. .

5、 Continuous Level 3 fair value measurement items, reconciliation information between opening and closing book values and sensitivity analysis of unobservable parameters

applicable √not applicable

6、 Ongoing fair value measurement items, if there is a conversion between various levels during the current period, the reasons for the conversion and the policy for determining the time of conversion

applicable √not applicable

7、 Valuation technology changes that occurred during the current period and reasons for the changes

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

14. Related parties and related transactions

1、 Information about the parent company of this enterprise

applicable √not applicable

2、 Information about the company's subsidiaries

Please refer to the notes for details of the company's subsidiaries.
√ applicable not applicable

1. Equity in subsidiaries of this financial statement .

3、 Information on joint ventures and associates of the enterprise

Please refer to the notes for details of the company's important joint ventures or associates.
√ applicable not applicable

For details, please refer to Note X. 3. Equity in joint ventures or associates of this financial statement.

The information of other joint ventures or associates that have related party transactions with the company in the current period, or have balances from related party transactions with the company in previous periods, is as follows:
√ applicable not applicable

Name of joint venture or associated enterprise	Relationship with this company
Anhui Huayi SUPCON Technology Co., Ltd.	Associates
Beijing Damei Sheng Software Co., Ltd.	Associates
Jiaxing Industrial Internet Innovation Center Co., Ltd.	Associate, subsidiary of Lanzhuo Digital Technology Co., Ltd.
Shenzhen Shengchao Intelligent Information Technology Co., Ltd.	Associates
Petrochemical Yingke Information Technology Co., Ltd.	Associates
Petrochemical Yingke Intelligent Technology Co., Ltd.	Associates
Zhejiang Zhongju Intelligent Technology Co., Ltd.	Associates
Zhejiang SUPCON Ruixin Intelligent Technology Co., Ltd.	Associates
SUPCON Global Technology (Hangzhou) Co., Ltd. [Note 1]	Associates
Zhongyi Wood Engineering Co., Ltd.	Associates
SUPCON Marine Equipment (Zhejiang) Co., Ltd. [Note 2]	Associates
Zhejiang SUPCON Zhixin Technology Co., Ltd. [Note 2]	Associates
Hangzhou Jinchuang Enterprise Management Consulting Partnership (Limited Partnership)	Associates

other instructions
√ applicable not applicable

[Note 1] Formerly known as Zhejiang Quanshi Technology Co., Ltd., it was an associate of the company from January to June of this period;
[Note 2] It will be an associate of the company starting from December 2023 .

4、 Information about other related parties

√ applicable not applicable

Other related party names	Relationship between other related parties and the company
SUPCON Technology Group Co., Ltd.	Enterprises controlled by actual controllers
Hangzhou Furize Technology Co., Ltd.	Enterprises controlled by actual controllers
Hangzhou Xizhi Equity Investment Partnership (Limited Partnership)	Enterprises controlled by actual controllers
Lanzhuo Digital Technology Co., Ltd.	Enterprises controlled by actual controllers
Hangzhou Deep Blue Digital Intelligence Technology Co., Ltd.	Enterprises controlled by actual controllers
Lanzhuo Digital Technology (Hangzhou) Co., Ltd.	Enterprises controlled by actual controllers
Lanzhuo Digital Technology (Zhongshan) Co., Ltd.	Enterprises controlled by actual controllers
Lanzhuo Digital Technology (Chongqing) Co., Ltd.	Enterprises controlled by actual controllers
Ningbo Industrial Internet Research Institute Co., Ltd.	Enterprises controlled by actual controllers
Ningbo Future Qingyuan Medical Technology Co., Ltd.	Enterprises controlled by actual controllers

Ningbo Yongshuiqiao Digital Industry Development Co., Ltd.	Enterprises controlled by actual controllers
Zhejiang Guoli Network Security Technology Co., Ltd.	Enterprises controlled by actual controllers
Zhejiang Zhonglan Venture Capital Co., Ltd.	Enterprises controlled by actual controllers
SUPCON Industrial Park Operation Management Co., Ltd.	Enterprises controlled by actual controllers
Ningbo Xinran Technology Co., Ltd.	Enterprises where the actual controller has significant influence
Ningbo SUPCON Microelectronics Co., Ltd.	Enterprises where the actual controller has significant influence
Hangzhou Jiake Enterprise Management Co., Ltd.	Enterprises actually controlled by Cui Shan, the director of the company
Hangzhou Jiachuan Enterprise Management Partnership (Limited Partnership)	Enterprises actually controlled by Cui Shan, the director of the company
PEJET GROUP CO., LTD.	Zhang Kehua, director of the company, serves as its independent director
Pandong (Zhejiang) Electrical Technology Co., Ltd.	A company in which Cheng Yuhao, the former supervisor of the Company, serves as a director
Zhejiang Chintai Zhongzi Control Engineering Co., Ltd.	A company in which Cheng Yuhao, the former supervisor of the Company, serves as a director
Zhejiang Kesheng Technology Co., Ltd.	Jin Jianxiang, the former director of the company, serves as its director
Zhejiang Gaosheng Solar Thermal Power Technology Research Institute Co., Ltd.	Jin Jianxiang, the former director of the company, serves as its director
Zhejiang Guozi Robot Technology Co., Ltd.	Jin Jianxiang, the former director of the company, serves as its director
Zhejiang Green Storage Technology Co., Ltd.	Jin Jianxiang, the former director of the company, serves as its director
Zhejiang Teneng Power Technology Co., Ltd.	Jin Jianxiang, the former director of the company, serves as its director
Zhejiang Zhikong Technology Co., Ltd.	Jin Jianxiang, the former director of the company, serves as its director
Zhejiang SUPCON Research Institute Co., Ltd.	Jin Jianxiang, the former director of the company, serves as its director
Zhejiang Zhongjing Software Development Co., Ltd.	Jin Jianxiang, the former director of the company, serves as its director
Linhai Industrial Brain Co., Ltd.	Joint stock company
Shanghai Huayi Information Technology Co., Ltd.	Joint stock company
Zhejiang Yuanchuang Intelligent Control Technology Co., Ltd.	Joint stock company
Shaoxing Industrial Internet Innovation Development Co., Ltd.	Enterprises where the actual controller has significant influence
Beijing Shengchao Intelligent Technology Co., Ltd.	A subsidiary of Shenzhen Shengchao Intelligent Information Technology Co., Ltd.
Qinghai SUPCON Solar Power Co., Ltd.	Enterprises where Jin Jianxiang, the former director of the company, has significant influence
Zhejiang SUPCON Scientific and Educational Instruments and Equipment Co., Ltd.	A subsidiary of SUPCON Technology Group Co., Ltd.
Zhejiang Zhongchengxin Engineering Technology Co., Ltd.	A subsidiary of SUPCON Technology Group Co., Ltd.
Zhejiang SUPCON Information Industry Co., Ltd.	Companies where the actual controller has significant influence

other instructions
none

5、 Related party transactions

(1). Related transactions related to purchase and sale of goods, provision and receipt of services

