



Tongding Internet Information Co., Ltd.

2021 Annual Report

April **2022** _ _

Section Important, catalogs and Interpretation

The board of directors, the board of supervisors and the directors, supervisors and senior management of the company guarantee that the contents of the annual report are true, accurate and complete.

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

Wang Jiaxin, the person in charge of the company, and Chen Danghan, the person in charge of accounting work and the accounting organization (accounting supervisor) declare: guarantee

The financial reports in this annual report are true, accurate and complete.

All directors have attended the board meeting to review this report.

Statements related to future development plans and business objectives involved in this report belong to the company's planned affairs and do not constitute a

Investors' substantial commitment, please pay attention to investment risks. In the third section "Management Discussion and Analysis" of this report, the company "XI.

"Prospects for the future development of the company" section, which describes in detail the possible risks and countermeasures in the company's operation, please investors

Follow related content.

According to the "Audit Report on the Achievement of Performance Commitment of Beijing Baizhuo Network Technology Co., Ltd." issued by Tianheng Office

(**Tianheng Zhuanzi (2020) 00452**) and the relevant agreements signed by the company and the original shareholder of Byzo Networks, Chen Haibin, etc.

In the performance compensation agreement, the performance compensation promiser shall compensate the company in shares and cash as agreed. Up to now, Baizhuo.com

If some of the shares acquired by the shareholders of NetEase have been sold, pledged, frozen, etc., the company will be compensated for their performance.

There is a risk that the payment will not be recovered on time. For the progress of performance compensation matters, please refer to **the company's announcement** in the

Securities Times, Shanghai Securities News and www.cninfo.com.cn "Announcement on the Progress of Byzo Networks Performance Compensation Matters" (public

Announcement No: 2021-054). The company will continue to pay attention to the follow-up progress of relevant matters, and urge the performance commitment party to earnestly perform the business.

Commitment to compensation obligations for performance, and will take all necessary measures to safeguard the interests of the company and minority shareholders according to the progress.

The company plans not to distribute cash dividends, not to send bonus shares, nor to convert the accumulation fund to increase the share capital.

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Reference file directory

- 1. The company's 2021 annual financial statements containing the signatures and seals of the legal representative, the person in charge of accounting work and the person in charge of the accounting organization.
- 2. The original 2021 annual audit report of the company with the seal of the accounting firm and the signature and seal of the certified public accountant.
- 3. The originals of all company documents and announcements publicly disclosed on the website designated by the China Securities Regulatory Commission during the reporting period.

Paraphrase

Paraphrase	refer to	Paraphrase content
The company, the company, Tongding Optoelectronics, Tongding Internet	refer to	Jiangsu Tongding Optoelectronics Co., Ltd. changed its name to "Tongding Internet Information" on January 13, 2015 Co., Ltd."
Tongding Group	Refers to	Tongding Group Co., Ltd., the controlling shareholder of the company
Optoelectronics Technology	Refers to	Jiangsu Tongding Optoelectronics Technology Co., Ltd., a wholly-owned subsidiary of the company
Tongding light bar	Refers to	Jiangsu Tongding Light Rod Co., Ltd., which is a holding subsidiary of the company
Tongding Broadband	Refers to	Jiangsu Tongding Broadband Co., Ltd., a holding subsidiary of the company
Dingyu Materials	Refers to	Suzhou Dingyu Material Technology Co., Ltd., which is a holding subsidiary of the company
Byzoo Networks	Refers to	Beijing Baizhuo Network Technology Co., Ltd., a wholly-owned subsidiary of the company
Tonghao Information	Refers to	Tonghao Information Technology (Shanghai) Co., Ltd., a wholly-owned subsidiary of the company
Cayman Tonghao	Refers to	Tonghao (Cayman) Limited
UTSUTSI	UTStarcom Holdings Corp.	
Ruiyi Information	Refers to	Suzhou Ruiyi Information Technology Co., Ltd.
Weiyue Chuangxing, Shanghai Weiyue	Refers to	Shanghai Weiyue Chuangxing Electromechanical Equipment Co., Ltd.
Huazhen Information	Refers to	Shenzhen Huazhen Information Technology Co., Ltd.
SFC	Refers to	China Securities Regulatory Commission
Exchange, Shenzhen Stock Exchange	Refers to	Shenzhen Stock Exchange
Tianheng Office	Refers to	Tianheng Certified Public Accountants (Special General Partnership)
Company Law	Refers to	the "Company Law of the People's Republic of China"
"Securities Law"	Refers to	the "Securities Law of the People's Republic of China"
5G	refer to	5th-Generation, the fifth generation of mobile communication technology, generally refers to the broadband wireless communication technology after 4G. Information Technology Collection. The general view of 5G in the industry is that it can provide higher data throughput, More connections, more efficient energy utilization, lower end-to-end latency, and the ability to cover Various application scenarios beyond human-to-human communication.
Pcs	refer to	The abbreviation of pieces is the unit of quantity such as pieces and pieces, and pcs refers to the unit of quantity (generally refers to plural).

Section 2 Company Profile and Main Financial Indicators

1. Company Information

stock abbreviation	Tongding Internet	stock code	002491
Stock Exchange Shenzhen Stock Exchange			
Chinese name of the company	Tongding Internet Information Co., Ltd.		
Chinese abbreviation of the company	Tongding Internet		
Company name in foreign language (if any) TONGDING INTERCONNECTION INFORMATION CO.,LTD.			
Abbreviated name of the company in foreign language (if any) TDii			
Legal representative of the company	Wang Jiaxin		
Registered address	No. 8, Xiaoping Avenue, Badu Economic Development Zone, Zhenze Town, Wujiang District, Suzhou City, Jiangsu Province		
Postal code of registered address 215233			
There is no change in the historical change of the company's registered address			
office address	No. 8, Xiaoping Avenue, Badu Economic Development Zone, Zhenze Town, Wujiang District, Suzhou City, Jiangsu Province		
Postal code for office address 215233			
company website	www.tdgd.com.cn		
email	td_zqb@163.com		

2. Contact and contact information

	board secretary
Name	Lu Kai
contact address	No. 8, Xiaoping Avenue, Badu Economic Development Zone, Zhenze Town, Wujiang District, Suzhou City, Jiangsu Province
Telephone	0512-63878226
fax	0512-63877239
email	luk@tongdinggroup.com

3. Information disclosure and storage location

The website of the stock exchange where the company discloses its annual report	Shenzhen Stock Exchange (http://www.szse.cn)
The name and website of the media where the company discloses its annual report	"Securities Times", "Shanghai Securities News" and www.cninfo.com.cn
Location of the company's annual report	No. 8 Xiaoping Avenue, Badu Economic Development Zone, Zhenze Town, Wujiang District, Suzhou City, Jiangsu Province, Company Securities Department.

4. Registration Changes

Organization Code	91320500714102279K
Changes in the company's main business since its listing (such as Have)	<p>On September 11, 2011, as reviewed and approved by the company's second extraordinary general meeting of shareholders in 2011, the "wire and cable" was added.</p> <p>Production and sales" business scope; on May 17, 2013, the company's 2012 annual shareholders meeting reviewed and approved through, increase the business scope of "leakage coaxial cable production and sales"; September 22, 2014, by the company's 2014</p> <p>It was reviewed and approved at the second extraordinary general meeting of shareholders in 2014 to increase the business scope of "sales of optical cable raw materials"; December 2014</p> <p>On March 24th, as reviewed and approved by the company's 4th extraordinary general meeting in 2014, "Internet web design, "Computer Network Integration Technology Services" business scope. On January 10, 2018, by the company's first in 2018</p> <p>The provisional general meeting of shareholders reviewed and approved to increase the business scope of "road general cargo transportation". September 14, 2018</p> <p>After deliberation and approval at the company's third extraordinary general meeting in 2018, "wireless communication equipment, transmission equipment, R&D, production and sales of data communication equipment, broadband multimedia equipment, Internet of Things and communication-related products Sales, technical services" and "testing technical services" business scope.</p>
Changes of previous controlling shareholders (if any)	No change

5. Other relevant information

Accounting firm hired by the company

Accounting firm name	Tianheng Certified Public Accountants (special general partnership)
Office address of accounting firm	20th Floor, Block B, Wanda Plaza Business Building, No. 106 Jiangdong Middle Road, Jianye District, Nanjing
Signing accountant name	Chang Guihua, Shi Lihua

Sponsors hired by the company to perform continuous supervision duties during the reporting period

☐ Applicable ☐ Not applicable

Financial consultant hired by the company to perform continuous supervision duties during the reporting period

☐ Applicable ☐ Not applicable

6. Main accounting data and financial indicators

Whether the company needs to retrospectively adjust or restate accounting data for previous years

☐ Yes ☐ No

	2021	2020	This year's increase or decrease compared to the previous year	2019
Operating income (yuan)	2,977,263,184.19	3,586,471,069.23	-16.99%	3,538,707,092.82
Net profit attributable to shareholders of listed companies (Yuan)	-646,708,420.06	43,588,571.88	-1,583.67%	-2,123,100,631.68
Deductions attributable to shareholders of listed companies are not Net profit from recurring gains and losses (RMB)	-939,070,636.65	-346,884,648.24	-170.72%	-2,201,195,899.89
Net cash flow from operating activities (Yuan)	25,895,708.89	337,124,582.61	-92.32%	464,627,353.22
Basic earnings per share (yuan/share)	-0.5172	0.0347	-1,590.49%	-1.6829
Diluted earnings per share (RMB/share)	-0.5172	0.0347	-1,590.49%	-1.6829

weighted average return on equity	-25.81%	1.52%	-27.33%	-53.15%
	Late 2021	At the end of 2020 Increase or decrease at the end of this year compared with the end of the previous year	End of 2019	
Total assets (yuan)	6,208,654,963.22	8,177,874,483.67	-24.08%	8,531,955,755.92
Net assets attributable to shareholders of listed companies (Yuan)	2,133,789,465.58	2,836,161,406.47	-24.76%	2,876,377,430.13

The lower of the company's net profit before and after deducting non-recurring gains and losses in the last three fiscal years is negative, and the audit report for the last year shows that the company's ability to continue as a going concern is uncertain

qualitative

Yes No

The lower of the net profit before and after deducting non-recurring gains and losses is negative

Yes No

project	2021	2020	Remark
Operating income (yuan)	2,977,263,184.19	3,586,471,069.23	Annual total
Amount of deduction from operating income (yuan)	39,240,131.27	30,131,632.44	Business income not related to the main business (Sales of raw materials, scrap, processing fees, electricity, rent income)
Amount after deduction of operating income (yuan)	2,938,023,052.92	3,556,339,436.79	Operating income after deduction

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

1. Differences in net profit and net assets in the financial report disclosed in accordance with the International Accounting Standards and the Chinese Accounting Standards at the same time

Applicable Not applicable

During the reporting period, there was no difference in net profit and net assets in the financial report disclosed in accordance with the International Accounting Standards and the Chinese Accounting Standards.

2. Differences in net profit and net assets in the financial report disclosed in accordance with foreign accounting standards and Chinese accounting standards at the same time

Applicable Not applicable

During the reporting period, there was no difference in net profit and net assets in the financial report disclosed in accordance with foreign accounting standards and Chinese accounting standards.

8. Main financial indicators by quarter

unit: yuan

	the first season	Q2	the third quarter	fourth quarter
Operating income	769,067,057.15	672,975,791.01	755,121,943.34	780,098,392.69
Net profit attributable to shareholders of listed companies	-25,702,913.89	86,140,002.87	-49,369,466.96	-657,776,042.08
Deductions attributable to shareholders of listed companies are not	-54,457,955.96	-120,903,571.32	-111,034,186.96	-652,674,922.41
Net profit from recurring profit and loss				
Net cash flow from operating activities	-98,875,044.50	-24,022,157.90	15,801,564.93	132,991,346.36

Whether the above financial indicators or their totals are significantly different from the relevant financial indicators in the quarterly and semi-annual reports disclosed by the company

Yes No

9. Non-recurring profit and loss items and amounts

Applicable Not applicable

unit: yuan

project	2021 Amount	2020 Amount	2019 Amount	illustrate
Gains and losses on disposal of non-current assets (including accrued asset deductions) The reversal portion of the value preparation)	148,985,847.04	69,162,797.76	-170,509.23	
Government subsidies included in the current profit and loss (with the company's normal business Business operations are closely related, in line with national policies and regulations, according to Government subsidies that are continuously enjoyed in a fixed or quantitative manner according to a certain standard except for assistance)	75,754,227.72	46,992,602.72	42,389,383.86	
Funds received from non-financial enterprises included in current profit and loss Occupancy fee			9,746,211.06	
The company acquires subsidiaries, associates and joint ventures The investment cost is less than the investment certificate when the investment is obtained Income from fair value of identifiable net assets			3,439,701.42	
Except for the effective hedging related to the normal operation of the company In addition to the value-added business, holding financial assets for trading, trading Gains and losses on changes in fair value arising from financial liabilities, and Disposal of held-for-trading financial assets held-for-trading financial liabilities and Investment income from available-for-sale financial assets	105,050,715.60	351,205,662.47	41,128,347.78	
Other non-operating income and expenses other than the above-9,798,341.00		-4,587,412.36	-5,022,581.71	
Other profit and loss items that meet the definition of non-recurring profit and loss		3,174,787.50	268,716.86	
Less: Income tax impact	27,603,606.94	74,147,937.62	13,157,573.03	
Amount of influence of minority shareholders' equity (after tax)	26,625.83	1,327,280.35	526,428.80	
total	292,362,216.59	390,473,220.12	78,095,268.21	

Details of other profit and loss items that meet the definition of non-recurring profit and loss:

Applicable Not applicable

The company has no specific circumstances of other profit and loss items that meet the definition of non-recurring profit and loss.

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

Description of the situation

Applicable Not applicable

The company does not define the non-recurring profit and loss items listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public - Non-recurring Profit and Loss" as recurring.

Items of sexual gains and losses.

Section 3 Management Discussion and Analysis

I. Industry situation of the company during the reporting period

1. Industry of communication cable and communication equipment business

In 2021, my country's telecommunications industry will fully implement the spirit of the 19th National Congress of the Communist Party of China and all the 19th plenary sessions, thoroughly implement the decisions and deployments of the Party Central Committee and the State Council, actively promote the construction of a network power and digital China, and new information infrastructure such as 5G and gigabit optical networks. Construction coverage and application popularization have been accelerated in an all-round way, providing strong support for creating new advantages in the digital economy and enhancing new momentum for economic development. The development quality and growth level of the industry were further improved, achieving a good start in the "14th Five-Year Plan". According to statistics released by the Ministry of Industry and Information Technology in early 2022, in 2021, the three basic telecommunications companies and China Tower Co., Ltd. will complete a total of 405.8 billion yuan in fixed asset investment, which is basically the same as the previous year. Among them, the fixed asset investment in mobile communications was 194.3 billion yuan, accounting for 47.9% of the total investment; the 5G investment amounted to 184.9 billion yuan, accounting for 45.6% of the total investment, an increase of 8.9 percentage points over the previous year. In 2021, more than 650,000 new 5G base stations will be built; by the end of 2021, the total number of mobile communication base stations nationwide will reach 9.96 million, including 5.9 million 4G base stations and 1.425 million 5G base stations. In 2021, the three basic telecommunications companies and China Tower Co., Ltd. will build a total of 3.19 million kilometers of new optical cable lines, and the total length of national optical cable lines will reach 54.88 million kilometers, of which long-distance optical cable lines, local network relay optical cable lines and access network optical cable lines. The lengths reached 1.126 million, 18.74 million and 35.02 million kilometers respectively, and the length of the access network optical cable line increased by 2.97 million kilometers over the previous year, which further guaranteed and supported the service quality of users. By the end of 2021, the number of Internet broadband access ports reached 1.018 billion, a net increase of 71.8 million over the end of the previous year. Among them, the number of optical fiber access (FTTH/O) ports reached 960 million, a net increase of 80.17 million over the end of the previous year, and the proportion increased from 93% at the end of the previous year to 94.3%. The pace of network acceleration has been accelerated, and the promotion of gigabit broadband services has continued to advance.