Procurement of goods/service acceptance form

√ applicable not applicable

Unit: Currency: RMB

Related party	Related transaction content	Amount incurred this period	Approved transaction limit (if applicable)	Whether the transaction limit is exceeded (if applicable)	Amount incurred last period
Lanzhuo Digital Technology Co., Ltd.	Purchase goods	42,139,126.28	150,000,000.00	no	64,481,186.84
	accept labor	22,186,414.84			
SUPCON Global Technology (Hangzhou) Co., Ltd.	Purchase goods	6,513,566.43	30,000,000.00	no	12,293,531.02
Zhejiang SUPCON Scientific and Educational Instruments and Equipment Co., Ltd.	Purchase goods	8,046,548.60	10,000,000.00	no	4,320,796.47
Zhejiang SUPCON Ruixin Intelligent Technology Co., Ltd.	Purchase goods	10,618,087.14	14,000,000.00	no	8,463,608.31
	accept labor	1,592.93			
Zhejiang Guoli Network Security Technology Co., Ltd.	Purchase goods	546,017.70	10,000,000.00	no	5,524,778.77
Zhejiang Guozi Robot Technology Co., Ltd.	Purchase goods	1,256,637.17	5,000,000.00	no	
Shanghai Xinhua Control Technology Group Technology Co., Ltd.	Purchase goods			no	35,849.06
Shanghai Huayi Information Technology Co., Ltd.	Purchase goods	2,166,761.42		no	10,861,200.12
Zhejiang Yuanchuang Intelligent Control Technology Co., Ltd.	Purchase goods	876,558.09	2,000,000.00	no	997,046.90
Shaoxing Industrial Internet Innovation Development Co., Ltd.	Purchase goods		1,000,000.00	no	45,283.02
Petrochemical Yingke Information Technology Co., Ltd.	Purchase goods	4,652,697.35	200,000,000.00	no	458,311.80
Petrochemical Yingke Intelligent Technology Co., Ltd.	Purchase goods	8,548,784.09			
Zhongyi Wood Engineering Co., Ltd.	Purchase goods	490,831.61	20,000,000.00	no	
	accept labor	261,320.75			
Zhejiang Zhongju Intelligent Technology Co., Ltd.	accept labor	66,684.68	5,000,000.00	no	
Anhui Huayi SUPCON Technology Co., Ltd.	Purchase goods	2,287,087.32	40,000,000.00	no	

	accept labor	219,467.53			
Beijing Damei Sheng Software Co., Ltd.	Purchase goods	876,106.19	30,000,000.00	no	
Linhai Industrial Brain Co., Ltd.	accept labor	32,075.47		no	
Ningbo SUPCON Microelectronics Co., Ltd.	Purchase goods	3,074.33		no	
Subtotal		111,789,439.92	517,000,000.00		107,481,592.31

List of goods sold/services provided
√ applicable not applicable

Unit : Currency: RMB

Related party	Related transaction content	Amount incurred this period	Amount incurred last period
Qinghai SUPCON Solar Power Co., Ltd.	Goods for sale		19,544.27
	service charge	3,672.55	
Lanzhuo Digital Technology Co., Ltd.	Goods for sale	3,710,552.67	1,620,274.33
	service charge	28,615.03	21,872.77
SUPCON Global Technology (Hangzhou) Co., Ltd.	Goods for sale	2,821.67	650,212.78
Zhejiang SUPCON Information Industry Co., Ltd.	Goods for sale	5,598,070.80	42,742,209.23
	service charge	1,021,651.51	
Zhejiang SUPCON Scientific and Educational Instruments and Equipment Co., Ltd.	Goods for sale	7,022,684.04	4,475,763.71
	service charge	454,117.34	5,952.72
Zhejiang Kesheng Technology Co., Ltd.	Goods for sale	2,909,210.15	45,876.98
	service charge	1,375,945.26	104,663.32
Zhejiang SUPCON Research Institute Co., Ltd.	Goods for sale	185,008.83	1,292,793.79
	service charge	5,150.44	
SUPCON Industrial Park Operation Management Co., Ltd.	service charge		811,320.75
Shaoxing Industrial Internet Innovation Development Co., Ltd.	Goods for sale	1,829,483.22	
Zhongyi Wood Engineering Co., Ltd.	Goods for sale	7,252,734.18	465,318.58
Linhai Industrial Brain Co., Ltd.	Goods for sale	7,396,108.60	1,885,476.63
	service charge	523,617.70	
Jiaxing Industrial Internet Innovation Center Co., Ltd.	Goods for sale		3,358,352.83
Zhejiang Gaosheng Solar Thermal Power Technology Research Institute Co., Ltd.	Goods for sale	32,424.78	489,911.50
SUPCON Technology Group Co., Ltd.	Goods for sale		41,857.70
Zhejiang SUPCON Ruixin Intelligent Technology Co., Ltd.	Goods for sale		5,823.01
Zhejiang Yuanchuang Intelligent Control Technology Co., Ltd.	Goods for sale	3,321,436.69	2,695,104.47
	service charge	221,761.84	1,677.49
Petrochemical Yingke Information Technology Co., Ltd.	Goods for sale	5,058,269.29	9,257.36
Shanghai Huayi Information Technology Co., Ltd.	Goods for sale	2,771,153.94	1,183,997.66
PEJET GROUP CO., LTD.	Goods for sale	698,230.09	1,892,035.40
Zhejiang Zhikong Technology Co., Ltd.	Goods for sale	3,274.34	
Shenzhen Shengchao Intelligent Information Technology Co., Ltd.	Goods for sale	3,788,207.80	
Zhejiang Zhongju Intelligent Technology Co., Ltd.	Goods for sale	4,304,846.27	
Anhui Huayi SUPCON Technology Co.,	Goods for sale	584,991.98	

Ltd.	service charge	255,145.92	
Zhejiang Chintai Zhongzi Control Engineering Co., Ltd.	Goods for sale	4,828,102.20	
SUPCON Marine Equipment (Zhejiang) Co., Ltd.	Goods for sale	36,549.68	
Lanzhuo Digital Technology (Zhongshan) Co., Ltd.	Goods for sale	1,053,539.82	
Subtotal		66,277,378.63	63,819,297.28

Description of related transactions for purchasing and selling goods, providing and receiving services
applicable √not applicable

(2). Related entrusted management/contracting and entrusted management/outsourcing status

The company's entrusted management/contracting status table:
applicable √not applicable

Description of associated hosting/contracting situations
applicable √not applicable

The company's entrusted management/outsourcing status table
applicable √not applicable

Description of association management/outsourcing situation
applicable √not applicable

(3). Related leasing situation

As a lessor, our company:
√ applicable not applicable

Unit: Currency: RMB

Lessee name	Lease asset type	Lease income recognized in the current period	Lease income recognized in the previous period
Zhejiang Yuanchuang Intelligent Control Technology Co., Ltd.	Houses, buildings and ancillary facilities	1,472,673.51	267,092.91
	equipment		104,922.48
Hangzhou Deep Blue Digital Technology Co., Ltd.	Houses, buildings and ancillary facilities	1,039,592.52	41,259.75
Lanzhuo Digital Technology Co., Ltd.	Houses, buildings and ancillary facilities	1,069,395.92	
Zhejiang Zhongjing Software Development Co., Ltd.	Houses, buildings and ancillary facilities	976,998.35	
SUPCON Global Technology (Hangzhou) Co., Ltd.	Houses, buildings and ancillary facilities	298,169.18	41,259.75
Zhejiang SUPCON Scientific and Educational Instruments and Equipment Co., Ltd.	Houses, buildings and ancillary facilities	1,236,739.19	41,259.75
Zhejiang Kesheng Technology Co., Ltd.	Houses, buildings and ancillary facilities	2,613,836.73	
Zhejiang Guoli Network Security Technology Co., Ltd.	Houses, buildings and ancillary facilities	295,045.46	
SUPCON Industrial Park Operation Management Co., Ltd.	Houses, buildings and ancillary facilities	649,837.16	
Zhejiang Gaosheng Solar Thermal Power Technology Research Institute Co., Ltd.	Houses, buildings and ancillary facilities	815.56	
Zhejiang SUPCON Ruixin Intelligent Technology Co., Ltd.	Houses, buildings and ancillary facilities	409,095.98	420,130.18
Lanzhuo Digital Technology (Chongqing) Co., Ltd.	Houses, buildings and ancillary facilities	250.94	

Zhejiang Green Storage Technology Co., Ltd.	Houses, buildings and ancillary facilities	66,491.47	
Hangzhou Furize Technology Co., Ltd.	Houses, buildings and ancillary facilities	68,704.18	
Ningbo SUPCON Microelectronics Co., Ltd.	Houses, buildings and ancillary facilities	632,544.31	
Zhejiang Zhonglan Venture Capital Co., Ltd.	Houses, buildings and ancillary facilities	257,634.67	
Subtotal		11,087,825.13	915,924.82

As a lessee, our company:
√ applicable not applicable

Unit: Currency: RMB

Lessor name	Lease asset type	Simplified treatment of rental charges for short-term leases and leases of low-value assets (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		rent paid		Interest expense on lease liabilities borne		Increased right-of-use assets	
		Amount incurred this period	Amount incurred last period	Amount incurred this period	Amount incurred last period	Amount incurred this period	Amount incurred last period	Amount incurred this period	Amount incurred last period	Amount incurred this period	Amount incurred last period
SUPCON Industrial Park Operation Management Co., Ltd.	Houses, buildings and ancillary facilities	40,781,584.71	9,271,920.50			42,561,806.26	10,012,159.01		275,842.09		14,072,581.20
Ningbo Yongshuiqiao Digital Industry Development Co., Ltd.	Houses, buildings and ancillary facilities	217,233.03				276,564.00					
Subtotal		40,998,817.74	9,271,920.50			42,838,370.26	10,012,159.01		275,842.09		14,072,581.20

Description of related leasing situation
applicable √not applicable

(4). **Related guarantees**

The company acts as a guarantor
applicable √not applicable

The company as the guaranteed party
applicable √not applicable

Description of related guarantees
applicable √not applicable

(5). **Related party lending**

applicable √not applicable

(6). **Related party asset transfers and debt restructuring**

applicable √not applicable

(7). **Key management personnel compensation**

√ applicable not applicable

Unit: 10,000 yuan Currency: RMB

project	Amount incurred this period	Amount incurred last period
Key management personnel compensation	2,365.56	2,549.47

(8). **Other related transactions**

√ applicable not applicable

Unit: Currency: RMB

Related party name	Number of current period	Same period last year
Chu Jian	1,300,000.00	1, 2 00,000.00
Subtotal	1,300,000.00	1, 2 00,000.00

6、 **Status of unsettled items such as receivables and payables to related parties**

(1). **Items receivable**

√ applicable not applicable

Unit: Currency: RMB

project name	Related party	Ending balance		Opening Balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
accounts receivable	Jiaxing Industrial Internet Innovation Center Co., Ltd.	79,350.00	7,935.00	2,429,999.99	121,500.00
	Lanzhuo Digital Technology Co., Ltd.	62,133.10	4,876.66	713,074.39	35,653.72
	Linhai Industrial Brain Co., Ltd.	1,162,394.16	75,834.29	529,787.35	26,489.37
	Qinghai SUPCON Solar Power Co., Ltd.	299,913.65	137,150.64	475,819.10	185,056.38
	Shanghai Huayi Information Technology Co., Ltd.	1,659,371.60	82,968.58	1,021,389.18	51,069.46
	Shanghai Xinhua Control Technology (Group) Co., Ltd.			53,500.00	53,500.00
	Petrochemical Yingke Information Technology Co., Ltd.	1,018,283.58	50,914.18	4,159,459.43	320,746.44
	Zhejiang Gaosheng Solar Thermal Power	99,699.99	8,138.00	200,779.99	10,039.00

	Technology Research Institute Co., Ltd.				
	Zhejiang Guoli Network Security Technology Co., Ltd.	267,567.01	13,378.35	455.57	45.56
	SUPCON Global Technology (Hangzhou) Co., Ltd.			251,151.61	12,557.58
	Zhejiang Yuanchuang Intelligent Control Technology Co., Ltd.	3,326,071.00	196,489.42	2,562,458.56	150,541.90
	Zhejiang Zhongchengxin Engineering Technology Co., Ltd.	110,970.00	110,970.00	110,970.00	110,970.00
	Zhejiang SUPCON Scientific and Educational Instruments and Equipment Co., Ltd.	7,473,550.93	381,267.14	4,026,834.76	207,738.39
	Zhejiang SUPCON Ruixin Intelligent Technology Co., Ltd.	145,638.86	7,281.94	340,290.50	17,014.53
	Zhejiang SUPCON Information Industry Co., Ltd.	16,454,273.58	1,283,424.93	18,712,071.34	953,165.22
	Zhejiang SUPCON Research Institute Co., Ltd.	455,187.47	241,257.55	822,737.47	301,406.20
	SUPCON Technology Group Co., Ltd.	48,532.95	5,963.67	48,532.95	3,598.71
	Shaoxing Industrial Internet Innovation Development Co., Ltd.	1,318,900.00	69,045.00	12,400.00	1,240.00
	Zhejiang Kesheng Technology Co., Ltd.	2,856,072.99	142,803.65		
	Zhejiang Guozi Robot Technology Co., Ltd.	32,012.61	24,004.61		
	Anhui Huayi SUPCON Technology Co., Ltd.	394,353.74	19,717.69		
	Zhejiang Chintai Zhongzi Control Engineering Co., Ltd.	7,314,918.90	365,745.95		
	Zhejiang Zhikong Technology Co., Ltd.	3,700.00	185		
	Zhongyi Wood Engineering Co., Ltd.	2,145,279.80	107,263.99		
	Ningbo SUPCON Microelectronics Co., Ltd.	155,580.50	7,779.03		
	SUPCON Industrial Park Operation Management Co., Ltd.	30,275.32	1,513.77		
	Lanzhuo Digital Technology (Zhongshan) Co., Ltd.	338,778.76	16,938.94		
	Hangzhou Deep Blue Digital Technology Co., Ltd.	42,975.90	2,148.80		
	Zhejiang Zhongjing Software Development Co., Ltd.	13,261.35	663.07		
	PEJET GROUP CO., LTD.	64,140.28	3,207.01		
	Zhejiang Green Storage Technology Co., Ltd.	42.08	2.1		
	Zhejiang SUPCON Zhixin Technology Co., Ltd.	25,551,753.25	2,072,508.94		
	Zhejiang Zhonglan Venture Capital Co., Ltd.	127,698.24	6,384.91		
	SUPCON Marine Equipment (Zhejiang) Co., Ltd.	794,350.21	39,717.51		
Subtotal		73,847,031.81	5,487,480.32	36,471,712.19	2,562,332.46
bill receivable	Zhejiang Guozi Robot Technology Co., Ltd.			160,000.00	
	Zhejiang SUPCON Scientific and Educational Instruments and Equipment Co., Ltd.			4,648,349.00	
	Zhejiang SUPCON Information Industry Co., Ltd.			256,903.20	
	Zhejiang Chintai Zhongzi Control Engineering Co., Ltd.	3,250,235.18			
	Zhejiang Yuanchuang Intelligent Control Technology Co., Ltd.	250,973.00			
Subtotal		3,501,208.18		5,065,252.20	
Receivables Financing	Shanghai Xinhua Control Technology Group Technology Co., Ltd.			79,623.00	
	Zhejiang SUPCON Information Industry			257,748.00	