In August 2020, China National Railway Group Co., Ltd. issued the "Outline of the Advance Planning for Railways in a New Era of Powerful Transportation", proposing a development goal to be advanced in two stages from 2021 to the middle of this century: by 2035, it will be the first to build a service safety system. A modern railway powerhouse with high quality, strong guarantee and international leading strength. The scale and quality of infrastructure, technical equipment and technological innovation capabilities, service quality and product supply level are world-leading; transportation safety, operation and management, and modern governance capabilities are among the world's leading; green environmental protection advantages and comprehensive transportation backbone status, service guarantee and support. The leading role, international competitiveness and influence will be enhanced in an all-round way. By 2050, a higher-level modern railway power will be built in an all-round way, and the construction of a socialist modern power will be fully served and guaranteed. Railway service supply and operation development, support, guarantee and leadership, safety level and modern governance capability have reached a higher level; intelligence and green level, scientific and technological innovation capability and industrial chain level, international competitiveness and influence will remain in the lead, institutional. The advantages are more prominent. Form a modern railway industry system with powerful radiation function, and build a world-class railway enterprise with global competitiveness. China's railways have become an important symbol and part of a powerful modern socialist country and the great rejuvenation of the Chinese nation, an important promoter of the development of the world's railways and an important participant in the formulation of global railway rules.

2. The industry in which the power cable business is

located Power cables are the key products used to transmit and distribute electrical energy in the main lines of the power system and distribution network lines, mainly including rated voltage U₀/U. It is an AC power cable with various voltage levels from 0.6/1kV to 290/500kV. Among them, the rated voltage 1.8/3kV and below are low-voltage power cables, 3.6/6kV-26/35kV are medium-voltage power cables, 66-110kV are high-voltage power cables, and 220kV and above are ultra-high-voltage power cables. The power cables produced by the company are in the medium and low voltage category. 35kV and below medium and low voltage cables are widely used in urban distribution networks, green buildings, smart transportation, petroleum and petrochemicals, intelligent manufacturing, energy development and utilization, public services, marine economy and other industries. During the "Thirteenth Five-Year Plan" period, with the increase of my country's urbanization rate and total economic development year by year, the construction of large and medium-sized urban power grids has been promoted, the development of transportation and new energy industries has been accelerated, and the rapid construction of my country's UHV strong and smart grid has been promoted. With the continuous development of the distribution network, the total market demand continues to increase. It is expected that during the "14th Five-Year Plan" period, we will continue to optimize the layout of urbanization, strengthen the construction of new cities, accelerate the construction of urban agglomerations and small and medium-sized towns, narrow the gap between urban and rural areas, and promote the integrated development of urban and rural areas. In terms of improving infrastructure, it will continue to make great progress in building a modern comprehensive transportation system such as internal and external transportation corridor networks, modern and efficient intercity urban transportation, and in building a ubiquitous and efficient information network. In the next few years, my country's electric power, railway, rail transit, communication, construction, new energy, automobile and other industries will still maintain a large scale of investment, which will provide many rare opportunities and stable markets for the cable industry.

3. The industry in which the network security business operates

As an emerging digital industry, the cybersecurity industry is a cybersecurity technology, product production and service activity that safeguards national cyberspace security and development interests, and is the basic guarantee for building a manufacturing power and a cyber power. In recent years, my country's network security industry has made positive progress, especially with the rapid development of new technologies, new businesses and new models such as 5G, big data, artificial intelligence, Internet of Vehicles, Industrial Internet, and Internet of Things, network security, data security and other technologies and products. and services thrive.

On July 12, 2021, the Ministry of Industry and Information Technology proposed in the "Three-Year Action Plan for High-Quality Development of the Cybersecurity Industry (2021-2023) (Draft for Comment)" that by 2023, the innovation capability of cybersecurity technology will be significantly improved, the level of products and services has been continuously improved, the demand for economic and social network security has been accelerated, the integration of industry and fusion is precise and efficient, the team of network security talents has been growing, the basic capabilities and comprehensive strength of the industry have been continuously enhanced, the industrial structure and layout have been optimized, and the industrial development ecology has been healthy and orderly. By 2023, the size of the cybersecurity industry will exceed 250 billion yuan. 4. The industry in which the mobile Internet business is located According to the statistics released by the Ministry of Industry and Information Technology in early 2022, in 2021, the Internet and related service enterprises above designated size in my country will complete business revenue of 1.550 billion yuan, a year-on-year increase of 21.2%, and the growth rate will be faster than the previous year. 8.7 percentage points, with an average growth rate of 16.8% in the two years; a total operating profit of 132 billion yuan, a year-on-year increase of 13.3%, and the growth rate was 0.1 percentage points higher than the previous year; operating costs increased by 16.1% year-on-year, and the growth rate increased by 13.7% over the previous year. A total of 75.42 billion yuan was invested in research and development, a year-on-year increase of 5%, and the growth rate dropped by 1 percentage point from the previous year. Operation by business: Information service revenue grew rapidly, audio and video services continued to grow rapidly; Internet platform service revenue grew rapidly, and online sales, life services and other platforms were actively operating; Internet access service revenue maintained growth, and Internet data services continued to grow. Sustained and rapid development.

On August 31, 2021, the State Press and Publication Administration issued the "Notice on Further Strict Management and Effectively Preventing Minors from Indulging in Online Games". The notice requires that the time for providing online game services to minors is strictly limited. Only on Fridays, Saturdays, Sundays and statutory holidays, minors can be provided with services for 1 hour from 20:00 to 21:00, and online game services shall not be provided to minors in any form at other times; strictly implement online games Real-name registration and login requirements for user accounts, and game services shall not be provided in any form to users without real-name registration and login; publishing management departments at all levels should strengthen supervision and inspection of the implementation of relevant measures to prevent minors from indulging in online games. Implemented online game companies will be dealt with seriously in accordance with laws and regulations. The notice proposes to actively guide families, schools and other aspects of society to jointly manage and govern, fulfill the responsibility of guardianship of minors in accordance with the law, and create a good environment for the healthy growth of minors. The issuance of this notice is expected to adversely affect the mobile precision marketing business.

2. The main business of the company during the reporting period

During the reporting period, the main business of the company is divided into the following three sectors: 1.

Optoelectronic communication business sector

The products and solutions of the company's optoelectronic communication business segment mainly cover the two fields of optoelectronic cables and optical communication equipment. The specific products in the optoelectronic cable field include optical fiber preforms, optical fibers, optical cables, communication cables, railway signal cables, power cables, etc., communication The specific products in the equipment field include SDN equipment, GPON/EPON, ODN equipment, 5G wireless equipment, wireless private network equipment, storage and server equipment, big data acquisition and analysis equipment, communication power supply equipment, etc. 2. Network security business segment The products and solutions of the company's network security business segment mainly cover the two major fields of network visualization and public security. The main customers are telecom operators and governments. Specific products include high-performance DPI equipment, shunts, IDC/ISP information security management systems, gateways, smart emergency and safety production management big data platforms and various security services.

3. Mobile Internet business segment The products and

solutions of the company's mobile Internet business segment mainly involve mobile precision marketing services based on big data analysis. At the end of 2021, the company has sold the mobile Internet business segment as a whole.

3. Analysis of core competitiveness

The main competitive advantages of the company are as follows:

1. Scale advantage

The company focuses on the development of the optical communication industry and has built a relatively complete industrial chain covering optical fiber preforms, optical fibers, optical cables, communication cables, communication equipment and other business categories. It can provide customers with a package of products and solutions. The company's production scale And supply capacity ranks in the forefront of the industry. On the one hand, the scale advantage enables the company to respond to and meet customer orders better and faster, and on the other hand, it allows the company to benefit from economies of scale, continuously reduce product production costs, and improve profitability.

2. Advantages of technology research and development

The company has always attached great importance to technology research and development, and regards technology research and development as the main source of the company's competitive advantage. In recent years, the company has set up a professional R&D team, and has continuously invested R&D resources in the directions of optical communication materials, communication equipment and network security, researched and launched a variety of new products, new processes and new systems, and successfully launched them to the market. The company was identified as a high-tech enterprise, and was identified as a key high-tech enterprise in the National Torch Program by the Ministry of Science and Technology. The company has 4 national and 6 provincial R&D platforms, established academician workstations, national post-doctoral research workstations, national enterprise technology centers, Jiangsu Provincial Key Laboratory of Optical Communication Materials, Nanjing University-Tongding Interconnect Large-scale Photonics Integration School-enterprise joint laboratories, etc., have established extensive cooperation with more than ten famous universities, scientific research institutions and design institutes such as Nanjing University. Continuous research and development investment has resulted in a large number of patent achievements. By the end of 2021, the company has 905 authorized patents, including 189 invention patents. This year, 121 new patents were authorized, including 10 invention patents. This year, the company applied for 193 new patents, including 82 invention patents. In 2021, the company passed the provincial new product appraisal for 9 projects, of which 2 were rated as international advanced, 3 domestically advanced, and 4 domestic advanced. By the end of 2021, the company has participated in the drafting of 152 related standards, including 1 international standard, 31 national standards, 11 national military standards, 109 industry standards, 87 of the 152 standards have been published, and 65 are under development. .

3. Brand advantage

Since its establishment, the company has been attaching great importance to corporate brand building. The quality of communication cables and communication optical cables produced by the company is stable and reliable, and is highly recognized by customers in domestic and foreign markets. Relying on the company's solid hardware design and system development capabilities, the network security equipment produced by the company has excellent performance and enjoys a high reputation in the industry. The establishment of the company's brand and the continuous improvement of its popularity have laid the foundation for the company's continuous and rapid growth of business, and improved the company's bid-winning rate in sales bidding, and also laid a good foundation for the company's business scope expansion.

4. Customer resource advantage

Customers such as telecom operators served by the company have high requirements on the scale, product quality, brand, and after-sales service of their suppliers, and the barriers to entry are relatively high. After continuous development, the company has formed a unique competitive advantage in the above aspects. Over the years, the company has continuously provided products and services for domestic telecom operators, and has become one of the important suppliers of the three major domestic telecom operators. In addition, the company also provides products and technical services to important customers such as railways, rail transit, state grid power, petroleum and petrochemicals, large-scale construction general contractors, government departments, and integrators. High-quality customer resources provide a guarantee for the sustainable development of the company's future business.

5. Advantages of industrial chain integration

In recent years, based on the development strategy of "focusing on the main business, improving quality and efficiency", the company has firmly implemented the large-scale communication strategy, focusing on the traditional optical fiber and cable business, continuously expanding the upstream and downstream of the industrial chain, and improving the industrial chain through various methods. Build a competitive advantage based on an integrated industrial chain. At present, the company's integrated advantages in the field of optical fiber cables and optical rods have basically been formed, and it has the production capacity of optical fiber preforms, optical fibers, optical cables, communication cables, power cables and other communication cable industries. While expanding and strengthening the optical cable business, the company has also firmly laid out and developed optical communication equipment, wireless communication equipment, network security equipment, communication power equipment, integrated general contracting and other businesses, realizing the upgrading and extension of the company's industry. The integration of the industrial chain enables the company to continuously improve its customer service capabilities and strengthen its competitive advantage.

Fourth, the main business analysis

1 Overview

In 2021, the company will continue to adhere to the development strategy of "focusing on the main business, improving quality and efficiency". The annual operating income was 2.977 billion yuan, a year-on-year decrease of 16.99%, and the loss was 647 million yuan. The main reasons for the loss were: Operating loss: Tongding Guangbang lost 209 million yuan (including the provision for impairment of fixed assets and construction in progress). Provisions of RMB 68 million), loss of network security business of RMB 272 million (including provision for bad debts of accounts receivable and other receivables of RMB 125 million, provision for impairment of intangible assets of RMB 47 million). The mobile internet business lost RMB 30 million; Non-operating losses: The long-term equity investment of important joint-stock companies made a provision for impairment of RMB 213 million, and the fair value of trading financial assets decreased by RMB 40 million this year.

During the reporting period, the company vigorously promoted asset disposal and downsizing, and divested non-core businesses, with remarkable results. Assets disposed of 1.378 billion yuan throughout the year, including 350 million yuan in equity assets and 1.028 billion yuan in real estate. As of the end of 2021, it has received RMB 952 million for disposal of assets this year, RMB 37 million for disposal of assets in the previous year, and RMB 119 million for equity investment allocation, totaling RMB 1.108 billion. During the reporting period, the company repaid 518 million yuan of loans from financial institutions and 400 million yuan of government support funds, reducing interest-bearing liabilities by 900 million yuan in total. The implementation of the above asset disposal work will greatly reduce the company's future financial expenses, improve asset operation efficiency, and enhance profitability.

The main operations in 2021 are as follows:

(1) Optoelectronic communication business segment

1. During the reporting period, the

company's optical fiber and cable sales revenue was 350 million yuan, a year-on-year decrease of 67.34%, and the gross profit margin decreased by 6.47 percentage points. The contract unit price is lower. Since 2021, the unit price of newly signed contracts has gradually recovered, which will have a positive impact on the gross profit margin of the optical fiber and cable business in the future.

2. Cable business During

the reporting period, the power cable business continued to maintain a growth trend, and the company increased efforts to expand the national grid, subway and petroleum and petrochemical markets. The medium-voltage power cables are fully mass-produced, among which the medium-voltage power cables for subways have achieved zero breakthroughs; new equipment has been added, production capacity and process layout have been adjusted, and the production scale has gradually ranked among the forefront of the industry. In 2021, the sales revenue of power cables will be 964 million yuan, and both revenue and gross profit margin will increase slightly year-on-year.

During the reporting period, the communication cable business continued to maintain a steady growth trend, achieving sales revenue of 905 million yuan, a year-on-year increase of 20.23%, and gross profit margin decreased by 5.33 percentage points. Execution, the increase in the price of main raw materials (copper, steel strip, sheath material, insulating material, etc.) during the delivery process resulted in a decrease in gross profit margin.

3. Communication equipment

business During the reporting period, the company firmly promoted the research and development, industrial layout and market expansion of optical communication equipment, gradually built a communication equipment solution system covering transmission, access and wireless fields, and seized new opportunities for 5G development. In 2021, the sales revenue of the company's communication equipment is 420 million yuan, and the revenue and gross profit margin are basically the same as the previous year.

(2) Network security business segment The company's

network security business is carried out by its wholly-owned subsidiary Byzero Networks, which is engaged in the research and development of products in the fields of network security, data security and information security. The main customers are telecom operators, government departments and network security integration manufacturers in the industry.

During the reporting period, Byzero Networks optimized its organizational structure and concentrated its resources on the development of core businesses such as the upgrading and transformation of the Internet information security system and the iterative research and development of diverted products. After a year of development, various businesses returned to a healthy development track. The signing of major project contracts such as the centralized procurement of China Mobile's 5G Internet log retention system, the centralized procurement of China Telecom's unified DPI, and the centralized procurement of China Mobile's converged and distributed equipment in 2021 have had a positive impact on the operating performance. With the advancement of the Internet Principal System upgrade and reconstruction project and the diversion and expansion project of China Mobile's 5G Internet log retention system, the operating performance continued to improve. During the reporting period, Byzero achieved an operating income of 110 million yuan, a year-on-year decrease of 23.68%, and a loss of 272 million yuan. With the optimization of the organizational structure, the clear business direction and the strengthening of cost assessment, the total sales expenses, management expenses and financial expenses for the year decreased by 30.22% year-on-year. (3) Mobile Internet Business Sector

During the reporting period, the company's mobile Internet business was carried out by Ruiyi Information, a wholly-owned subsidiary, mainly engaged in Internet precision marketing business. The company has not

The current development strategy is to focus on core businesses such as optoelectronic cables and communication equipment, and the business of Ruiyi Information is coordinated with the core business that the company will focus on developing in the future.