	Co., Ltd.				
Subtotal				337,371.00	
contract assets	Jiaxing Industrial Internet Innovation Center Co., Ltd.	312,650.93	30,515.55	562,500.00	28,125.00
	Linhai Industrial Brain Co., Ltd.	548,643.00	27,432.15	77,000.00	3,850.00
	Shanghai Huayi Information Technology Co., Ltd.	63,627.00	3,181.35	61,177.00	3,058.85
	Petrochemical Yingke Information Technology Co., Ltd.			500,000.00	50,000.00
	Zhejiang Gaosheng Solar Thermal Power Technology Research Institute Co., Ltd.			46,160.00	2,308.00
	Zhejiang SUPCON Information Industry Co., Ltd.	3,514,972.25	252,572.55	1,728,967.93	86,448.40
	Zhongyi Wood Engineering Co., Ltd.	271,171.90	13,558.60	124,790.50	6,239.53
	Shaoxing Industrial Internet Innovation Development Co., Ltd.	130,700.00	24,585.00	72,200.00	7,220.00
	Anhui Huayi SUPCON Technology Co., Ltd.	3,810.00	190.50		
	Pandong (Zhejiang) Electrical Technology Co., Ltd.	19,000.00	950.00		
	Beijing Shengchao Intelligent Technology Co., Ltd.	30,000.00	9,000.00		
	PEJET GROUP CO., LTD.	45,800.00	2,290.00		
Subtotal		4,940,375.08	364,275.70	3,172,795.43	187,249.78
Prepayments	Jinta Zhongguang Solar Power Co., Ltd.			2,000.00	
	Lanzhuo Digital Technology Co., Ltd.	95,414.16		209,500.00	
	Zhejiang Guozi Robot Technology Co., Ltd.			426,000.00	
	SUPCON Global Technology (Hangzhou) Co., Ltd.			401,769.74	
	Zhejiang Yuanchuang Intelligent Control Technology Co., Ltd.	66,900.00		50,000.00	
	Zhejiang SUPCON Scientific and Educational Instruments and Equipment Co., Ltd.	77,300.00		354,153.98	
	Zhejiang SUPCON Information Industry Co., Ltd.			170,000.00	
	Zhejiang SUPCON Research Institute Co., Ltd.			788,586.30	
	SUPCON Industrial Park Operation Management Co., Ltd.	52,149.77		52,149.77	
	Ningbo SUPCON Microelectronics Co., Ltd.	47,920.40			
	Jiaxing Industrial Internet Innovation Center Co., Ltd.	19,600.00			
	Ningbo Yongshuiqiao Digital Industry Development Co., Ltd.	39,780.00			
	Ningbo Industrial Internet Research Institute Co., Ltd.	408,000.00			
Subtotal		807,064.33		2,454,159.79	
Other receivables	Hangzhou Deep Blue Digital Technology Co., Ltd.			43,735.34	2,186.77
	Jinta Zhongguang Solar Power Co., Ltd.			100,000.00	5,000.00
	Qinghai SUPCON Solar Power Co., Ltd.	65,500.00	65,500.00	65,500.00	65,500.00
	Zhejiang Guoli Network Security Technology Co., Ltd.	77,781.01	11,887.73	31,994.71	3,199.47
	Zhejiang Kesheng Technology Co., Ltd.	119,980.13	5,999.01	23,625.37	1,181.27
	SUPCON Global Technology (Hangzhou) Co., Ltd.			43,735.34	2,186.77
	Zhejiang Yuanchuang Intelligent Control Technology Co., Ltd.	628,007.77	111,560.18	320,639.15	16,031.96
	Zhejiang SUPCON Scientific and Educational Instruments and Equipment Co., Ltd.	53,030.72	4,229.01	50,045.22	2,502.26
	Zhejiang SUPCON Information Industry			325,825.06	195,495.04

	Co., Ltd.				
	SUPCON Industrial Park Operation Management Co., Ltd.	4,080,000.00	204,000.00	25,203.49	1,260.17
	Ningbo SUPCON Microelectronics Co., Ltd.	2,050.31	102.52		
	Lanzhuo Digital Technology Co., Ltd.	22,143.33	1,107.17		
	Hangzhou Jiachuan Enterprise Management Partnership (Limited Partnership)	3,000.00	150.00		
	Hangzhou Xizhi Equity Investment Partnership (Limited Partnership)	400.00	30.00		
	Hangzhou Jinchuang Enterprise Management Consulting Partnership (Limited Partnership)	100.00	10.00		
	SUPCON Marine Equipment (Zhejiang) Co., Ltd.	143,205.90	13,642.36		
	Hangzhou Jiake Enterprise Management Co., Ltd.	1,500.00	75.00		
Subtotal		5,196,699.17	418,292.98	1,030,303.68	294,543.71
Other non-current assets	Zhejiang Yuanchuang Intelligent Control Technology Co., Ltd.			925,400.02	
	Zhejiang SUPCON Scientific and Educational Instruments and Equipment Co., Ltd.	1,481,908.32			
Subtotal		1,481,908.32		925,400.02	

(2). **Payable items**

√ applicable not applicable

Unit: Currency: RMB

project name	Related party	Ending book balance	Opening book balance
accounts payable	Lanzhuo Digital Technology Co., Ltd.	42,334,146.91	28,461,880.96
	Shanghai Huayi Information Technology Co., Ltd.	6,191,630.89	14,327,278.03
	Zhejiang Guoli Network Security Technology Co., Ltd.	1,040,946.90	2,728,169.91
	Zhejiang Guozi Robot Technology Co., Ltd.	2,504,407.74	1,313,760.69
	SUPCON Global Technology (Hangzhou) Co., Ltd.		10,864,378.12
	Zhejiang Yuanchuang Intelligent Control Technology Co., Ltd.	1,634,448.20	1,186,828.71
	Zhejiang Zhongchengxin Engineering Technology Co., Ltd.	114,871.79	114,871.79
	Zhejiang SUPCON Ruixin Intelligent Technology Co., Ltd.	3,613,133.38	8,105,123.72
	Zhejiang SUPCON Information Industry Co., Ltd.	428,450.16	428,450.16
	Zhejiang SUPCON Research Institute Co., Ltd.	128,172.56	128,172.56
	Shaoxing Industrial Internet Innovation Development Co., Ltd.		24,000.00
	Zhongyi Wood Engineering Co., Ltd.	231,327.55	47,000.00
	Anhui Huayi SUPCON Technology Co., Ltd.	1,175,938.99	
	Beijing Damei Sheng Software Co., Ltd.	783,000.00	
	Jiaxing Industrial Internet Innovation Center Co., Ltd.	16,718.58	
	Zhejiang SUPCON Zhixin Technology Co., Ltd.	310,000.00	
	Linhai Industrial Brain Co., Ltd.	32,075.47	
	Ningbo Xinran Technology Co., Ltd.	34,000.00	

	Ningbo SUPCON Microelectronics Co., Ltd.	4,247.76	
	Petrochemical Yingke Intelligent Technology Co., Ltd.	5,134,714.88	
Subtotal		65,712,231.76	67,729,914.65
Notes payable	Lanzhuo Digital Technology Co., Ltd.	1,098,385.11	1,788,957.34
	Shanghai Huayi Information Technology Co., Ltd.	642,605.00	1,058,830.15
	Zhejiang Guoli Network Security Technology Co., Ltd.		1,014,513.00
	Zhejiang Guozi Robot Technology Co., Ltd.	68,000.00	426,000.00
	SUPCON Global Technology (Hangzhou) Co., Ltd.		2,549,928.50
	Zhejiang Yuanchuang Intelligent Control Technology Co., Ltd.	360,345.50	197,500.00
	Zhejiang SUPCON Scientific and Educational Instruments and Equipment Co., Ltd.	783,139.85	420,088.58
	Zhongyi Wood Engineering Co., Ltd.	328,380.00	40,500.00
	Ningbo Industrial Internet Research Institute Co., Ltd.	13,941.06	
	Beijing Damei Sheng Software Co., Ltd.	337,853.12	
	Jiaxing Industrial Internet Innovation Center Co., Ltd.	19,600.00	
	Ningbo SUPCON Microelectronics Co., Ltd.	11,845.00	
	Petrochemical Yingke Intelligent Technology Co., Ltd.	6,322,933.36	
	Zhejiang Zhongju Intelligent Technology Co., Ltd.	70,685.76	
	Anhui Huayi SUPCON Technology Co., Ltd.	36,257.05	
Subtotal		10,093,970.81	7,496,317.57
Contract liabilities	PEJET GROUP CO., LTD.		185,075.65
	Hangzhou Deep Blue Digital Technology Co., Ltd.		43,735.34
	Linhai Industrial Brain Co., Ltd.		152,927.95
	Ningbo Future Qingyuan Medical Technology Co., Ltd.	285,000.00	285,000.00
	Pandong (Zhejiang) Electrical Technology Co., Ltd.		84,070.80
	Shenzhen Shengchao Intelligent Information Technology Co., Ltd.	423,106.21	2,879,868.69
	Zhejiang Teneng Power Technology Co., Ltd.	175,221.24	99,000.00
	Zhongyi Wood Engineering Co., Ltd.		2,580,000.00
	Ningbo SUPCON Microelectronics Co., Ltd.	2,050.31	
	Zhejiang Zhongju Intelligent Technology Co., Ltd.	5,202,833.32	
	Petrochemical Yingke Information Technology Co., Ltd.	2,812,034.05	
	Zhejiang Kesheng Technology Co., Ltd.	225,687.23	
	Zhejiang Guoli Network Security Technology Co., Ltd.	68,554.62	
	Lanzhuo Digital Technology Co., Ltd.	95,546.83	
	Lanzhuo Digital Technology (Hangzhou) Co., Ltd.	460,762.73	
	Hangzhou Furize Technology Co., Ltd.	36,548.67	
Subtotal		9,787,345.21	6,309,678.43
Other payables	SUPCON Marine Equipment (Zhejiang) Co., Ltd.	143,205.89	
	Zhejiang SUPCON Zhixin Technology Co., Ltd.	12,752,238.00	

	Zhejiang Yuanchuang Intelligent Control Technology Co., Ltd.	261,400.00	
	Zhejiang Green Storage Technology Co., Ltd.	24,230.30	
	Ningbo SUPCON Microelectronics Co., Ltd.	100,073.00	
	Hangzhou Furize Technology Co., Ltd.	23,738.50	
Subtotal		13,304,885.69	

(3). other projects

applicable √not applicable

7、 Related party commitments

applicable √not applicable

8、 other

applicable √not applicable

15. share-based payment

1、 Various equity instruments

√ applicable not applicable

Quantity unit: shares Amount unit: Yuan Currency: RMB

Grant object category	Granted in this issue		Exercise this period		Unlocked in this issue		This issue expires	
	quantity	Amount	quantity	Amount	quantity	Amount	quantity	Amount
workers			4,525,430.00	50,198,511.24	535,018.00	20,940,608.12	153,854.00	6,021,845.56
total			4,525,430.00	50,198,511.24	535,018.00	20,940,608.12	153,854.00	6,021,845.56

Stock options or other equity instruments outstanding at the end of the period

applicable √not applicable

2、 Equity-settled share-based payments

√ applicable not applicable

Unit: Currency: RMB

Method for determining the fair value of equity instruments on the date of grant	Use Black-Scholes pricing model to estimate fair value on grant date
Important parameters of fair value of equity instruments on grant date	Stock price, historical volatility, risk-free interest rate, exercise price, dividend rate, etc.
Basis for determining the number of exercisable equity instruments	Estimated and determined based on the latest change in the number of vesting persons, the performance assessment conditions of each vesting period and the assessment results of the incentive objects.
Reasons for significant differences between the current period's estimates and the previous period's estimates	none
The cumulative amount of equity-settled share-based payments included in capital reserves	363,497,431.61

other instructions

none

3、 Cash-settled share-based payments

applicable √not applicable

4、 Share-based payment expenses for this period

√ applicable not applicable

Unit: Currency: RMB

Grant object category	Equity-settled share-based payment fees	Cash-settled share-based payment fees
workers	72,480,741.99	
total	72,480,741.99	

other instructions
none

5、 Modification and termination of share-based payment

applicable √not applicable

6、 other

applicable √not applicable

16. Commitments and contingencies

1、 Important commitments

applicable √not applicable

2、 contingencies

(1). Important contingencies existing on the balance sheet date

applicable √not applicable

(2). If the company has no important contingencies that need to be disclosed, it should also explain:

applicable √not applicable

3、 other

applicable √not applicable

17. Post-balance sheet events

1、 Important non-adjustment matters

applicable √not applicable

2、 Profit distribution

√ applicable not applicable

Unit: Currency: RMB

Profit or dividend to be distributed	551,357,303.00
Profits or dividends declared and distributed upon review and approval	

According to the resolution of the board of directors, the company plans to distribute profits in 2023 based on the total share capital on the equity registration date for equity distribution minus the shares in the company's special securities account for repurchase. The profit distribution plan is as follows:

1. The company plans to distribute a cash dividend of 7.0 yuan (tax included) to all shareholders for

every 10 shares. As of the report disclosure date, the company's total share capital, after deducting the shares in the company's special securities account for repurchase, is 787,653,290 shares. Based on this calculation, a total cash dividend of 551,357,303.00 yuan (tax included) is planned, accounting for 10% of the net profit attributable to shareholders of the listed company in 2023. 50.0 4 %.

2. The company will not convert capital reserve funds into share capital and will not issue bonus shares. If the company's total share capital changes between the date of disclosure of this announcement and the equity registration date for the implementation of equity distribution , it is planned to maintain the amount of cash dividends distributed per share unchanged and adjust the total distribution amount accordingly. This profit distribution plan still needs to be submitted to the company's 2023 annual shareholders' meeting for review.

3、 sales returns

applicable √not applicable

4、 Description of other post-balance sheet events

applicable √not applicable

18. Other important matters

1、 Correction of accounting errors in previous period

(1). retrospective restatement

applicable √not applicable

(2). Prospective law

applicable √not applicable

2、 Important debt restructuring

applicable √not applicable

3、 Asset replacement

(1). Non-monetary asset exchange

applicable √not applicable

(2). Other asset swaps

applicable √not applicable

4、 annuity plan

applicable √not applicable

5、 Termination of operations

applicable √not applicable

6、 Segment information

(1). Determination basis and accounting policies of reportable segments

√ applicable not applicable

The company determines reporting segments based on internal organizational structure, management requirements, internal reporting systems, etc., and determines reporting segments based on product segments .

(2). Reportable Segment Financial Information

√ applicable not applicable

Unit: Currency: RMB

project	Industrial automation and intelligent manufacturing solutions	Instrumentation	Industrial software	Operation and maintenance services	S2B platform business	other	Inter-segment elimination	Total
Main business income	4,955,849,893.49	621,353,459.24	702,681,808.43	279,581,345.86	1,896,762,190.16	108,494,143.46		8,564,722,840.64
Main business costs	2,921,093,461.06	431,690,060.89	413,325,768.39	162,395,661.68	1,705,061,237.96	90,232,434.70		5,723,798,624.68

(3). If the company has no reportable segments, or cannot disclose the total assets and total liabilities of each reportable segment, the reasons should be explained.

applicable √not applicable

(4). other instructions

applicable √not applicable

7、 Other important transactions and matters that have an impact on investors' decision-making

applicable √not applicable

8、 other

applicable √not applicable

19. Notes on main items of the parent company's financial statements

1、 accounts receivable

(1). Disclosure by age

√ applicable not applicable

Unit: Currency: RMB

Aging	Ending book balance	Opening book balance
Within 1 year		
Among them: Items within 1 year		
Within 1 year	1,405,838,700.86	1,073,171,360.55
Subtotal within 1 year	1,405,838,700.86	1,073,171,360.55
1 to 2 years	413,020,241.58	278,990,729.45
2 to 3 years	122,625,549.51	65,439,548.82
3 to 4 years	32,523,131.14	49,627,874.37
More than 4 years	57,099,696.21	30,467,533.47
total	2,031,107,319.30	1,497,697,046.66

(2). Classified disclosure according to bad debt accrual method

√ applicable not applicable

Unit: Currency: RMB

category	Ending balance					Opening Balance				
	Book balance		Provision for bad debts		book value	Book balance		Provision for bad debts		book value
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debts on an individual basis	18,658,105.95	0.92	18,658,105.95	100.00		17,625,084.08	1.18	17,625,084.08	100.00	
in:										
Provision for bad debts on a portfolio basis	2,012,449,213.35	99.08	166,922,017.56	8.29	1,845,527,195.79	1,480,071,962.58	98.82	118,185,920.63	7.99	1,361,886,041.95
in:										
total	2,031,107,319.30	/	185,580,123.51	/	1,845,527,195.79	1,497,697,046.66	/	135,811,004.71	/	1,361,886,041.95