The same sex is relatively weak. At the same time, the main business of Ruiyi Information has fluctuated greatly due to the influence of industry policies in the past two years, and the operating performance has shown a downward trend year by year.

There is great uncertainty in the development. Comprehensively considering the company's future development strategy, business layout and the current situation of Ruiyi Information, the company will release the company at the end of 2021.

Sold 100% equity of Ruiyi Information.

During the reporting period, Ruiyi Information achieved an operating income of 189 million yuan, a year-on-year decrease of 14.50%, a loss of 30 million yuan, and an expansion of the loss. According to the company

According to the audited financial data in 2021, the operating income of Ruiyi Information accounted for 6.34% of the company's total consolidated operating income.

The company's future consolidated total operating income will have a significant impact.

For details about the sale of 100% equity of Ruiyi Information, please refer to the company's announcement on "Securities Times" and "Shanghai Securities News" on December 6, 2021

and the "Announcement on the Proposed Sale of Equity Interests in Wholly-owned Subsidiaries" (Announcement No.: 2021-071) disclosed by www.cninfo.com.cn.

2. Revenue and cost

(1) Composition of operating income

unit: yuan

	2021		2020		Year-on-year increase or decrease
	amount	% of operating income	amount	% of operating income	
Total operating income	2,977,263,184.19	100%	3,586,471,069.23	100%	-16.99%
sector					
Communication cable and related manufacturing	2,218,840,673.62	74.53%	2,759,294,296.97	76.94%	-19.59%
Communication equipment and related manufacturing	420,081,069.28	14.11%	430,712,416.28	12.01%	-2.47%
Software and Information Technology Services Industry	299,101,310.02	10.05%	365,343,166.09	10.19%	-18.13%
other	39,240,131.27	1.31%	31,121,189.89	0.86%	26.09%
By product					
fiber optic cable	350,182,028.72	11.76%	1,072,174,507.76	29.89%	-67.34%
communication device	420,081,069.28	14.11%	430,712,416.28	12.01%	-2.47%
Communication Cable	904,534,354.17	30.38%	752,312,065.95	20.98%	20.23%
Traffic and data marketing	188,873,217.88	6.34%	220,909,422.44	6.16%	-14.50%
power cable	964,124,290.73	32.38%	934,807,723.26	26.06%	3.14%
internet safety	110,228,092.14	3.72%	144,433,743.65	4.04%	-23.68%
other	39,240,131.27	1.31%	31,121,189.89	0.86%	26.09%
by region					
Domestic sales	2,928,453,250.51	98.36%	3,558,457,098.28	99.22%	-17.70%
Overseas sales	48,809,933.68	1.64%	28,013,970.95	0.78%	74.23%
sub-sale model					
direct sales	2,977,263,184.19	100.00%	3,586,471,069.23	100.00%	-16.99%

(2) Information on industries, products, regions, and sales models that account for more than 10% of the company's operating income or operating profit

☐ Applicable ☐ Not applicable

unit: yuan

	operating income	operating cost	gross profit margin	Operating income over the previous year <small>increase or decrease in the same period</small>	Operating costs over the previous year <small>increase or decrease in the same period</small>	Gross profit margin year-on-year <small>Period increase or decrease</small>
sector						
Communication cables and related manufacturing	2,218,840,673.62	1,921,367,090.08	13.41%	-19.59%	-19.65%	0.07%
Communication equipment and related manufacturing	420,081,069.28	355,286,648.04	15.42%	-2.47%	-1.88%	-0.51%
Software and Information Technology service industry	299,101,310.02	248,387,180.55	16.96%	-18.13%	-4.75%	-11.66%
By product						
fiber optic cable	350,182,028.72	341,857,033.27	2.38%	-67.34%	-65.02%	-6.47%
communication device	420,081,069.28	355,286,648.04	15.42%	-2.47%	-1.88%	-0.51%
Communication Cable	904,534,354.17	747,260,686.57	17.39%	20.23%	28.54%	-5.33%
Traffic and data marketing	88,873,217.88	173,573,109.79	8.10%	-14.50%	11.02%	-21.13%
power cable	964,124,290.73	832,249,370.24	13.68%	3.14%	-0.03%	2.74%
Internet Security	110,228,092.14	74,814,070.76	32.13%	-23.68%	-28.36%	4.43%
by region						
Domestic sales	2,928,453,250.51	2,500,941,830.90	14.60%	-17.70%	-16.86%	-0.86%
sub-sale model						

In the case where the statistical standard of the company's main business data is adjusted during the reporting period, the company's main business data in the last one year adjusted according to the standard at the end of the reporting period

☐ Applicable ☐ Not applicable

(3) Whether the company's physical sales income is greater than the labor income

☐ Yes ☐ No

Category	project	unit	2021	2020	Year-on-year increase or decrease
Light stick	Sales volume	KG	11,678.57	167,274.31	-93.02%
	Production	KG	3,704.46	160,669.02	-97.69%
	inventory	KG	1,412.02	9,386.13	-84.96%
optical fiber	Sales volume	Wanxin km	192.65	13.75	1,301.09%
	Production	Wanxin km	628.1	763.54	-17.74%
	inventory	Wanxin km	147.61	126.77	16.44%
Communication fiber optic cable	Sales volume	Wanxin km	415.55	1,689.26	-75.40%

	Production	Wanxin km	411.02	1,547.34	-73.44%
	inventory	Wanxin km	50.66	55.19	-8.21%
Communication Cable	Sales volume	Wanpi long kilometers	37.14	35.52	4.56%
	Production	Wanpi long kilometers	37.07	36.16	2.52%
	inventory	Wanpi long kilometers	1.18	1.25	-5.60%
power cable	Sales volume	Wanpi long kilometers	3.1	4.11	-24.57%
	Production	Wanpi long kilometers	3.05	4.06	-24.88%
	inventory	Wanpi long kilometers	0.21	0.26	-19.23%
ODN Optical Distribution Products	Sales volume	10,000 Pcs	441.58	390.57	13.06%
	Production	10,000 Pcs	435.48	378.05	15.19%
	inventory	10,000 Pcs	4.66	10.76	-56.69%

Explanation of the reasons for the year-on-year change of more than 30% in relevant data

ÿ Applicable ÿ Not applicable

1) Light stick

The sales volume of light bars decreased by 93.02% compared with the same period of the previous year, the production volume decreased by 97.69% compared with the same period of the previous year, and the inventory decreased by 84.96% compared with the same period of the previous year. The main reason is that in 2021

The government buys back, relocates and stops production of the light rod company, and the company purchases light rods to meet production.

2) Optical fiber cable

The sales volume of communication optical cables decreased by 75.40% compared with the same period of the previous year, and the production volume decreased by 73.44% compared with the same period of the previous year.

The sales volume of optical fibers increased by 1,301.09% over the same period of the previous year, which was mainly due to the decrease in the consumption of optical fibers for self-produced optical cables this year, which increased the external sales of optical fibers.

3) ODN optical wiring products

The inventory of ODN optical wiring products decreased by 56.69% compared with the same period of the previous year, mainly due to the improvement of operational efficiency and the elimination of inventory.

(4) The performance of the major sales contracts and major purchase contracts that the company has signed up to the reporting period

ÿ Applicable ÿ Not applicable

(5) Composition of operating costs

Industry and Product Classification

Category

unit: yuan

Category	project	2021		2020		Year-on-year increase or decrease
		Amount as a percentage of operating costs	Amount as a percentage of operating costs	Amount as a percentage of operating costs	Amount as a percentage of operating costs	
Communication cables and related manufacturing	Operating cost	1,921,367,090.08	75.18%	2,391,179,002.20	78.73%	-19.65%
Communication equipment and related manufacturing	Operating cost	355,286,648.04	13.90%	362,095,951.80	11.92%	-1.88%
Software and Information Technology	Operating Costs	248,387,180.55	9.72%	260,766,345.25	8.59%	-4.75%

service industry						
other	Operating cost	30,571,539.95	1.20%	23,239,458.95	0.77%	31.55%

product category

unit: yuan

product category	project	2021		2020		Year-on-year increase or decrease
		Amount as a percentage of operating costs		Amount as a percentage of operating costs		
Fiber Optic Cable Operating Cost		341,857,033.27	13.38%	977,280,790.55	32.18%	-65.02%
Communication equipment operating costs		355,286,648.04	13.90%	362,095,951.80	11.92%	-1.88%
Communication cable operating cost		747,260,686.57	29.24%	581,360,895.17	19.14%	28.54%
Traffic and data marketing operating costs		173,573,109.79	6.79%	156,340,558.56	5.15%	11.02%
Power cable operating costs		832,249,370.24	32.57%	832,537,316.47	27.41%	-0.03%
Internet Security Operating Costs		74,814,070.76	2.93%	104,425,786.69	3.44%	-28.36%
other	Operating cost	30,571,539.95	1.20%	23,239,458.95	0.77%	31.55%

(6) Whether the scope of consolidation has changed during the reporting period

Yes No

In December 2021, the company transferred 100% equity of Ruiyi Information to Suzhou Yunchetong Information Technology Co., Ltd. The two parties negotiated and confirmed that the consideration for this transaction is RMB 270.1 million, the equity transfer price of RMB 40 million was received on December 25, 2021, and the remaining transfer price of RMB 230.1 million shall be divided into four parts before June 30, 2025 payment, and the industrial and commercial change registration procedures have been completed. Ruiyi Information will no longer be included in the company's consolidation scope from January 2022.

In June 2021, the company transferred its 51% stake in Weiye Chongxing to Zhang Xiurong, and both parties negotiated and confirmed that the consideration for this transaction is RMB 5.1 million.

On June 30, 2018, the company received the equity transfer price of 5.1 million yuan, and completed the registration procedures for industrial and commercial changes. Weiye Chongxing will no longer be included in the scope of the company's consolidation since July 2021.

In April 2021, the company transferred its 16% equity interest in Huazhen Information to Shenzhen Zhiqin No. 1 Investment Partnership (Limited Partnership), and both parties negotiated and confirmed the transaction.

The transaction consideration is RMB 16 million, and the other party of the transfer price shall pay in installments within 3 years after the date of signing the transfer agreement, and the industrial and commercial change registration procedures have been completed. Huazhen information from It will no longer be included in the scope of company consolidation from May 2021.

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

Applicable Not applicable

(8) Major sales customers and major suppliers

The company's main sales customers

Total sales amount of the top five customers (yuan)	2,138,671,960.04
The ratio of the total sales amount of the top five customers to the total annual sales	71.83%
Ratio of related party sales to total annual sales among the sales of the top five customers	0.00%

The company's top 5 customers

serial number	client's name	Sales (yuan)	Proportion to total annual sales
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1	first place	1,085,126,997.40	36.45%
2	2nd place	459,992,126.25	15.45%
3	3rd place	346,684,497.44	11.64%
4	fourth place	153,748,141.21	5.16%
5	the fifth place	93,120,197.74	3.13%
total		2,138,671,960.04	71.83%

Other information about major customers

√ Applicable √ Not applicable

The company's main suppliers

Total purchase amount of the top five suppliers (yuan)	1,065,707,994.80
Proportion of the total purchase amount of the top five suppliers to the total annual purchase amount	41.96%
Proportion of related party purchases to total annual purchases among the purchases of the top five suppliers	0.00%

Company Top 5 Supplier Profiles

serial number	Supplier name	Purchase amount (yuan)	Proportion of total annual purchases
1	first place	367,301,222.23	14.46%
2	2nd place	292,627,027.96	11.52%
3	3rd place	175,973,481.82	6.93%
4	fourth place	150,111,586.92	5.91%
5	the fifth place	79,694,675.87	3.14%
total		1,065,707,994.80	41.96%

Other information about major suppliers

√ Applicable √ Not applicable

3. Cost

unit: yuan

	2021	2020	Year-on-year increase or decrease	Explanation of major changes
sales expense	130,504,698.91	136,377,107.43	-4.31%	
Management fees	238,561,188.57	216,233,372.28	10.33%	The main reason is that the light bar production line is idle this year Depreciation increase
Financial expenses	190,766,178.35	175,415,162.35	8.75%	Mainly due to foreign exchange gains and losses
R&D expenses	187,046,976.89	219,777,835.59	-14.89%	The main reason is that the company's business structure has changed. Reduce the research and development cost of optical cable products

4. R&D investment

√ Applicable √ Not applicable

Main R&D Project Name	Project Purpose	Project Progress	The expected impact of the goals to be achieved on the future development of the company
5G mid-band 7/8 spoke R & D of leaky cable	<p>This project mainly develops a</p> <p>Suitable for 5G mid-band</p> <p>3300-3700MHz operating frequency</p> <p>Section radiation leakage coaxial cable two</p> <p>in the field of 5G communication radiation leakage</p> <p>Make up for "traditional 13/8 leakage current</p> <p>The cable subway coverage scheme cannot be supported</p> <p>to meet the shortage of 5G, used in subways, high</p> <p>5G signal coverage, user to person 2)".</p> <p>5G communication needs of numerous streams</p> <p>and closed environments.</p>	<p>Project is complete, this project</p> <p>Authorized utility model patent</p> <p>5G intermediate frequency 5G intermediate</p> <p>leakage coaxial cable 7/8 "radiation leakage</p> <p>cable</p> <p>γZL202021297119.</p> <p>speed leaky cable highway tunnels, and room</p> <p>γZL202022765822.</p>	<p>frequency cable developed by this project, especially</p> <p>leakage coaxial cable with</p> <p>low attenuation, low VSWR, and low AC are featured. This</p> <p>power, and has the "3.5GHz 5G coverage" coverage. 7) " and "A radiation signal transmission and reception function</p> <p>divisions, etc.</p> <p>Network coverage of the signal.</p> <p>With the development of 5G mobile communication,</p> <p>product is a popular product with the characteristics of</p> <p>5G indoor sub-scenario wireless modulation and high</p> <p>"A radiation signal transmission and reception function</p>
with a rated voltage of 35KV. The payment Through its own bending performance,	<p>The product of this project is mainly developed</p> <p>is suitable for use in the construction of electric</p> <p>power projects of subway projects. It can achieve anti-</p> <p>also strengthens the needs of different environments</p>	<p>The project is in small batch testing</p> <p>stage of the product. This project has been flammable, and the product has been added to prevent rodents and ants.</p> <p>Authorized utility model patent</p> <p>anti-ultraviolet performance. It has added a product linked to polyethylene insulated rails, "a resistance cable for rail transit, which meets the requirements of laying</p> <p>in the research and development process of laying safety signal cables and traffic power cables in different</p> <p>subway projects (ZL202023318045.</p> <p>3γγ</p>	<p>The product of this project improves the resistance production</p> <p>The products of this project are mainly suitable for subways.</p> <p>product linked to polyethylene insulated rails, "a resistance cable for rail transit, which meets the requirements of laying</p> <p>of laying safety signal cables and traffic power cables in different</p> <p>It can be installed and meet the functions of power transmission and so on. The competitiveness of such products in</p>
When the rated voltage 450/750V meets the requirements of contemporary electronic information Fire polyolefin insulation and protection and development	<p>The product of this project is mainly developed</p> <p>requirements of contemporary electronic information</p> <p>and use needs. And has a set of cable research</p> <p>to other external interference in the same environment</p> <p>disturbing performance.</p>	<p>Project is complete, this project</p> <p>Authorized utility model patent</p> <p>method of high braided Mili, a tunnel construction</p> <p>Metro special cable is resistant</p> <p>(ZL202023308748. Anti-interference ability.</p> <p>8γγ</p>	<p>The products of this project are mainly suitable for the products of this project in the subway. It adopts the shielding</p> <p>used with high shielding measures to protect it. One field is along the rail being laid, and the other is along the</p> <p>combine. It realizes the shielding of the interference of external signals in the subway line, further</p> <p>Signal transmission solves the problem of the product itself and increases the competitiveness of the product in the</p> <p>market.</p>
for connecting the outdoor branch optical send	<p>This project mainly develops a room</p> <p>The external branch optical cable is convenient</p> <p>And add color bars on the cable, easy to</p> <p>distinguish and identify.</p>	<p>Production stage.</p>	<p>The products of this project are branched during construction, and the products of the project expand the sales market.</p> <p>Fast, stable performance after the connection. Increase the use of this product in Southeast Asia</p> <p>construction efficiency.</p> <p>larger.</p>
fiber flexible circular drop optical cable research and development	<p>This project mainly develops a room</p> <p>Internal use of flexible circular drop optical</p> <p>meet indoor flame retardant</p> <p>complex bending environment</p> <p>Deployment requirements.</p>	<p>The project is in the small batch trial</p> <p>production stage. and the laying of</p>	<p>The products of this project are mainly used in indoor</p> <p>projects. The products have been supplied to special</p> <p>scenarios such as computer rooms in foreign cities. The products meet the needs of the market.</p> <p>The flame retardant grade of indoor laying optical cable,</p> <p>The products meet the needs of the market.</p> <p>At the same time, it has also opened up overseas</p> <p>markets, and also meets various complex bending environments to enhance the company's influence in overseas</p> <p>markets. The laying and laying of optical cables, bending</p> <p>radius force and competitiveness. At 5mm, the fiber has no obvious strain.</p>
retardant B for the subway private network research and development	<p>The purpose of this project is to develop a flame retardant</p> <p>digital communications</p>	<p>retardant class B data cable with flame</p> <p>retardant production stage. This project has the</p> <p>Authorized utility model patent</p>	<p>This project further broadens the company's digital communication capabilities by adjusting the material of the outer sheath</p> <p>The material selection is aimed at the cable, and the flame</p> <p>Class B.</p> <p>Enhanced the company's production in the subway private network</p>