Provision for bad debts is made individually:
√ applicable not applicable

Bit: Yuan Currency: RMB

name	Ending balance			
	Book balance	Provision for bad debts	Provision ratio (%)	Reasons for provision
Anshun Hongsheng Chemical Co., Ltd.	4,130,433.63	4,130,433.63	1 00.00	Not expected to be recovered
Qujing Zhongyi Synthetic Chemical Co., Ltd.	1,407,452.98	1,407,452.98	100.00	Not expected to be recovered
Hainan Handi Fluid Materials Co., Ltd.	1,236,274.60	1,236,274.60	100.00	Not expected to be recovered
Yunnan Yunshui Construction Engineering Co., Ltd.	1,190,998.31	1,190,998.31	100.00	Not expected to be recovered
Shandong Baoshun Chemical Technology Co., Ltd.	1,052,000.00	1,052,000.00	100.00	Not expected to be recovered
Total of other scattered items (65 households)	9,640,946.43	9,640,946.43	1 00.00	Not expected to be recovered
total	18,658,105.95	18,658,105.95	100.00	/

Instructions on accruing bad debt provisions individually:
applicable √not applicable

Provision for bad debts by group:
√ applicable not applicable

Portfolio accrual items: Portfolio accrual of bad debt provisions based on credit risk characteristics

Unit: Currency: RMB

name	Ending balance		
	accounts receivable	Provision for bad debts	Provision ratio (%)
Related transaction combinations within the scope of consolidation	274,470,038.49		
Aging combination	1,737,979,174.86	166,922,017.56	9.60
total	2,012,449,213.35	166,922,017.56	8.29

Instructions on accruing bad debt provisions by group:
√ applicable not applicable

Aging	Closing amount		
	Book balance	Provision for bad debts	Provision ratio (%)
Within 1 year	1,254,187,280.62	62,709,364.05	5.0
1-2 years	344,116,676.70	34,411,667.67	10.0
2-3 years	87,968,007.80	26,390,402.34	30.0
3-4 years	20,741,565.59	12,444,939.35	60.0
More than 4 years	30,965,644.15	30,965,644.15	100.0
Subtotal	1,737,979,174.86	166,922,017.56	9.60

Provision for bad debts based on the general expected credit loss model
applicable √not applicable

Basis for division of each stage and provision ratio for bad debts
none

Explanation of significant changes in the book balance of accounts receivable that have experienced changes in loss provisions during the current period:
applicable √not applicable

(3). Bad debt provision status
√ applicable not applicable

Unit: Currency: RMB

category	Opening Balance	Amount of changes in the current period				Ending balance
		Provision	withdraw or transfer	Write-off or write-off	Other changes	
Individual provision for bad debts	17,625,084.08	7,685,204.07	-4,143,927.67	- 2,508,254.53		18,658,105.95
Provision for bad debts on a portfolio basis	118,185,920.63	56,775,826.31	3,666,837.04	- 11,706,566.42		166,922,017.56
total	135,811,004.71	64,461,030.38	-477,090.63	- 14,214,820.95		185,580,123.51

Among them, the amount of recovery or reversal of bad debt provisions for the current period is important:
applicable √not applicable

other instructions
none

(4). write-off of accounts receivable in the current period
√ applicable not applicable

Unit: Currency: RMB

project	Write-off amount
Accounts receivable actually written off	14,214,820.95

Among them, the important write-off of accounts receivable
applicable √not applicable

(5). Accounts receivable and contract assets of the top five ending balances by debtors
√ applicable not applicable

Unit: Currency: RMB

company name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion of the total closing balance of accounts receivable and contract assets (%)	Ending balance of bad debt provision
Zhejiang SUPCON System Engineering Co., Ltd.	63,599,359.95		63,599,359.95	2.51	
Lubei Wanrun Smart Energy Technology (Shandong) Co., Ltd.	30,952,099.97	15,416,900.00	46,368,999.97	1.83	2,318,450.00
SUPCON Innovation (Beijing) Energy Technology Co., Ltd.	34,753,850.43		34,753,850.43	1.37	
Zhejiang SUPCON Software Technology Co., Ltd.	34,551,537.54		34,551,537.54	1.36	
Shenghong Refining and Chemical (Lianyungang) Co., Ltd.	27,419,169.14	3,544,631.66	30,963,800.80	1.22	1,548,190.04
total	191,276,017.03	18,961,531.66	210,237,548.69	8.29	3,866,640.04

other instructions
none

other instructions:
applicable √not applicable

2、 Other receivables

Item list

√ applicable not applicable

Unit: Currency: RMB

project	Ending balance	Opening Balance
interest receivable		
Dividends receivable		
Other receivables	420,462,520.83	457,844,622.93
total	420,462,520.83	457,844,622.93

other instructions:
applicable √not applicable

interest receivable

(1). Interest receivable classification

applicable √not applicable

(2). **Important overdue interest**
applicable √not applicable

(3). **Classified disclosure according to bad debt accrual method**
applicable √not applicable

Provision for bad debts is made individually:
applicable √not applicable

Instructions on accruing bad debt provisions individually:
applicable √not applicable

Provision for bad debts by group:
applicable √not applicable

Provision for bad debts based on the general expected credit loss model
applicable √not applicable

Basis for division of each stage and provision ratio for bad debts
none

Explanation of significant changes in the book balance of interest receivable due to changes in loss provisions in the current period:
applicable √not applicable

(4). **Bad debt provision status**
applicable √not applicable

Among them, the amount of recovery or reversal of bad debt provisions for the current period is important:
applicable √not applicable

other instructions:
none

(5). **Interest receivable actually written off in the current period**
applicable √not applicable

Among them, the important write-off of interest receivable
applicable √not applicable

Write-off instructions:
applicable √not applicable

other instructions:
applicable √not applicable

Dividends receivable

(1). **Dividends receivable**
applicable √not applicable

(2). **Important dividends receivable aged more than 1 year**
applicable √not applicable

(3). **Classified disclosure according to bad debt accrual method**
applicable √not applicable

Provision for bad debts is made individually:
applicable √not applicable

Instructions on accruing bad debt provisions individually:
applicable √not applicable

Provision for bad debts by group:
applicable √not applicable

Provision for bad debts based on the general expected credit loss model
applicable √not applicable

Basis for division of each stage and provision ratio for bad debts
none

Explanation of significant changes in the book balance of dividends receivable due to changes in loss provisions in the current period:
applicable √not applicable

(4). **Bad debt provision status**
applicable √not applicable

Among them, the amount of recovery or reversal of bad debt provisions for the current period is important:
applicable √not applicable

other instructions:
none

(5). **Dividends receivable actually written off in the current period**
applicable √not applicable

Among them, the important write-off of dividends receivable
applicable √not applicable

Write-off instructions:
applicable √not applicable

other instructions:
applicable √not applicable

Other receivables

(1). **Disclosure by age**
√ applicable not applicable

Unit: Currency: RMB

Aging	Ending book balance	Opening book balance
Within 1 year		
Among them: Items within 1 year		
Within 1 year	229,931,718.48	439,953,031.16
Subtotal within 1 year	229,931,718.48	439,953,031.16

1 to 2 years	185,041,738.20	16,706,743.69
2 to 3 years	11,361,699.75	4,783,595.56
3 to 4 years	2,856,150.38	3,600,035.42
More than 4 years	4,611,036.72	2,464,353.40
total	433,802,343.53	467,507,759.23