	cable.	A "a high flame retardant non-Shielded Category 6 data cable yZL202021417795. 3y'y		product competitiveness.
Flame Retardant Shield Armor Data Development of cables	This project mainly studies a soft Good softness, carrying voltage and electricity High current, high insulation resistance, special Sex impedance uniformity and stability Good, and flame retardant performance and compression resistance Excellent shielding performance, can meet the For PCs in harsh environments Serial connection in computer and communication industry control cable for the port.	The project is in small batch testing Production stage.	The product of this project adopts 3 layers of shielding. The inner and outer sheaths are made of high flame retardant sheath material The conductor is made of soft conductor Stranded structure, maximum conductor cross-section 2.5 Square, compact structure, good softness, Wide range of applications, shielding performance and anti- Strong pressure performance, solve the traditional data electricity Cable flexibility, flame retardant, shielding, anti- Poor voltage performance, characteristic impedance stability Poor and other issues.	This project fills the data cable market gaps, increasing the company's data New varieties of cables quickly occupy the market, Improve the competitiveness of the company's products.
5G BBU intelligent integration cabinet	Research and development to meet 5G BBU indoor Dedicated machine for stand-alone operating environment cabinet. The cabinet needs to guarantee 5G The need for long-term stable operation of BBU Yes, focus on solving equipment heating Large volume, high power consumption, density set problem in . Guarantee cabinet safety to ensure the safety of internal equipment. In the event of equipment failure and upload alarm information.	processing	According to the characteristics of 5G BBU products, Design dedicated cabinets. Cabinet Needs Set into monitoring, cooling, power supply, distribution, security and other functions. Satisfy market use Require.	Provide companies with new product lines that can Enough to keep up with the development trend of the industry, and account for According to the industry's leading position.

Company R&D personnel

	2021	2020	Change ratio
Number of R&D personnel (person)	423	595	-28.91%
The proportion of the number of R&D personnel	18.98%	16.77%	2.21%
Educational structure of R&D personnel	-	-	-
Undergraduate	192	261	-26.44%
master	40	72	-44.44%
Age composition of R&D staff	-	-	-
under 30	104	129	-19.38%
30-40 years old	214	319	-32.92%

The company's R&D investment

	2021	2020	Change ratio
R&D investment amount (yuan)	197,452,791.83	253,993,101.47	-22.26%
R&D investment as a percentage of operating income	6.63%	7.08%	-0.45%
Amount of R&D investment capitalized (yuan)	10,405,814.94	34,215,265.88	-69.59%

Capitalized R&D investment accounted for R&D investment proportion	5.27%	13.47%	-8.20%
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Reasons and effects of major changes in the composition of the company's R&D personnel

☐ Applicable ☐ Not applicable

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

☐ Applicable ☐ Not applicable

Reasons for the substantial changes in the capitalization rate of R&D investment and its rationality explanation

☐ Applicable ☐ Not applicable

5. Cash flow

unit: yuan

project	2021	2020	Year-on-year increase or decrease
Subtotal of cash inflows from operating activities	3,292,547,018.08	4,007,927,863.73	-17.85%
Subtotal of cash outflows from operating activities	3,266,651,309.19	3,670,803,281.12	-11.01%
Net cash flow from operating activities	25,895,708.89	337,124,582.61	-92.32%
Subtotal of cash inflows from investing activities	1,081,556,817.94	142,188,836.32	660.65%
Subtotal of cash outflows from investing activities	116,310,203.33	135,473,735.13	-14.15%
Net cash flows from investing activities	965,246,614.61	6,715,101.19	14,274.27%
Subtotal of cash inflows from financing activities	4,240,314,919.30	4,230,364,304.65	0.24%
Subtotal of cash outflows from financing activities	5,657,604,717.24	4,417,817,538.78	28.06%
Net cash flow from financing activities	-1,417,289,797.94	-187,453,234.13	442.69%
Net increase in cash and cash equivalents	-426,451,253.80	148,751,219.12	-386.69%

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

☐ Applicable ☐ Not applicable

The net cash flow from operating activities decreased by 92.32% year-on-year, mainly because the cash received from the sale of goods in the current period decreased compared with last year.

The sub-total of cash inflow from investing activities increased by 660.65% year-on-year, and the net cash flow from investing activities increased by 14,274.27% year-on-year, mainly due to the disposal of fixed assets, Intangible assets, more cash received from disposal of subsidiaries.

The subtotal of cash outflow from financing activities increased by 28.06% year-on-year, and the net cash outflow from financing activities increased by 442.69%, mainly due to the repayment of loans from financial institutions in the current period

500 million yuan.

The net outflow of cash and cash equivalents increased by 386.69%, mainly because the net cash flow from financing activities decreased.

Explanation of the reasons for the significant difference between the net cash flow generated by the company's operating activities and the net profit of the year during the reporting period

☐ Applicable ☐ Not applicable

V. Analysis of non-main business

☐ Applicable ☐ Not applicable

6. Analysis of assets and liabilities

1. Significant changes in asset composition

unit: yuan

	Late 2021		Early 2021		increase in proportion reduce	Explanation of major changes
	amount	ratio of total assets example	amount	ratio of total assets example		
Money funds	890,548,134.05	14.34% 1,341,714,017.67		16.41% -2.07%	No significant change.	
accounts receivable	960,366,843.00	15.47% 1,270,368,000.52		15.53% -0.06%	No significant change.	
contract assets	36,099,283.73	0.58% 44,611,034.31		0.55% 0.03%	No significant change.	
stock	922,826,642.92	14.86% 944,949,553.92		11.55% 3.31%	No significant change.	
Investment real estate	28,430,960.41	0.46% 29,916,694.76		0.37% 0.09%	No significant change.	
Long-term equity investment	711,580,896.44	11.46% 898,408,547.01		10.99% 0.47%	No significant change.	
fixed assets	694,432,424.60	11.18% 1,358,166,829.23		16.61% -5.43%	No significant change.	
Construction in progress	80,263,211.39	1.29% 219,885,972.76		2.69% -1.40%	No significant change.	
Right-of-use assets	24,297,257.77	0.39%	1,270,884.50	0.00% 0.39%	No significant change.	
Short-term borrowings	2,902,857,437.41	46.76% 2,827,763,362.10		34.58% 12.18%	No significant change.	
contract liabilities	20,082,479.92	0.32% 32,164,543.88		0.39% -0.07%	No significant change.	
Long term loan		0.00% 114,920,000.00		1.41% -1.41%	No significant change.	
lease liability	18,647,534.64	0.30%	80,662.08	0.00% 0.30%	No significant change.	

High proportion of foreign assets

ÿ Applicable ÿ Not applicable

specific content of the asset Allow	Reasons for Formation	Asset Scale	Local Operation Model		Safeguard assets total control measure	income status	Foreign assets accounted for Company net assets proportion of	Is there a heavy Large impairment risk
Tonghao Cayman Co., Ltd. company	Equity acquisition	163,691,452.29	Cayman Islands			-226,471,529.60	7.67% No	
Other information stated that the provision for impairment of long-term equity investment of RMB 213,247,136.92 has been made in the current year.								

2. Assets and liabilities measured at fair value

ÿ Applicable ÿ Not applicable

unit: yuan

project	Beginning number	Fair value for the current period Profit and loss on change in value	included in equity Cumulative fair value value change	accrued in this period impairment	Purchase gold for this issue Forecast	Sale gold in this period Forecast	Other changes at the end of the period	
monetary assets								

2. Derivative financing	32,781,001.00	32,000.00			61,066,850.0	18,112,900.00	511,681.56	189,150.00	0
other	589,728,060.4	-40,107,727.4			9,000,000.00	137,832,141.	2,410.96	456,895,918	.88
receivables financing	3,496,049.14							3,496,049.1	4
Total of the above	626,005,110.5	-40,075,727.4			70,066,850.0	155,945,041.	514,092.52	460,581,118	.02
financial liabilities	0.00							0.00	

Other changes

none

Whether the measurement attributes of the company's main assets have changed significantly during the reporting period

y Yes y No

3. Restricted asset rights as of the end of the reporting period

project	Amount (yuan)	restricted reason
Money funds	656,022,434.08	Various margin deposits
Money funds	8,000,000.00	Frozen Funds
Money funds	50,150,000.00	deposit certificate pledge
fixed assets	197,303,117.29	mortgaged for bank loans, etc.
intangible assets	16,818,406.84	mortgaged for bank loans, etc.

Seven, investment status analysis

1. General situation

y Applicable y Not applicable

Investment amount during the reporting period (RMB)	Investment amount in the same period of last year (yuan)	Range of change
85,906,177.14	325,977,914.71	-73.65%

2. Significant equity investments acquired during the reporting period

y Applicable y Not applicable

3. Significant non-equity investments in progress during the reporting period

y Applicable y Not applicable

4. Investment in financial assets

(1) Securities investment

✓ Applicable ✗ Not applicable

There was no securities investment in the company's reporting period.

(2) Investment in derivatives

✓ Applicable ✗ Not applicable

Unit: ten thousand yuan

Derivatives	Investment exercise	Association off	Is it off	Derivative investment	Derivatives	start date	end date	Initial	Purchase amount	Amount sold	Accrual and deduction	The amount invested	final investment	Report
	name of the maker	system	joint transaction	Mold	early investment	Expect	Expect	investment amount	during the reporting period	during the reporting period	value preparation	at the end of the period (such as the amount of funds	accounting company	actual
	say				initial investment amount						Have)	ratio at the end	Net asset	Profit
Hongye period						2021	2021							
cargo shares														
limited	Unrelated No Copper Futures	611.8	Jan 01	Dec 31				611.8	208.26	433		622.78	0.29%	26.49
Division (Optoelectronics Technology)						Day	Day							
Hongye period						2021	2021							
cargo shares														
limited	Unrelated No Copper Futures	0.1	Jan 01	Dec 31				0.1	1,353.48	1,378.3		0.2	0.00%	24.68
Division (Tongding Interconnected)						Day	Day							
Everbright						2021	2021							
Limited stock	Non-affiliated copper futures company					01 January	01 December		4,544.95			918.65	0.43%	
(Tongding Internet)						Day	Day							
total					611.9	-	-	611.9	6,106.69	1,811.3		1,541.63	0.72%	51.17
Derivatives Investment Funding Sources					private capital									
Litigation (if applicable)					none									
Derivative investment approval Board announcement disclosure date (if any)					April 28, 2021									
					April 28, 2022									
Derivatives investment approval disclosure date of shareholders meeting announcement (if any)														
Risk analysis of derivative positions during the reporting period and operations (including but not limited to market wind purposes, not to speculate and Arbitrage trading. During the actual operation process, due to the particularity of the industry, the company's main products are electricity risk, liquidity risk, credit risk, operational					the company's futures hedging business is an explanation of the control measures to avoid market risks caused by fluctuations in raw material copper prices during Power cables, communication cables, railway signal cables and other cable products are usually determined with downstream operators and other customers for long-term									

risk, legal risk, etc.)	<p>Due to the long supply period, if the copper price fluctuates significantly during the supply period, it will have a significant impact on the company's gross profit and operating performance of such products. In order to avoid the risk of copper price fluctuations and lock in the cost of copper raw materials, it is planned to</p> <p>In the futures market, hedging is carried out in accordance with the principles of the same variety, similar month, opposite direction and equivalent quantity as the spot product.</p> <p>value, to lock in the cost of raw materials, and to ensure the stability and sustainability of the company's operating performance. The company has established a relatively complete internal control and risk control system for the commodity futures hedging business, which is compatible with the proposed hedging business.</p> <p>The company will strictly comply with the "Regulations for Listed Companies of Shenzhen Stock Exchange"</p> <p>Operational Guidelines" and the company's "Internal Control System for Futures Hedging Business", implement risk prevention measures,</p> <p>Proceed with caution. On the whole, it is feasible for the company to conduct futures hedging, which is beneficial to the company's production and operation.</p> <p>beneficial.</p>
<p>The market price of the invested derivatives during the reporting period or</p> <p>The changes in the fair value of the products, the market transparency of</p> <p>The analysis of the fair value of the product should disclose the specific use</p> <p>method and the setting of relevant assumptions and parameters</p>	<p>the trading products selected by the derivative companies engaged in derivatives investment, the transaction is active, the liquidity is strong, and the transaction price</p> <p>The price and settlement price can fully reflect the fair value of derivatives.</p>
<p>During the reporting period, the company's accounting policies and specific</p> <p>accounting principles for derivatives remained unchanged compared with the previous reporting period.</p> <p>Description of whether significant changes have occurred</p>	
<p>Derivative investments and risks of independent directors</p> <p>Special opinion on control situation</p>	<p>The relevant approval procedures for the company and its wholly-owned subsidiaries to use their own funds to use the futures market to carry out futures hedging business</p> <p>comply with relevant national laws, regulations and the relevant provisions of the "Articles of Association". Hedging by the company and its wholly-owned subsidiaries</p> <p>The purpose of the value business is to make full use of the hedging function of the futures market and avoid price fluctuations in the raw material market.</p> <p>It is necessary to control the negative impact of production and operation, and to control business risks; at the same time, the company has established an internal control system</p> <p>for hedging business in accordance with the requirements of relevant laws and regulations, to meet the needs of practical operations, the company has formulated risk control</p> <p>measures is practical and effective.</p>

5. Use of raised funds

̣ Applicable ̣ Not applicable

The company has no use of raised funds during the reporting period.