(2). **Classification by nature of payment**

√ applicable not applicable

Unit: Currency: RMB

Nature of payment	Ending book balance	Opening book balance
Current accounts within the scope of consolidation	356,391,488.53	401,292,858.95
Deposit security deposit	54,596,546.66	44,656,227.11
Employee loan	15,220,404.56	14,187,195.06
Lease receivable	2,318,731.56	2,493,008.68
Reserve fund	1,998,204.27	2,140,059.25
Provisional payment receivable	1,570,907.50	862,975.20
Withholding and payment	342,183.27	948,570.91
Service fees receivable	277,944.66	518,784.60
other	1,085,932.52	408,079.47
total	433,802,343.53	467,507,759.23

(3). **Bad debt provision accrual status**

√ applicable not applicable

Unit: Currency: RMB

Provision for bad debts	The first stage	second stage	The third phase	total
	Expected credit losses over the next 12 months	Expected credit losses throughout the entire duration (no credit impairment has occurred)	Expected credit losses throughout the lifetime (credit impairment has occurred)	
Balance as of January 1, 2023	1,933,008.61	1,670,674.37	6,059,453.32	9,663,136.30
The balance on January 1, 2023 in this period				
--Transfer to the second stage	-677,487.41	677,487.41		
--Transfer to the third stage		-1,136,169.98	1,136,169.98	
--Return to the second stage				
--Return to the first stage				
Provision for this period	996,089.79	142,983.03	2,537,613.58	3,676,686.40
Transferred in this period				
Sales in this period				
Write-off in this				

period				
Other changes				
Balance as of December 31, 2023	2,251,610.99	1,354,974.83	9,733,236.88	13,339,822.70

of each stage and provision ratio for bad debts

The basis for dividing each stage: the first stage means that the credit risk of other receivables has not increased significantly since the initial recognition; the second stage means that the credit risk of other receivables has increased significantly since the initial recognition but has not yet occurred. Credit impairment; the third stage refers to other receivables that have suffered credit impairment.

Explanation of significant changes in the book balance of other receivables that have experienced changes in loss provisions during the current period:
applicable √not applicable

The amount of bad debt provision for the current period and the basis for assessing whether the credit risk of financial instruments has significantly increased:
applicable √not applicable

(4). Bad debt provision status

√ applicable not applicable

Unit: Currency: RMB

category	Opening Balance	Amount of changes in the current period				Ending balance
		Provision	withdraw or transfer	Write-off or write-off	Other changes	
Provision for bad debts on a portfolio basis	9,663,136.30	3,676,686.40				13,339,822.70
total	9,663,136.30	3,676,686.40				13,339,822.70

Among them, the amount of bad debt provision for the current period that is reversed or recovered is important:
applicable √not applicable

other instructions
none

(5). Other receivables actually written off in the current period

applicable √not applicable

Important write-offs of other receivables:
applicable √not applicable

Instructions for writing off other receivables:
applicable √not applicable

(6). Other receivables with top five closing balances by debtors

√ applicable not applicable

Unit: Currency: RMB

company name	Ending balance	Proportion to the total closing balance of other receivables (%)	Nature of payment	Aging	Provision for bad debts Ending balance
SUPCON Technology (Fuyang) Co., Ltd.	47,205,846.10	10.88	Current accounts within the scope of consolidation	Within 1 year	
	93,884,997.60	21.64		1-2 years	
Zhejiang SUPCON Sensing Technology Co., Ltd.	30,059,772.04	6.93	Current accounts within the scope of consolidation	Within 1 year	
	42,034,926.78	9.69		1-2 years	
Zhejiang SUPCON Fluid Technology Co., Ltd.	37,780,076.47	8.71	Current accounts within the scope of consolidation	Within 1 year	
	14,381,133.75	3.32		1-2 years	
Shanghai Zhiying Technology Co., Ltd.	20,000,000.00	4.61	Current accounts within the scope of consolidation	Within 1 year	
Zhejiang SUPCON Xizi Technology Co., Ltd.	388,133.06	0.09	Current accounts within the scope of consolidation	Within 1 year	
	18,527,138.61	4.27		1-2 years	
total	304,262,024.41	70.14	/	/	

(7). Presented in other receivables due to centralized management of funds

√ applicable not applicable

Unit: Currency: RMB

Amounts listed in other receivables due to centralized fund management	23,767,242.80
Situation description	

other instructions:
applicable √not applicable

3、 long term equity investment

√ applicable not applicable

Unit: Currency: RMB

project	Ending balance			Opening Balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	1,897,629,552.63		1,897,629,552.63	577,173,598.00		577,173,598.00
Investment in associates and joint ventures	910,143,902.35		910,143,902.35	671,531,265.74		671,531,265.74

total	2,807,773,454.98		2,807,773,454.98	1,248,704,863.74		1,248,704,863.74

(1). **Investment in subsidiaries**

√ applicable not applicable

Unit: Currency: RMB

Investee	Opening Balance	Increased in this issue	Decrease in this period	Ending balance	Provision for impairment in the current period	Closing balance of impairment provision
Zhejiang SUPCON System Engineering Co., Ltd.	64,750,021.59	2,179,127.37		66,929,148.96		
Zhejiang SUPCON Automation Instrument Co., Ltd.	55,872,814.17	1,111,883.65		56,984,697.82		
Zhejiang SUPCON Fluid Technology Co., Ltd.	154,746,445.66	1,513,046.76		156,259,492.42		
Zhejiang SUPCON Software Technology Co., Ltd.	50,148,292.19	6,151,254.77		56,299,546.96		
SUPCON Technology (Hong Kong) Co., Ltd.	14,318,667.91	25,297.25		14,343,965.16		
Zhejiang SUPCON Xizi Technology Co., Ltd.	12,814,099.85	292,741.08		13,106,840.93		
SUPINCO AUTOMATION PRIVATE LIMITED	17,382,469.36	20,547.50		17,403,016.86		
SUPCON Technology (Xi'an) Co., Ltd.	52,049,335.58	628,040.78		52,677,376.36		
Hangzhou Baojie Investment Consulting Co., Ltd.	4,778,300.00	10,900,000.00		15,678,300.00		
SUPCON Technology (Fuyang) Co., Ltd.	50,065,445.35	550,017,476.61		600,082,921.96		
Ningbo SUPCON Automation Technology Co., Ltd.						
Zhejiang SUPCON Intelligent Technology Industry Development Co., Ltd.	25,750,000.00	24,250,000.00		50,000,000.00		
SUPCON Marine Equipment (Zhejiang) Co., Ltd.	2,550,000.00	2,550,000.00	5,100,000.00			
Zhejiang Gongziyi Network Co., Ltd.	10,193,427.37	344,230,161.95		354,423,589.32		
Zhejiang SUPCON Park Intelligent Housekeeper Technology Co., Ltd.	10,000,000.00	30,000,000.00		40,000,000.00		
SUPCON Innovation (Beijing) Energy Technology Co., Ltd.	16,407,540.01	87,651.27		16,495,191.28		
SUPCON Investment (Singapore) Pte. Ltd.	11,611,738.96	260,051,738.57		271,663,477.53		
Zhejiang SUPCON Huiji Technology Co., Ltd.	23,400,000.00	5,100,000.0 0		28,500,000.00		
Shanghai Zhiying Technology Co., Ltd.						
Zhejiang SUPCON Weir Oil and Gas Technology Co., Ltd.		15,000,000.00		15,000,000.00		

SUPCON Hengdian Wind Energy Control Technology (Beijing) Co., Ltd.	335,000.00	1,005,000.00		1,340,000.00		
Zhejiang Zhihuiyuan Digital Technology Co., Ltd.		15,631,900.00		15,631,900.00		
SUPCON (Hangzhou) Venture Capital Co., Ltd.		15,000,000.00		15,000,000.00		
SUPCON Global Technology (Hangzhou) Co., Ltd.		34,810,087.07		34,810,087.07		
SUPCON Global Technology (Ningbo) Co., Ltd.		5,000,000.00		5,000,000.00		
total	577,173,598.00	1,325,555,954.63	5,100,000.00	1,897,629,552.63		

(2). **Investment in associates and joint ventures**

√ applicable not applicable

Unit: Currency: RMB

invest unit	Beginning of period balance	Increases and decreases in the current period								End of term balance	Closing balance of impairment provision
		additional investment	Reduce investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustments	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	other		
1. Joint ventures											
Subtotal											
2. Associated enterprises											
SUPCON Global Technology (Hangzhou) Co., Ltd.	11,543,721.94		20,505,600.00	-3,319,165.87		-5,558,055.41			17,839,099.34		
Jiaxing Industrial Internet Innovation Center Co., Ltd.	753,868.99			132,199.66						886,068.65	
Petrochemical Yingke Information Technology Co., Ltd.	588,292,020.91			65,663,261.40	68,721.90	38,497.57	-17,389,760.93			636,672,740.85	
Zhongyi Wood Engineering Co., Ltd.	70,941,653.90			6,197,346.67		-11,627.59				77,127,372.98	
Zhejiang Guoli Network Security Technology Co., Ltd.		45,322,583.00								45,322,583.00	
Anhui Huayi SUPCON Technology Co.,		3,500,000.00		-680,158.59						2,819,841.41	

Ltd.											
Beijing Damei Sheng Software Co., Ltd.		139,240,506.00		6,380,778.74		575,961.23				146,197,245.97	
SUPCON Marine Equipment (Zhejiang) Co., Ltd.		3,000,000.00		-434,114.76					-1,447,835.75	1,118,049.49	
Subtotal	671,531,265.74	191,063,089.00	20,505,600.00	73,940,147.25	68,721.90	-4,955,224.20	-17,389,760.93		16,391,263.59	910,143,902.35	
total	671,531,265.74	191,063,089.00	20,505,600.00	73,940,147.25	68,721.90	-4,955,224.20	-17,389,760.93		16,391,263.59	910,143,902.35	

(3). **Impairment testing of long-term equity investments**

applicable √not applicable

other instructions:

none

4、 **Operating income and operating costs**

(1). **Operating income and operating costs**

√ applicable not applicable

Unit: Currency: RMB

project	Amount incurred this period		Amount incurred last period	
	income	cost	income	cost
Main business	6,375,051,198.66	4,168,425,163.81	5,378,950,259.24	3,446,956,085.63
Other business	16,848,481.61	1,974,724.67	12,771,824.60	1,916,090.51
total	6,391,899,680.27	4,170,399,888.48	5,391,722,083.84	3,448,872,176.14

(2). **Decomposition information of operating income and operating costs**

√ applicable not applicable

Unit: Currency: RMB

Contract classification	total	
	operating income	Operating cost
Product Types		
Industrial automation and intelligent manufacturing solutions	4,621,900,762.85	2,971,348,361.13
Industrial software	691,414,058.79	402,471,064.01
Operation and maintenance services	326,398,120.32	154,683,011.90
S2B platform business	735,338,256.70	639,922,726.77
Subtotal	6,375,051,198.66	4,168,425,163.81
Classification by time of transfer of goods		
Recognize revenue at a certain point in time	6,365,351,567.91	4,158,336,224.39
Recognize revenue over a certain period of time	17,124,652.59	10,116,890.85
Subtotal	6,382,476,220.50	4,168,453,115.24

total	6,382,476,220.50	4,168,453,115.24

other instructions
√ applicable not applicable

Unit: Currency: RMB

project	Current Amount	Amount of last period
Revenue generated from customer contracts	6,382,476,220.50	5,382,329,426.98
total	6,382,476,220.50	5,382,329,426.98

(3). **Description of performance obligations**

applicable √not applicable

(4). **Description of allocation to remaining performance obligations**

applicable √not applicable

(5). **Major contract changes or major transaction price adjustments**

applicable √not applicable

other instructions:

none

5、 **investment income**

√ applicable not applicable

Unit : Currency : RMB

project	Amount incurred this period	Amount incurred last period
Long-term equity investment income calculated using the cost method		
Long-term equity investment income calculated using the equity method	73,940,147.25	25,100,530.78
Dividend income from other equity instrument investments during the holding period	492,417.72	
Financial management income	92,898,144.13	68,666,269.15
Receivables Financing Discount Losses	-2,020,532.07	-1,138,122.79
total	165,310,177.03	92,628,677.14

other instructions:
none

6、 **other**

applicable √not applicable

20. additional materials

1、 **Detailed statement of non-recurring profits and losses for the current period**

√ applicable not applicable

Unit: Currency: RMB

project	Amount	illustrate
non-current assets , including the write-off of asset impairment provisions	3,584,099.8 5	Seven, 68; Seven, 73; Seven, 75
Government subsidies included in the current profit and loss , except for government subsidies that are closely related to the company's normal business operations, comply with national policies and regulations, are enjoyed in accordance with determined standards, and have a lasting impact on the company's profits and losses.	55,979,438.74	Seven, 67
In addition to the effective hedging business related to the company's normal operating business, non-financial enterprises include gains and losses from changes in fair value arising from the holding of financial assets and financial liabilities and gains and losses from the disposal of financial assets and financial liabilities.	81,217.63	Seven, 68; Seven, 70
Fund occupation fees charged to non-financial enterprises included in current profits and losses		
Gains and losses from entrusting others to invest or manage assets	94,844,780.00	Seven, 68
Profit and loss from external entrusted loans		
Loss of various assets due to force majeure factors , such as natural disasters		
Reversal of impairment provision for accounts receivable that has been individually tested for impairment	6,029,067.61	Seven, 5
The investment cost of the enterprise in acquiring subsidiaries, associates and joint ventures is less than the income generated from the fair value of the identifiable net assets of the investee that it should enjoy when acquiring the investment.	10,344,176.21	Seven, 68
Net profit and loss for the current period from the		

beginning of the period to the date of merger of subsidiaries resulting from business mergers under common control		
Gains and losses on non-monetary asset exchanges		
Debt restructuring gains and losses		
One-time expenses incurred by the enterprise due to the cessation of relevant business activities, such as expenses for relocating employees, etc.		
One-time impact on current profits and losses due to adjustments to tax, accounting and other laws and regulations		
One-time confirmation of share-based payment expenses due to cancellation or modification of equity incentive plan		
For cash-settled share-based payments, gains and losses arising from changes in the fair value of employee compensation payable after the vesting date		
Gains and losses arising from changes in the fair value of investment properties that are subsequently measured using the fair value model		
Gains from transactions where the transaction price appears to be unfair		
Profit and loss arising from contingencies unrelated to the company's normal business operations		
Custody fee income from entrusted operations		
Other non-operating income and expenses other than the above	-59,739.7 6	Seven, 74; Seven, 75
Other profit and loss items that meet the definition of non-recurring profits and losses		
Less: Income tax impact	15,360,494.70	
Amount of impact on minority shareholders' equity (after tax)	1,172,424.01	
total	154,270,121.57	

If the company identifies items not listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies that Offer Securities to the Public - Non-Recurring Gains and Losses" as non-recurring gains and losses and the amount is significant, and the "Information of Companies that Offer Securities to the Public" The non-recurring profit and loss items listed in "Disclosure Explanatory Announcement No. 1 - Non-recurring Profit and Loss" are defined as recurring profit and loss items, and the reasons should be explained.
applicable √not applicable

other instructions
applicable √not applicable

2、 **Return on equity and earnings per share**
√ applicable not applicable

Profit during the reporting period	Weighted average return on equity (%)	earnings per share	
		basic earnings per share	diluted earnings per share
Net profit attributable to the company’s ordinary shareholders	13.70	1.44	1.43
Net profit attributable to the company's ordinary shareholders after deducting non-recurring gains and losses	11.78	1.24	1.23

3、 **Differences in accounting data under domestic and foreign accounting standards**
applicable √not applicable

4、 **other**
applicable √not applicable

Chairman: CUI SHAN
Board approval submission date: April 7, 2024

Revision information
applicable √not applicable