8. Sale of major assets and equity

1. Sales of major assets

̣ Applicable ̣ Not applicable

trading pair	be out	sell	trade	Beginning of this period		assets out					involved	Does it count		
direction	sale capital	Day	price	From to out		sold for				with transactions	and	Plan on schedule		
	Produce		(Ten thousand Yuan)	The asset on		city company	assets	whether	The opponent's	involved	Claims	If the disclosure is		
				the date of sale is	The impact of selling	a company that	sell	for the close	Association off	asset	debt	not implemented	as planned,	
				listed company	contributes to the company	Net profit	Pricing	Link	Department (applicable	property rights are	whether	the index date should be disclosed		
				Division Contribution	(Note 3)	net profit principle		easy	association	Whether all accounts	Completed	Explain the reason		
				net profit		total profit			easy situation)	have been transferred	Ministry turn	and the company has		
				Run (million Yuan)		proportion					shift	the measures taken		

the company's Suzhou City, District, Earthquake people's government House	Some of Wujiang Town, real estate, and other assets	2021 Year 06 month 25 Day		Industry 20,561.5	This asset The transfer is favorable to optimize company's business structure, set China Resources Development Core task, build 3 competitive advantage potential, increase Profitability force, meet company war Plan slightly.	-31.79	market Evaluate%	no yes yes yes					2021 Year 06 On the 25th, the government plans to buy back Day	*Shanghai Securities Securities Journal, *Securities newspaper and giant Tide Information Network disclosed *About Politics company section land property Announcement of Equivalent Assets Notice number: 2021-033
Wujiang Jingdingguang The economic development road has District management Committee	company holding son Si Jiang Sutong Steering some land real estate Equivalent Produce	2021 Year 12 month 15 Day	48,500	industry - 1,977	This asset The transfer is favorable to optimize company's business structure, set China Resources Development Exhibition core task, build 9 competitive advantage potential, increase Profitability force, meet company war Plan slightly.		Market No Yes Yes 3.06%	Assessment					2021 Year 11 On the 13th, the government plans to buy back Day	*Shanghai Securities Securities Journal, *Securities newspaper and giant Tide Information Network disclosed *About Politics company section land property Announcement of Equivalent Assets Notice number: 2021-061

2. The sale of significant equity

γ Applicable γ Not applicable

trading pair	be out sale right	sell Day	trade price (Ten thousand Yuan)	Beginning of this period From to out sale date Equity is listed company Division Contribution net profit Run (million Yuan)	sale to company Impact	Equity out sold for city company contributed net profit to net profit total profit proportion	Equity out selling price in principle	whether for the close joint transaction	with easy to pair square connection relation	involved and Equity whether Completed Ministry headquarters	Is it as planned implemented as scheduled, If not as planned implementation, should Explain why and what the company has taken measures	Show off date	Disclosure Index
Beijing Micro Intelligence and Mathematics	Hangzhou number cloud	2021 Year 03	5,900 591.45		This equity transfer	-0.91%	market price no yes yes						none

under investment	information	March 30			chemical company's business								
heart (with	Technology	Day			business structure, set								
Limit	limited				China Resources Development								
partner), a company village					Core Business,								
capital	5.3636				Build a competitive advantage								
limited	% equity				potential, increase profit								
Division, Kun					benefit ability								
Yamane Makoto					The battle of the joint company								
under investment					Plan slightly.								
heart (with													
Limit													
Partner)													
Shenzhen	Shenzhen				This equity transfer								
to Qin Yi	Hua Zhen				make it beneficial								
investment	information	2021			chemical company's business								
Partnership	Limited	April 30	845.16		business structure, set		With reference						
industry (with	technology	Day			China Resources Development		to net book capital	no no yes yes					none
Limit	company				Core business, 1,600	-1.31%	production negotiation						
Partner)	16% shares				Build a competitive advantage		Pricing						
	right				potential, increase profit								
					benefit ability								
					The battle of the joint company								
					Plan slightly.								
Zhang Xiurong	Shanghai				This equity transfer								
	Albert				make it beneficial								
	Chong Hing				chemical company's business								
	Electromechanical	2021	-52.79		business structure,		reference account						
	equipment	Year 06			centralized resource development		face net	no no yes yes					none
	limited	March 30			Core business, 510	capital 0.08%	Negotiated						
	company	Day			Build a competitive advantage		pricing						
	51% shares				potential, increase profit								
	right				Profitability, in line with								
					the company's strategy								
					Plan slightly.								
Suzhou Cloud	Suzhou				This equity transfer								"Shanghai Securities
Car Communication	Ruiyi				make it beneficial								Securities Journal, Securities
information technology	information	2021			chemical company's business		reference evaluation						Securities Times and
limited	technology	Year 12	development	27,010 8,901.65	business structure,	-13.76%	Valuation and						Giant tide information
	limited	March 30			centralized resource		Investment	no no yes yes					disclosed on the net
	company	Day			Core Business,		cost agreement						"About Politics
	100%				Build a competitive advantage		Negotiated price						Government to buy back
	Equity				potential, increase profit								company section
					benefit ability								land property

					The battle of the joint company. Plan slightly.								Announcement of other assets Numbering: 2021-071
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9. Analysis of major holding companies

√ Applicable √ Not applicable

Major subsidiaries and shareholding companies that affect the company's net profit by more than 10%

unit: yuan

Company Name	Company Type	Main Business	Registered Capital	Total Assets	Net Assets	Operating Income	Operating Profit	Net Profit				
Jiangsu Tongding Light bar is limited company	Subsidiary	Optical fiber preform, optical fiber R&D, production and sales; Self-operated and agency business Import and export business of products and technologies (national limited company operate or prohibit import and export Commodities and technologies except outside). (approved by law The project can only be carried out after being approved by the relevant departments. camp activities)				902,605,769.827,342,533.1,820 million	71	62	2	.41	.97	
Beijing Baizhuo Network Technology Co., Ltd	Subsidiary	Railway data signal cables, Production of railway special cables, communication cables and optical cables; R&D and sales of various cables; The company's self-produced products are sold Sales and after-sales service, technology Self-produced services; self-operated and on behalf of 450 million yuan to manage various commodities and technologies import business; through cargo transportation. (by law Items subject to approval, Business activities can only be carried out after the approval of the relevant departments)				232,002,893.74,152,119.9	21	0	14	.98	.84	
Tonghao Information Technology (on sea) Co., Ltd.	Subsidiary	In the field of information technology technology development, technology Consulting, Technology Transfer, Technology 467.19 million yuan in technical services, consulting, and business information consulting. (Approved according to law project, approved by relevant departments Only after approval can start business				166,068,364.166,068,364.	85	85		.59	.59	

		Activity						
Jiangsu Tongding Broadband Limited	Subsidiary	equipment, communication equipment, machine Top box equipment, high precision light Technical consultation of academic products, R&D, production and sales; High and low voltage power distribution equipment Calculate, assemble, sell; Sales and agency of various commodities and technology import and export service; communication engineering; electromechanical Equipment installation engineering; calculation computer network engineering; security worker process; computer network system integration; communication, computer Technical services in the field; 208 million yuan Cable Trays and Fiber Channels design, assembly and sale; Wired or wireless communication equipment (excluding terrestrial satellite connection collection equipment) design, research and development, Assembly and sales; optoelectronic equipment equipment and devices (including optical mode block, intelligent electronic lock), passive optical fiber access equipment design, development and assembly and sales. (by law Approved items, subject to Business activities can only be carried out after the approval of the department)		804,473,331.481,991,387	448,435,273.		-10,003,997.	-9,102,267.5
			64	40	41	27	9	
Suzhou Dingyu Materials Technology Co., Ltd.	Subsidiary	Business Scope: Low Smoke Halogen Free Flame retardant cable material, PVC Production and sales of vinyl cable materials and polyethylene cable materials; Sales and agency of various commodities and technology import and export service. (approved by law projects, approved by relevant departments After approval, the camp activities)	8 million yuan	36,233,221.1	30,634,601.7 24,386,059.9		-1,143,039.9	-1,230,839.3
				5	1	3	6	5
Jiangsu Tongding Optoelectronics Technology limited company	Subsidiary	Railway data signal cables, Production of railway special cables, communication cables and optical cables of RMB 100.8 million; R&D and sales of various cables;		527,579,643.441,654,510.		176,562,989.27,059,593.0	17,369,034.2	
				28	11	81	2	8

		The company's self-produced products are sold						
		Sales and after-sales service, technology						
		Self-produced services; self-operated and on behalf of others						
		Manage various products and technologies						
		import business;						
		through cargo transportation. (by law						
		Items subject to approval,						
		Approved by relevant departments						
		business activities)						

Acquisition and disposal of subsidiaries during the reporting period

ÿ Applicable ÿ Not applicable

Company Name	Methods of acquiring and disposing of subsidiaries during the reporting period	Impact on overall production, operation and performance
Shenzhen Huazhen Information Technology Co., Ltd.	Equity sale	The company sold 16% equity of Shenzhen Huazhen at a price of RMB 16.000 million, affecting a net profit of RMB 8.4516 million. Book The funds obtained from this transaction are used for the company's production and operation activities, which is conducive to improving the company's resource allocation efficiency and reducing Company financial costs. This equity transfer is conducive to optimizing the company's business structure, concentrating resources to develop core businesses, Build competitive advantage and improve profitability, in line with the company's strategic plan. From May 2021, Shenzhen Huazhen No longer included in the scope of the company's consolidated statements.
Shanghai Weiye Chuangxing Machine electrical equipment co., ltd.	Equity sale	The company sold 51% equity of Shanghai Weiye for 5.10 million yuan. Affecting net profit of -527,900 yuan. this time The funds obtained from the transaction are used for the production and operation activities of the company, which is conducive to improving the efficiency of the company's resource allocation and reducing the public cost. company financial costs. This equity transfer is conducive to optimizing the company's business structure, concentrating resources to develop core businesses, Build competitive advantage and improve profitability, in line with the company's strategic plan. From July 2021, Shanghai Weiye will no longer be included in the scope of the company's consolidated statements.
Suzhou Ruiyi Information Technology Co., Ltd.	Equity sale	The consideration for the company to sell 100% equity of Suzhou Ruiyi is RMB 270.1 million. The net profit affected is RMB 89,016,500. The funds obtained in this transaction are used for the company's production and operation activities, which is conducive to improving the company's resource allocation efficiency and reducing the company's financial costs. This equity transfer is conducive to optimizing the company's business structure, concentrating resources to develop core businesses, Build competitive advantage and improve profitability, in line with the company's strategic plan. From January 2022, Suzhou Ruiyi No longer included in the scope of the company's consolidated statements.

X. Situation of structured entities controlled by the company

ÿ Applicable ÿ Not applicable

11. Prospects for the future development of the company

(1) The company's development strategy and business plan in 2022

The 2022 government work report pointed out: to promote the development of the digital economy. Strengthen the overall layout of digital China construction. Build digital information infrastructure, gradually build a national integrated big data center system, promote the large-scale application of 5G, promote the digital transformation of industries, and develop smart cities and digital villages. Accelerate the development of the industrial Internet, cultivate and expand digital industries such as integrated circuits and artificial intelligence, and improve the innovation and supply capabilities of key software and hardware technologies. Improve the governance of the digital economy, cultivate a market for data elements, release the potential of data elements, improve application capabilities, and better enable economic development and enrich people's lives.

On November 16, 2021, the Ministry of Industry and Information Technology officially issued the "14th Five-Year Plan for the Development of the Information and Communication Industry", which clearly stated that by 2025

In 2018, the overall scale of the information and communication industry has been further expanded, the quality of development has been significantly improved, and a new type of digital infrastructure that is high-speed ubiquitous, integrated and interconnected, intelligent, green, safe and reliable has been basically built. The innovation capability has been greatly enhanced, and emerging business forms have flourished, enabling the digitalization of the economy and society. The ability of transformation and upgrading has been comprehensively improved, and it has become a strong pillar for building a manufacturing power, a network power, and a digital China.

In the face of new development opportunities, the company will integrate various resources in all aspects, accelerate the digital transformation of traditional main businesses, improve the level of refined management, and reduce operating costs; further enhance the company's ability to quickly respond to customer needs, ensure product quality, and strive to improve customers. Service level; continue to optimize the structure of assets and liabilities, revitalize and realize long-term assets, reduce the scale of borrowings by financial institutions, reduce financial expenses, and improve profitability; actively plan for the future, pay attention to the improvement of research and development capabilities, new product development and other work, reserve development momentum, ensure Company sustainable development.

1. Focus on main business and accelerate the digital transformation of traditional main business

Optical cable business is the company's traditional main business. After years of development, the company's optical fiber cable, communication cable, railway signal cable, electric power
The production capacity of cables and other products has been in the forefront of the cable industry.

In 2021, the company disposed of some inefficient assets in the optical fiber and cable business, and operating costs were greatly reduced. With the gradual recovery of optical fiber and cable prices, the gross profit margin of products is expected to increase in 2022. In 2022, the company will further strengthen the development of the railway market and urban rail market. Most of the urban rail projects that won the bid in the early stage will be implemented in 2022, and the sales revenue of railway signal cables, leaky coaxial cables and other products will achieve a relatively large increase. ; In 2022, in line with the national policies and policies, seize the opportunity to give full play to the advantages of production capacity, brand and technology research and development, and vigorously develop the power cable business sector. With the further expansion of the State Grid, subway and petroleum and petrochemical markets, orders for power cables will also increase significantly.

At the same time, the company will accelerate the digital transformation of traditional main businesses, improve the level of refined management, and reduce operating costs;
The ability to respond to customer needs, ensure product quality, and strive to improve customer service levels.

2. Build a thick and solid industrial chain, and cultivate the main channel of communication equipment

In the field of communication equipment, the company will continue to promote the layout and business expansion in the field of transmission, access and wireless equipment, seek new market opportunities, target market segments, give full play to the advantages of multi-product and multi-professional, and customize product solutions and service solutions plan, increase the added value of products, strengthen external cooperation in the industrial chain, strengthen brand building and publicity, and increase market promotion efforts. At the same time, the company will increase investment in talent reserves and research and development, and promote the company to move to a higher position in the communications industry chain.

3. Solidify the network security sector, and strive to turn losses into profits as soon as possible

In the new era, the importance of data security and network security in the fields of industry and informatization is unprecedented. Carry out the upgrade and transformation of the Principal System, coordinate the development of network and data security technical means, form data security and network security supervision capabilities in the industrial and informatization fields as soon as possible, and implement the Cybersecurity Law, the Data Security Law, and the Personal Information Protection Law. ", "Key Information Infrastructure Security Protection Regulations" and other relevant laws and regulations, improve industry data security and network security supervision capabilities, and make every effort to ensure the network security of the Party's 20th National Congress. With the rise of emerging technologies such as cloud computing, Internet of Things, big data, 5G, etc., the boundary of network information security is constantly weakening, and the content of security protection is increasing, which poses huge challenges to data security and information security, and also opens up the network information security market. New incremental space.

Byzoo Networks provides operators and national security agencies with a wealth of product solutions through self-developed distribution products and network security products.

With its industry-leading technical level and sound business qualifications, it has become the main force in the construction of information security systems by virtue of years of deep market cultivation. In 2022, the company will strive to expand market share, integrate resources to improve operational efficiency, strengthen risk control, and strive to turn losses into profits as soon as possible.

4. Strengthen post-investment management to prevent risks, promote business synergy, and enhance overall competitive advantage

In 2022, the company will continue to focus on finance, capital, business, internal audit and other aspects, strengthen the management of the company's wholly-owned, holding and joint-stock joint ventures, optimize resource allocation, prevent capital and operating risks, and promote various business sectors. The coordinated development of the company will complement each other in R&D, production and sales, and give full play to the advantages of industrial clusters, thereby gradually improving the company's overall competitive advantage.

5. Continue to reduce the burden and lose weight, promote the exit of non-core businesses, and optimize the structure of assets and liabilities

In 2021, the company's burden reduction and slimming effect will be remarkable, and a total of 900 million yuan in interest-bearing liabilities will be reduced by recovering funds through asset disposal. In 2022, the company will continue to promote the exit of various financial equity investments and non-core business assets, recover investment funds, and realize investment returns. Assets received

Proceeds will be used to reduce interest-bearing liabilities and supplement working capital. In addition, according to the needs of business development, the company will raise funds through equity, bonds and other financing methods when necessary to supplement working capital and reduce the scale of current liabilities.

6. Recruit talents, strengthen company culture and organizational construction, and build the foundation for sustainable development of the company

At present, the company has entered many fields of the communication industry, and established branches in various provinces across the country. In the future, the company will promote industrial upgrading, from the traditional optoelectronic cable to the field of equipment and systems, efficient organization, excellent management and excellent Talent is the key to the smooth implementation of the company's future development strategy. In 2022, the company will combine the current internal and external environment, improve the talent development plan, promote the construction of human resources by means of internal training and moderate introduction of external excellent management and technical talents, and improve the company's research and development, production and management level. At the same time, the company will continue to promote the adjustment and construction of the organizational structure, reform the assessment and incentive mechanism, and focus on the construction of internal culture, to create a corporate culture in line with the company's characteristics, to promote shareholders, enterprises and employees to become a community of shared destiny, and to put the interests of shareholders and enterprises. It is closely linked with the practical interests of each employee, and continues to create core values for employees, for the enterprise, and for the society.

(2) Risk factors faced by the company

1. The risk of the new crown pneumonia epidemic

Since the beginning of this year, the new crown pneumonia epidemic has shown a trend of normalization, multi-point distribution and localized outbreaks. Epidemic prevention and control measures such as regulatory blockade and personnel isolation have affected the normal production and operation of enterprises, and the duration and degree of impact have a certain degree. Uncertainty; at the same time, it may also lead to increased costs of raw materials, labor and logistics.

In response to the above risks, the company actively implements epidemic prevention and control, arranges production scientifically, strengthens communication with customers and suppliers, upgrades business development methods, adopts various methods to promote continuous and stable business operation, strengthens cost control, and minimizes the impact of the epidemic on the company. adverse effects on operations and development. The company will pay close attention to the development of the epidemic, as well as changes in the macro operating environment and policies, and actively and quickly handle and respond to the risks and challenges it brings.

2. The risk of raw material price fluctuations

The risks and pressures brought about by the fluctuation of raw material prices are one of the main problems that the company needs to face in the production and operation. In response to this problem, the company has taken a series of countermeasures: for the main raw material copper, the company currently locks the price through hedging; for other bulk raw materials, the company signs long-term supply agreements with suppliers to Suppliers share the risk of fluctuations in raw material prices.

3. Risk of product price fluctuations

In recent years, the demand in the domestic optical fiber and cable market has fluctuated greatly, and the fluctuation in demand has led to fluctuations in the market price of optical fiber and cable. In response to this risk, the company will actively expand the market, increase market share, increase production and sales, and at the same time optimize the production process and process, improve production efficiency, and strive to reduce Production and manufacturing costs to reduce operating risks caused by price fluctuations.

4. The risk of customer concentration

In recent years, with the continuous improvement of the company's technical level and the continuous expansion of brand influence, the company's business has shown a rapid growth momentum, but the sales targets of the company's products are mainly concentrated in mobile, telecom, China Unicom and other operators, and the customers are relatively concentrated. To this end, while further consolidating and expanding the existing market and establishing long-term strategic partnership with major customers, the company will vigorously expand overseas and non-operator markets, expand the company's market areas, and reduce the risk of customer concentration.

5. The risk of talent shortage

With the continuous expansion of the company's scale and the increasing number of business fields it has entered, the competition for R&D and management talents has become more intense in emerging industries with higher technical requirements. The company will retain and attract talents by establishing a scientific performance appraisal system, improving incentive programs, and strengthening human resource management.

6. Risk of performance compensation recovery

According to the "Audit Report on the Realization of Performance Commitment of Beijing Byzoo Network Technology Co., Ltd." (Tianheng Zhuanzi (2020) No. 00452) issued by Tianheng Office and the relevant agreements signed by the company and the original shareholder of Byzoo Networks, Chen Haibin, etc. According to the agreement on performance compensation, the performance compensation promiser shall compensate the company in shares and cash according to the agreement. Up to now, some of the shares acquired by the original shareholders of Byzoo Networks in the transaction have been sold, pledged, frozen, etc., and there is a risk that the company's performance compensation cannot be recovered on time. For the progress of performance compensation, please refer to the "Announcement on the Progress of Byzoo Network Performance Compensation" (Announcement No.: 2021-054). The company will continue to pay attention to the follow-up progress of relevant matters, urge the performance commitment parties to earnestly fulfill their performance commitment compensation obligations, and will take all necessary measures to safeguard the interests of the company and minority shareholders according to the progress

XII. Reception of research, communication, interviews and other activities during the reporting period

☑ Applicable ☑ Not applicable

During the reporting period, the Company did not receive any activities such as reception, research, communication or interview.

Section 4 Corporate Governance

1. Basic Situation of Corporate Governance

During the reporting period, the company strictly complied with the "Company Law", "Securities Law", "Governance Guidelines for Listed Companies", "Shenzhen Stock Exchange Listing Rules", "Shenzhen Stock Exchange Listed Companies Standardized Operation Guidelines" and China Securities Regulatory Commission, In accordance with the requirements of other relevant laws and regulations promulgated by the Shenzhen Stock Exchange, the company has continuously improved the internal corporate governance structure of the company, established and improved the internal control system, further standardized the company's behavior, and improved the company's governance level. (1) About Shareholders and General Meeting of Shareholders The General Meeting of Shareholders is the highest authority of the company.

and other regulations and requirements, standardize the convening, convening and deliberation procedures of the general meeting of shareholders, ensure that all shareholders, especially small and medium shareholders, enjoy equal status, and ensure that all shareholders can fully exercise their rights. (2) Regarding the controlling shareholder and the controlling shareholder of the company, the behavior of shareholders is strictly regulated in accordance with the "Governance Guidelines for Listed Companies", "Shenzhen Stock Exchange Listing Rules" and "Articles of Association", and the shareholders' rights are exercised through the general meeting of shareholders, and there is no occurrence of exceeding the general meeting of shareholders and the board of directors to directly or indirectly interfere with the company's operations and decision-making. The company has independent business and operating capabilities, and is independent from the controlling shareholder in terms of business, personnel, assets, organization and finance. The company's board of directors, supervisory board and internal institutions operate independently. (3) About directors and the board of directors There are 9 members of the board of directors of the company, including 3 independent directors. The number and composition of the board of directors of the company meet the requirements of laws and regulations; the board of directors has four special committees: strategy, remuneration and assessment, audit, and nomination. Among them, independent directors in the Remuneration and Appraisal Committee, Audit Committee and Nomination Committee account for 2/3 of the total number, and one independent director in the Audit Committee is an accounting professional. , "Implementation Rules of the Strategy Committee of the Board of Directors", "Implementation Rules of the Remuneration and Appraisal Committee of the Board of Directors", "Implementation Rules of the Audit Committee of the Board of Directors", "Implementation Rules of the Nomination Committee of the Board of Directors". The board of directors holds meetings in accordance with the "Rules of Procedure for the Board of Directors", implements the resolutions of the general meeting of shareholders and exercises its powers according to law; all directors of the company can operate in accordance with the "Rules of Procedure for the Board of Directors" and "Guidelines for Self-discipline and Supervision of Listed Companies on the Shenzhen Stock Exchange No. 1 - Main Board Listed Companies Standard Operation ", etc., earnestly fulfill the obligations of diligence and conscientiousness, exercise the powers conferred by the "Articles of Association", attend the board of directors and shareholders' meetings on time, and be familiar with relevant laws and regulations; the company's three independent directors maintain full independence in their work and actively participate in the board of directors At the meeting, various proposals were carefully considered, and independent opinions were expressed on relevant matters, so as to effectively safeguard the interests of the company and minority shareholders. (IV) About Supervisors and the Supervisory Committee There are 3 members of the Company's Supervisory Committee, including 2 shareholder representative supervisors and 1 employee representative supervisor. The number and composition of supervisors meet the requirements of laws and regulations. The Supervisory Committee of the Company convened the Supervisory Committee in strict accordance with the Articles of Association and the Rules of Procedure of the Supervisory Committee. All supervisors attended the board of supervisors on time, performed their duties conscientiously, and in the spirit of being responsible to shareholders, could supervise and express opinions on major issues of the company, related transactions, financial status, etc., and safeguarded the legitimate rights and interests of the company and shareholders. (5) Regarding information disclosure and transparency In accordance with relevant laws and regulations and the requirements of the "Information Disclosure Management Measures" and "Information Disclosure Affairs Management System" formulated by the company, the relevant information shall be disclosed in a true, accurate, complete and timely manner, and all shareholders shall have equal opportunities to obtain information. (VI) About relevant stakeholders The company fully respects and safeguards the legitimate rights and interests of relevant stakeholders, treats suppliers and customers with integrity, carefully cultivates every employee, and strengthens communication and exchanges between all parties. Realize the coordination and balance of the interests of the society, shareholders, the company, employees, etc., and jointly promote the sustainable and steady development of the company.

(VII) About the company and investors The company pays

attention to communication with investors, clarifies that the secretary of the company's board of directors is the person in charge of investor relations management, organizes and implements the daily management of investor relations, and formulates the "Investor Relations Management System" and "Investment Relations Management System". "Management Measures for Investors' Investigation and Reception", and strengthen communication and exchanges with investors through the Shenzhen Stock Exchange's interactive platform and reception of visitors. During the reporting period, the company strengthened communication with investors by holding performance briefings, receiving investor surveys on site, and responding to investors' questions through the Shenzhen Stock Exchange's interactive platform. (8) About performance evaluation and incentive and restraint mechanism The company has established a relatively comprehensive performance evaluation and evaluation method, and the appointment of senior management personnel is open, transparent and in line with relevant laws, regulations and internal rules and regulations of the company. Senior management personnel implement an annual salary system, which is linked to the completion of annual business indicators. At the same time, comprehensive evaluation is carried out according to the clear regulations on the performance, authority and responsibilities of senior management personnel. (9) Internal audit system The company has set up an audit department and deployed 9 full-time auditors. Under the leadership of the audit committee of the board of directors, the company has an

Audit and supervise the operation quality, economic benefit, implementation of internal control system, use of various expenses and assets.

As of the end of the reporting period, the above-mentioned institutions and personnel operated in accordance with the law, and there was no violation of laws or regulations, and they were able to effectively perform their duties and obligations.

The actual situation of corporate governance complies with the requirements of the "Guidelines for Corporate Governance of Listed Companies" and "Guidelines for the Standardized Operation of Listed Companies of Shenzhen Stock Exchange".

Whether there is a material difference between the actual situation of corporate governance and laws, administrative regulations and regulations on the governance of listed companies issued by the China Securities Regulatory Commission

Yes No

There is no material difference between the actual situation of corporate governance and laws, administrative regulations and regulations on the governance of listed companies issued by the China Securities Regulatory Commission.

2. The company's independence in guaranteeing the company's assets, personnel, finance, organization, business, etc. relative to the controlling shareholder and actual controller

The company is completely separated from the company's controlling shareholder in terms of business, personnel, assets, organization, finance, etc., and operates independently; the company has the ability to operate independently in the market.

(1) Business: The company is independent from the controlling shareholder, and there is no situation where the controlling shareholder directly or indirectly interferes with the company's operations. The company has a complete business structure, has an independent and complete production, supply and sales system, and has the ability to face the market independently. The company independently organizes production and operation according to the production and operation plan, conducts business independently, and independently assumes responsibilities and risks. (2) Personnel: The company has an independent and complete personnel management system. The company's directors and supervisors are elected in strict accordance with the relevant provisions of the "Company Law" and the "Articles of Association". The management personnel are all working in the company full-time and receive remuneration. They have not held any positions other than directors and supervisors and received remuneration in the controlling shareholder, actual controller and other enterprises controlled by them.

(3) Assets: The property rights of assets between the company and its shareholders are clearly defined, the production and operation sites are independent, the company has an independent and complete asset structure, an independent production system, auxiliary production system and supporting facilities, and an independent procurement and sales system. It has independent trademarks, land use rights, patented technologies, non-patented technologies and other intangible assets, and there is no situation where assets and funds are occupied by shareholders and damage the interests of the company.

(IV) Institutions: The company has a sound organizational system, established a complete and independent corporate governance structure such as the general meeting of shareholders, the board of directors, the board of supervisors, etc., established an organizational structure that meets the needs of the company's development, and formulated corresponding internal management and control system, each organization operates independently in accordance with the law, with a clear division of labor, each performs its own duties and cooperates with each other. There is no mixed operation with shareholders, and there is no affiliation with shareholders' functional departments.

(V) Finance: The company has an independent financial and accounting department. The person in charge of finance is appointed by the board of directors of the company. The financial personnel are independent and hired by the company. An independent accounting system and financial management system have been established to independently make financial decisions. The company opens bank accounts independently and pays taxes independently. There is no situation where the controlling shareholder interferes with the use of the Company's funds.

3. Competition in the same industry

√ Applicable √ Not applicable

IV. Information on the annual general meeting and extraordinary general meeting held during the reporting period

1. The general meeting of shareholders during the reporting period

session	Meeting Type Investor Participation Ratio Date of Convening	Disclosure date	meeting outcome
2020 Annual General Meeting of Shareholders	Securities Times 36.31% May 21, 2021 May 22, 2021 and the website of www.cninfo.com.cn		The meeting reviewed and approved all proposals For details, please refer to the company's disclosures on Shanghai Securities News and "2020 Annual General Meeting of Shareholders Resolution Announcement (Announcement No.: 2021-031)jy
2021 First Extraordinary Extraordinary Shareholders	General Meeting of 36.00% On September 13, 2021, on September 14, 2021 and disclosed by www.cninfo.com.cn		The meeting reviewed and approved all proposals For details, please refer to the company's "Above Securities News, Securities Times "Announcement on Resolutions of the First Extraordinary General Meeting of Shareholders in 2021" (Announcement Number: 2021-053).
Second interim in 2021 Shareholders' meeting	Extraordinary General Meeting www.cninfo.com.cn November 29, 2021 November 30, 2021		The meeting reviewed and approved all proposals. For details, please refer to the company's Securities News, Securities Times and 36.13% disclosed by "Second Temporary Shares in 2021 Announcement on Resolutions of the East General Assembly (Announcement Number: 2021-067).
The third interim in 2021 Shareholders' meeting	Extraordinary General Meeting 36.08% On December 21, 2021, on December 22, 2021 and disclosed by www.cninfo.com.cn		The meeting reviewed and approved all proposals For details, please refer to the company's "Above Securities News, Securities Times "Third Interim Shares in 2021 Announcement on Resolutions of the East General Assembly (Announcement No.: 2021-077).

2. The preference shareholders whose voting rights have been restored request the convening of an extraordinary general meeting

√ Applicable √ Not applicable

V. Directors, Supervisors and Senior Management

1. Basic situation

name title	take office	gender age	term start date	term end date	holding at the beginning of the period	increase in this issue	Less in this period	other increase	end-of-period	Share increase
state			Expect		number of shares	shareholding	shareholding	minus change	number of shares	minus change
(share)					(share)	quantity	quantity	(share)	(share)	s reason
(share)						(share)	(share)			
Incumbent Male 59 23			February 2018 July 2023	Director Shen Xiaoping	55,994,1				55,994,1	
				06th	72				72	
Incumbent Male 64 07			July 2020 July 2023	Chairman Wang Jiaxin	0				0	
				06th						
Liu Dongyang	Director, Deputy General manager	May 2021 July 2023	Incumbent Male 38 21		0				0	
				06th						
male 64 07			July 2020 July 2023	Director Chen Fei incumbent	0				0	
				06th						
Minamibo	Director, Deputy General manager	September 2021 July 2023	Incumbent Male 51 13		0				0	
				06th						
Lu Kai	Director, Board Secretary	13	September 2021 July 2023	Incumbent Male 35	0				0	
	Book			06th						
Lin Jintong	Independent director		Jul 2017 Jul 2023	Incumbent Male 76 05	0				0	
	case			06th						
Wang Zebin	Independent director	27	September 2016 July 2023	Incumbent Male 62	0				0	
	case			06th						
Wu Shimin	Independent director		Jul 2020 Jul 2023	Incumbent Male 63 07	0				0	
	case			06th						
Cui Fei	Supervisory Board Chairman		Jul 2020 Jul 2023	Incumbent Female 34 07	0				0	
				06th						
Incumbent Male 47 20			May 2008 July 2023	Supervisor Shen Guoliang	0				0	
				06th						
Yanyan incumbent female 32 13			September 2021 July 2023	Supervisor Shen	0				0	
				06th						
Mao Bing is currently male 46 07			July 2020 July 2023	The general manager of	0				0	
				06th						
Shen Liang	Vice President		March 2020 July 2023	Incumbent Male 41 12	0				0	
	reason			06th						
Zhu Jinbiao	Vice President		Jul 2020 Jul 2023	Incumbent Male 49 07	0				0	
	reason			06th						

Chen Danghan	total financial expenses	Current male 41			March 2020 12th	July 2023 06th	0				0	
Wang Bo	Director, Deputy General manager	outgoing male 36			July 2017 05th	April 2021 28th day	0				0	
Director Qian Huifang resigned		female 49			May 2008 The 20th	August 2021 The 13th	0				0	
He Zhongliang	Director, Deputy General manager, Board of Directors secretary	Resigned male 38			July 2020 07th	August 2021 The 13th	0				0	
Gao Zhirong, the supervisor resigned, male 45					July 2017 05th	September 2021 12th	39,000				39,000	
total							56,033,172	0	0		56,033,172	

During the reporting period, is there any resignation of directors and supervisors and dismissal of senior management personnel during their term of office?

Yes No

For details, please refer to the following table "Changes in the Company's Directors, Supervisors and Senior Management".

Changes in directors, supervisors and senior management of the company

Applicable Not applicable

Name	Type of job held		date	reason
Wang Bo	Resignation of director and deputy general manager		April 28, 2021	Resigned due to personal reasons.
Qian Huifang	director	Resigned on August 13, 2021		due to personal reasons.
He Zhongliang	Director, Deputy General Manager, board secretary	leave office	August 13, 2021	Resigned due to personal reasons.
Gao Zhirong	Supervisor	Resigned on September 12, 2021		due to personal reasons.
Liu Dongyang	director	Elected at the company's 2020 annual general meeting	on May 21, 2021.	
Lu Kai	Board Secretary Appointment	Appointed at the seventh meeting of the fifth board of directors of the company	on August 13, 2021.	
Lu Kai	director	Elected on September 13, 2021	at the company's first extraordinary general meeting of shareholders in 2021.	
Minamibo	director	Elected on September 13, 2021	at the company's first extraordinary general meeting of shareholders in 2021.	
Shen Yanyan	Supervisor	Elected on September 13, 2021	at the company's first extraordinary general meeting of shareholders in 2021.	

2. Occupation status

The professional background, main work experience and main responsibilities of the current directors, supervisors and senior management of the company

(1) Members of the Board of Directors

Mr. Shen Xiaoping, born in September 1963, holds a college degree. From 1981 to 1984, he served in a department in Zhoushan, Zhejiang; January 1984 to 1987

In November 2008, he was an ordinary staff member of the Party School of Wujiang Municipal Committee; from December 1987 to December 1991, he was engaged in self-employment; from January 1992 to October 1998,

He was the sales manager of Huzhou Nanfang Communication Cable Factory; from November 1999 to January 2000, he was the general manager of Wujiang Shengxin Cable Factory; from January 2000 to 2015

From May 2010, he served as the chairman of Tongding Internet Information Co., Ltd.; from April 2010 to July 2020, he served as the director of Suzhou Ruiyi Information Technology Co., Ltd.; from November 2011 to May 2020, he served as Jiangsu Tongdingguang Executive Director of Rod Co., Ltd. From August 2016 to April 2021, he concurrently served as Chairman of Hangzhou Yiyi Tidi Information Technology Co., Ltd. Since October 2001, he has been the executive director of Tongding Group Co., Ltd.; since April 2006, he has also served as the supervisor of Suzhou Tongding Real Estate Co., Ltd.; since June 2006, he has also served as the executive director of Jiangsu Tongding Optoelectronics Technology Co., Ltd.; December 2010 Since January 2011, he has also served as the executive director of Suzhou Dingyu Material Technology Co., Ltd.; since July 2013, he has also served as the executive director of Jiangsu Wu Jiangsu Zhouwan Hotel Co., Ltd.; 2018 From May to now, concurrently serving as Zhong An Huabang (Beijing)

Director of Safety Production Technology Research Institute Co., Ltd.; concurrently director of Wujiang Dongfang Guofa Venture Capital Co., Ltd., director of Wujiang Luxiang Rural Small Loan Co., Ltd., and director of Wujiang Chamber of Commerce Real Estate Co., Ltd. Since February 2018, he has served as a director of the company.

Mr. Wang Jiaxin, born in January 1958, is a second-level professor of economics at Nanjing Audit University. From August 2002 to July 2017, he served as Nanjing Auditor College (now Nanjing Audit University) party committee member, deputy secretary of the party committee, secretary of the party committee, vice president and dean. Young and middle-aged experts with outstanding contributions at the ministerial level and recipients of special allowances from the State Council. Since July 2020, he has served as the director and chairman of the company.

Mr. Liu Dongyang, born in December 1984, holds a bachelor's degree. From January 2009 to September 2010, he served as the deputy general manager of Suzhou Shengxin Optical Fiber Sensing Co., Ltd.; from September 2010 to September 2011, he served as the manager of the company's operation department and deputy director of marketing; since September 2011, He has served as the general manager of Jiangsu Tongding Broadband Co., Ltd.; since July 2017, he has served as a director of the company. Since July 2018, he has served as the deputy general manager of the company and the general manager of the marketing center. In addition to serving in the company, Mr. Liu Dongyang has been a director of Jiangsu Baowangda Software Technology Co., Ltd. since November 2019; and a director of Shenzhen Huazhen Information Technology Co., Ltd. since August 2019.

Mr. Chen Fei, born in December 1958, bachelor's degree, served in Weixu District, Beijing from November 1974 to November 1981; March 1982 From August 1992, he worked in the Post and Telecommunications Bureau of Linquan County, Anhui Province; from September 1992 to December 2014, he worked in the office of Anhui Telecom Company. Since March 2019, he has been working in the system department of the company's headquarters; since May 2020, he has been serving as the executive director of Beijing Baizhuo Network Technology Co., Ltd. Since July 2020, he has served as a director of the company.

Mr. Nan Fangxiu, born in April 1971, holds a bachelor's degree. From July 1993 to September 2009, worked in Jiaozuo Railway Cable Factory; 2009 Since September 2020, he has been the general manager of Jiangsu Tongding Optoelectronics Technology Co., Ltd.; since March 2020, he has been the deputy general manager of the company; since September 2021, he has been the director of the company.

Mr. Lu Kai, born in November 1987, has a bachelor's degree. From October 2015 to October 2017, he was an investor in Tongding Internet Information Co., Ltd. Clerk of the Capital and Securities Department; from October 2017 to August 2021, served as the securities affairs representative of Tongding Internet Information Co., Ltd. Since August 2021, he has been the secretary of the board of directors of the company; since September 2021, he has been a director of the company.

Mr. Lin Jintong, born in January 1946, Chinese nationality, no permanent residency abroad, graduated from the Department of Physics of Peking University, Master of Optical Communication from Beijing University of Posts and Telecommunications, Ph.D. in Optoelectronics from University of Southampton, UK. From October 1981 to September 1985, he served as a lecturer at Beijing University of Posts and Telecommunications; from September 1985 to June 1990, he served as a visiting scholar and doctoral student at the University of Southampton (UK); from June 1990 to September 1993, From September 1993 to June 1997, he served as the dean of the Beijing University of Posts and Telecommunications; from June 1997 to March 1998, he served as the vice president of Beijing University of Posts and Telecommunications; from March 1998 to December 2007, served as the president of Beijing University of Posts and Telecommunications, from December 2007 to January 2011, served as a professor of Beijing University of Posts and Telecommunications; from June 2011 to present, served as a consultant professor of Beijing University of Posts and Telecommunications. At the same time, he is also an independent director of Comba Telecom System Holdings Co., Ltd., an independent director of Huacan Optoelectronics Co., Ltd., a director of Jiangsu Zhongtian Technology Co., Ltd., and an independent director of UTStarcom Holdings Corp. Since July 2017, he has served as an independent director of the Company.

Mr. Wang Zebin, born in September 1960, Ph.D., Chinese nationality, no permanent residency abroad, professor of Soochow University, July 1986 to 1992 From July 1992 to September 2002, he served as the branch secretary of the Accounting Department of Soochow University; from September 2002 to June 2008, he served as the director of the Accounting Department of Soochow University; From June 2008 to July 2011, served as the Deputy Dean of Soochow Business School of Soochow University; From July 2011 to November 2014, he was the Executive Dean of Soochow Business School of Soochow University. Since November 2014, he has been a professor of Soochow Business School of Soochow University. At the same time, he is also an independent director of Jiangsu Zhangjiagang Rural Commercial Bank Co., Ltd., an independent director of Jiangsu Fumiao Technology Co., Ltd., an independent director of Suzhou

Director of Trust Co., Ltd., director of Suzhou Changguang Huaxin Optoelectronics Technology Co., Ltd., and Suzhou Yuancheng Technology Co., Ltd. Since September 2016, he has been an independent director of the company.

Mr. Wu Shimin, born in June 1959, Chinese nationality, no overseas permanent residency, postgraduate degree. February 1982 to January 1987,

He was an assistant researcher of a certain department of Nanjing Military Region; from February 1987 to August 1990, he was an assistant engineer of the Fourth Research Office of the Shanghai Electric Cable Research Institute of the Ministry of Machinery Industry; from August 1990 to January 1998, he worked in the industry of the Shanghai Electric Cable Research Institute. Office, Information Center Assistant Engineer, Engineer, Senior Engineer; From January 1998 to October 2018, served as Deputy Director and Senior Engineer of the Information Center and Information Convention and Exhibition Center of Shanghai Cable Research Institute; from October 2018 to June 2019, served as Senior Engineer of Shanghai Electric Cable Research Institute Co., Ltd.; since December 2001, successively served as China Electrical Equipment Industry Association Deputy Secretary-General and Executive Deputy Secretary-General of the Wire and Cable Branch. Since 2014, he has also served as the National Technical Committee for Standardization of Wires and Cables (SAC/TC213) Member, member of technical group (TG1); since 2019, he has also served as a member of the winding wire sub-standard committee of the National Standardization Technical Committee of Wire and Cable (SAC/TC213/SC1); since 2017, he has also served as a member of the Wire and Cable Special Committee of China Electrotechnical Society. Currently concurrently serving as Chase (Fu Jian) New Materials Co., Ltd. independent director, Jinbei Electric Co., Ltd. independent director. He has been an independent director of the company since July 2020.

(2) Members of the Board of Supervisors

Ms. Cui Fei, born in February 1988, holds a bachelor's degree and is an intermediate accountant. From January 2010 to August 2010, in Jiangsu Tongding Optoelectronics Co., Ltd.

From August 2010 to March 2011, he worked in the securities department of the company; from March 2011 to February 2016, he served as the company's securities affairs representative; from November 2016 to February 2019, Worked as manager of finance department and general department in Jiangsu Tongding Light Bar Co., Ltd. Since March 2019, he has been the assistant to the general manager of the Finance Department of the Company; since July 2020, he has been the chairman of the Supervisory Committee of the Company. In addition to serving in the company, Ms. Cui Fei also serves as a supervisor of Nanjing Diweipu Optoelectronics Technology Co., Ltd., a director of Shenzhen Huazhen Information Technology Co., Ltd., and Jiangsu Tongding Light Bar Co., Ltd. supervisor.

Mr. Shen Guoliang, born in February 1977, has a high school education. Since May 2000, he has served as Wujiang Shengxin Cable Co., Ltd.

Ding Internet Information Co., Ltd.) quality inspector of quality inspection department, deputy manager of logistics department, deputy manager of sales department. Since May 2008, he has been the employee representative supervisor of the Company.

Ms. Shen Yanyan, born in December 1990, holds a bachelor's degree. From April 2011 to December 2019, he worked in Tongding Internet Information Co., Ltd.

From January 2020 to June 2021, he served as the director of the archives office of the company; from July 2021 to the present, he served as the deputy manager of the administrative planning department of the company.

Since September 2021, he has served as a Supervisor of the Company.

(3) Senior management

Mr. Mao Bing, born in April 1976, Chinese nationality, no overseas permanent residency, postgraduate degree. August 1996 to July 2016,

He successively served as technician of the Line Institute, Deputy Director of the Line Institute, Deputy Director of the New Technology Center, Deputy Director of the Transmission Institute, President of the Network Institute, General Manager of the Marketing Department, and President of the Software Institute of Jiangsu Provincial Posts and Telecommunications Planning and Design Institute; April 2017 to 2020 In June 2009, he served as the chief expert of the R&D and Solution Department of YOFC Optical Fiber and Cable Co., Ltd. Since July 2020, he has been the general manager of the company.

Mr. Liu Dongyang, see (Members of the Board of Directors) for details. Mr. Nan

Fangxiu, see (Members of the Board of Directors) for details. Mr. Shen Liang,

born in August 1981, holds a college degree. From July 2004 to March 2020, worked in the Finance Department and Marketing Department of Tongding Internet Information Co., Ltd.; from December 2019 to May 2020, served as the general manager of Jiangsu Tongding Broadband Co., Ltd.; March 2020 to present, as the Deputy General Manager of the Company. In addition to his position in the company, Mr. Shen Liang also serves as a supervisor of Suzhou Runyintong Metal Materials Trading Co., Ltd., and Suzhou Tongyi Ecological Farmer. Executive Director of the Company Limited.

Mr. Zhu Jinbiao, born in October 1973, holds a bachelor's degree in law and a master's degree in business administration. From August 1996 to February 2003, he served as Wu Jiang

Prosecutor of the Municipal People's Procuratorate; from March 2003 to July 2018, served as a senior partner of Jiangsu Cambridge Law Firm; from November 2017 to 2020

In July, 2016, he concurrently served as the independent director of Jiangsu Jujie Microfiber Technology Group Co., Ltd.; since May 2016, he has been employed as the Law School of Xiangtan University,

Part-time professor of Intellectual Property School; from February 2016 to December 2021, concurrently serving as an independent director of Suzhou Taihu Electric New Materials Co., Ltd.; 2018

Since July 2020, he has been the general manager of the legal affairs department of the company; since July 2020, he has been the deputy general manager of the company.

Mr. Lu Kai, see (Members of the Board of Directors) for details.

Mr. Chen Danghan, born in January 1981, is a non-practicing member of Chinese Certified Public Accountants and holds a master's degree. October 2007 to May 2019

Since May 2019, he has served as the project manager and senior manager of Suzhou Fangben Certified Public Accountants Co., Ltd.; since May 2019, he has been the head of the financial department of the company;

Since March 2020, he has been the Chief Financial Officer of the Company.

Positions in shareholder units

✓ Applicable ✓ Not applicable

Name of employee	Shareholder name	in the shareholder unit position held	Term Start Date	Term End Date	Whether the shareholder unit receive remuneration allowance
Shen Xiaoping	Tongding Group Co., Ltd.	executive Director	October 2001	19th	Yes
in the shareholder unit job description	none.				

Employment in other units

✓ Applicable ✓ Not applicable

Name of employee	Other unit name	in other units position held	Term Start Date	Term End Date	in other units receive remuneration allowance
Shen Xiaoping	Suzhou Tongding Real Estate Co., Ltd.	Supervisor	April 2006		no
Shen Xiaoping	Wujiang Chamber of Commerce Real Estate Co., Ltd.	director	October 2012		no
Shen Xiaoping	Jiangsu Wu Jiangsu Zhouwan Hotel Co., Ltd.	Executive Director	July 2013		no
Shen Xiaoping	Jiangsu Tongding Broadband Co., Ltd.	Chairman	December 2013		no
Shen Xiaoping	Suzhou Dingyu Material Technology Co., Ltd.	Executive Director	January 2014		no
Shen Xiaoping	Director of Wujiang Luxiang Rural Small Loan Co., Ltd.		September 2014		no
Shen Xiaoping	Wujiang Dongfang Guofa Venture Capital Co., Ltd.	director	October 2014		no
Shen Xiaoping	Jiangsu Tongding Photoelectric Technology Co., Ltd.	Executive Director	November 2014		no
Shen Xiaoping	Zhongan Huabang (Beijing) Safety Production Technology Research Institute limited company	director	July 2018		no
Liu Dongyang	Shenzhen Huazhen Information Technology Co., Ltd.	director	August 2019		no
Liu Dongyang	Jiangsu Baowangda Software Technology Co., Ltd.	director	November 2019		no
Liu Dongyang	Jiangsu Tongding Broadband Co., Ltd.	General Manager	July 2020	October 2021	Yes
Chen Fei	Beijing Baizhuo Network Technology Co., Ltd.	Executive Director	May 2020		no
Minamibo	Jiangsu Tongding Photoelectric Technology Co., Ltd.	legal representative, General manager	August 2019		Yes
Lin Jintong	Comba Telecom System Holdings Co., Ltd.	Independent Director	May 2012		Yes
Lin Jintong	Jiangsu Zhongtian Technology Co., Ltd.	director	August 2016		Yes
Lin Jintong	Beijing Dingpu Technology Co., Ltd.	Independent Director	March 2019	October 2021	Yes

Lin Jintong	UTStarcom Holdings Corp. (UT Starcom Holdings Corp. company)	Independent director	September 2019 stock		Yes
Lin Jintong	Huacan Optoelectronics Co., Ltd.	Independent Director	April 2020		Yes
Wang Zebin	Jiangsu Fumiao Technology Co., Ltd.	Independent Director	December 2016		Yes
Wang Zebin	Independent Director of Jiangsu Zhangjiagang Rural Commercial Bank Co., Ltd.	May 2017			Yes
Wang Zebin	Suzhou Trust Co., Ltd.	Independent Director	September 2017		Yes
Wang Zebin	Suzhou Changguang Huaxin Optoelectronics Technology Co., Ltd.	Independent Director	November 2020		Yes
Wang Zebin	Suzhou Yuancheng Technology Co., Ltd.	Independent Director	December 2021		Yes
Wu Shimin	Independent Director of Datong (Fujian) New Materials Co., Ltd.	March 2020			Yes
Wu Shimin	Jinbei Electric Co., Ltd.	Independent Director	December 2020		Yes
Cui Fei	Supervisor of Nanjing Diweipu Optoelectronics Technology Co., Ltd.		August 2015		no
Cui Fei	Shenzhen Huazhen Information Technology Co., Ltd.	director	August 2019		no
Cui Fei	Jiangsu Tongding Light Bar Co., Ltd.	Supervisor	May 2020		no
Shen Liang	Supervisor of Suzhou Runyingtong Metal Materials Trading Co., Ltd.		August 2019		no
Shen Liang	Suzhou Tongyi Ecological Agriculture Co., Ltd.	legal representative, executive Director	January 2021		no
Zhu Jinbiao	Suzhou Taihu Electric New Materials Co., Ltd.	Independent Director	February 2016 December 2021	Yes	

Penalties imposed by securities regulators on current and outgoing directors, supervisors and senior managers of the company in the past three years

̐ Applicable ̐ Not applicable

3. Remuneration of Directors, Supervisors and Senior Management

Decision-making procedure, basis for determination and actual payment of remuneration for directors, supervisors and senior management

Decision-making procedures for the remuneration of directors, supervisors and senior management: the remuneration of directors, supervisors and senior management of the company is strictly in accordance with the "Procedure Rules of the Board of Directors" formulated by the company.

The Company's Articles of Association and the Articles of Association are implemented in accordance with the relevant provisions of the Company Law. The basis for determining the remuneration of directors, supervisors and senior management: according to the company's operating conditions

Determine the remuneration of relevant personnel based on the results of individual assessments. The allowance for independent directors is 80,000 yuan per year (before tax).

The remunerations that the directors, supervisors and senior management should get during the reporting period have been paid in full.

Remuneration of Directors, Supervisors and Senior Management of the Company during the Reporting Period

Unit: ten thousand yuan

Name	job title	gender	age	Service status	Taxes received from the company Total former compensation	Are you affiliated with the company? get paid
Shen Xiaoping	director	male	59	current	0	is
Wang Jiaxin	Chairman	male	64	Incumbent	179.29	No
Liu Dongyang	Director, Deputy General Manager	Male	38	Incumbent	92.01	yes
Chen Fei	director	male	64	Incumbent	6.1	No
Minamibo	Director, Deputy General Manager	Male	51	Incumbent	72.09	yes

Lu Kai	Director, Board Secretary Book	male	35	current	12.4	No
Lin Jintong	Independent director male		76	Incumbent	8	No
Wang Zebin	Independent director male		62	current	8	No
Wu Shimin	Independent director male		63	Incumbent	8	No
Cui Fei	female supervisory board chairman		34	Incumbent	16.4	No
Sinking country	Employee representative supervisor	male	47	Incumbent	19.26	No
Shen Yanyan	Supervisor	Female	32	current	9.52	No
pawn	General manager	male	46	Incumbent	124.59	No
Shen Liang	Deputy General Manager Male		41	Incumbent	9.57	No
Zhu Jinbiao	Deputy General Manager Male		49	Incumbent	136.36	No
Chen Danghan	Financial Director Male		41	Incumbent	40.1	No
Wang Bo	Director, Deputy General Manager	Male	36	Resignation	60.56	No
Qian Huiyang	director	Female	49	Resignation	57.69	No
He Zhongliang	Director, Deputy General Manager, board secretary	male	38	Resignation	22.11	No
Gao Zhirong	Supervisor	male	45	Resignation	20.27	No
total					902.32	

VI. Directors' performance of duties during the reporting period

1. The Board of Directors during the Reporting Period

session	Date	Disclosure date	meeting outcome
Fifth Board of Directors Fourth meeting	April 27, 2021 April 28, 2021		All proposals were reviewed and approved at the meeting. For details, please refer to the company's publication in Shanghai Securities News, The Fourth Meeting of the Fifth Board of Directors disclosed by Securities Times and www.cninfo.com.cn Announcement on Resolutions of the Conference (Announcement No.: 2021-010).
Fifth Board of Directors fifth meeting	April 29, 2021 April 30, 2021		All proposals were reviewed and approved at the meeting. For details, please refer to the company's publication in Shanghai Securities News, "The Fifth Meeting of the Fifth Board of Directors" disclosed by "Securities Times" and www.cninfo.com.cn Announcement on Resolutions of the Meeting (Announcement No.: 2021-023).
Fifth Board of Directors sixth meeting	June 24, 2021 June 25, 2021		All proposals were reviewed and approved at the meeting. For details, please refer to the company's publication in Shanghai Securities News, The "Sixth Meeting of the Fifth Board of Directors" disclosed by "Securities Times" and www.cninfo.com.cn Announcement on Resolutions of the Conference (Announcement No.: 2021-032).
Fifth Board of Directors seventh meeting	August 13, 2021 August 14, 2021		All proposals were reviewed and approved at the meeting. For details, please refer to the company's publication in Shanghai Securities News, "The Seventh Meeting of the Fifth Board of Directors" disclosed by "Securities Times" and www.cninfo.com.cn Announcement on Resolutions of the Conference (Announcement No.: 2021-039).
Fifth Board of Directors eighth meeting	August 25, 2021 August 26, 2021		All proposals were reviewed and approved at the meeting. For details, please refer to the company's publication in Shanghai Securities News, "The Eighth Meeting of the Fifth Board of Directors" disclosed by Securities Times and www.cninfo.com.cn

			Announcement on Resolutions of the Conference (Announcement No.: 2021-043).
Fifth Board of Directors ninth meeting	September 10, 2021 September 11, 2021		All proposals were reviewed and approved at the meeting. For details, please refer to the company's publication in Shanghai Securities News, The Ninth Meeting of the Fifth Board of Directors disclosed by Securities Times and www.cninfo.com.cn Announcement on Resolutions of the Conference (Announcement No.: 2021-051).
Fifth Board of Directors tenth meeting	October 25, 2021 October 26, 2021		All proposals were reviewed and approved at the meeting. For details, please refer to the company's publication in Shanghai Securities News, "The Tenth Meeting of the Fifth Board of Directors" disclosed by Securities Times and www.cninfo.com.cn Announcement on Resolutions of the Meeting (Announcement No.: 2021-056).
Fifth Board of Directors eleventh meeting	November 12, 2021 November 13, 2021		All proposals were reviewed and approved at the meeting. For details, please refer to the company's publication in Shanghai Securities News, The "Eleventh Session of the Fifth Board of Directors" disclosed by Securities Times and www.cninfo.com.cn Announcement on Resolutions of the Meeting (Announcement No.: 2021-060).
Fifth Board of Directors twelfth meeting	December 03, 2021 December 06, 2021		All proposals were reviewed and approved at the meeting. For details, please refer to the company's publication in Shanghai Securities News, "Securities Times" and www.cninfo.com.cn disclosed the "Twelfth Session of the Fifth Board of Directors" Announcement on Resolutions of the Meeting (Announcement No.: 2021-069).

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

Attendance of Directors at Board of Directors and General Meetings of Shareholders							
Director's name	This reporting period should refer to Add the number of boards	Directors present number of meetings	by means of communication Add the number of boards	Delegated Directors to Attend number of meetings	Absentee Board Times number	whether twice in a row did not attend in person board meeting	Attend general meeting of shareholders frequency
Shen Xiaoping	9	7	2	0	0	no	4
Wang Jiaxin	9	7	2	0	0	no	2
Liu Dongyang	7	5	2	0	0	no	2
Chen Fei	9	2	7	0	0	no	0
Minamibo	3	3	0	0	0	no	3
Lu Kai	3	3	0	0	0	no	3
Wang Bo	1	0	0	1	0	no	0
Qian Huifang	3	3	0	0	0	no	1
He Zhongliang	3	3	0	0	0	no	1
Lin Jintong	9	1	8	0	0	no	2
Wang Zebin	9	1	8	0	0	no	1
Wu Shimin	9	1	8	0	0	no	1

3. Objections raised by directors on matters related to the company

Does the director raise any objection to the company's related matters?

☐ Yes ☐ No

During the reporting period, the directors did not raise any objection to the relevant matters of the Company.

4. Other explanations on the performance of duties by directors

Whether the director's recommendation to the company has been adopted

Yes No

The director's statement on whether the company's proposal has been adopted or not adopted

During the reporting period, all directors of the company strictly followed the relevant laws and regulations and the company's articles of association, performed their duties diligently, attended the company's board of directors and shareholders' general meetings, and were responsible for the company's daily affairs.

Regular operation and management work, promote the implementation of meeting resolutions and supervise. The independent directors of the company earnestly perform their duties and actively understand the company's operating conditions and internal control system

Construction, etc., and take advantage of the opportunity to attend relevant company meetings and other time to actively go to the company to conduct on-site inspections, and give full play to the financial and management aspects.

Professional advantages, put forward opinions and suggestions for the company's strategic development, internal control and standardized operation, and promote the further improvement of the company's management level. At the same time, the directors of the company also actively

participated in relevant trainings to continuously improve their ability to perform their duties.

7. The special committees under the board of directors during the reporting period

Committee Name	Membership	Number of meetings held	Date and content of the meeting	Important points raised	Other specific circumstances of objection to the performance of
				see and suggestions	duties situation (if any)
Nomination Committee	Lin Jintong, Qian Hui Fang, Wu Shimin		April 2021 29th 2	Review the "About Supplementary Companies" Directors and special committees of the board of directors unanimously agree that the proposal without committee members shall not be applied."	
			In August 2021, the "About the Appointment of the Company The 13th Board Secretary's Proposal"	Unanimously agreed not applicable none	
Nomination Committee	Lin Jintong, Wu Shimin	1	August 2021 25th	Review the "About Supplementary Companies" The directors and the special committees of the board of directors unanimously agree that the proposal without committee members shall not be applied"	
Strategy Committee	Wang Jiaxin, Shen Xiao Ping, Lin Jintong	4	April 2021 The 20th	Considering the "On the proposed reduction of Register capital and amend the company chapter unanimously agree not to apply the proposal without process"	
			June 2021 11th	Review the "On Government Repurchase" Part of the company's land and real estate, etc. unanimously agreed Not applicable None Asset Proposal	
			September 2021 01st	Deliberation of the Shareholding Proposal	
			November 2021 The 10th	Review the "On Government Repurchase" Holding subsidiary land and real estate unanimously agreed Not applicable None Equity Proposal"	
			November 2021 30 days	Review the "On Government Repurchase" Holding subsidiary land and real estate Proposal for Assets and Other Assets, "Unanimously Agreed Not Applicable None Proposal for the Sale of Equity Interests in Wholly-owned Subsidiaries"	
The Audit Committee	Wang Zebin, Wang Bo, Lin Jintong		January 2021 Agreed unanimously with the accounting firm annual audit plan for the company	Not applicable No 3 20 The company's 2020	

				Arrange to communicate			
			April 2021 25th	Reviewing the firm's 2020 audit first draft report	unanimously not applicable none		
			April 2021 27th	Reviewing the 2020 Financial Final Report, the 2020 Annual Report profit distribution plan, <<2020 Annual Report> and Summary", "2020 Internal Control Self-Assessment Report", "Internal Control Rules" Implementation of the Self-Inspection Form", "About The company's expected date in 2021 "Proposal for Frequently Related Party Transactions". "Regarding Providing Unanimous Consent for Subsidiaries Not Applicable No Financing Guarantee Proposal, "About Xiangjin in 2021 Financial institutions apply for financing quota and related authorization proposals", "Proposal on Changes in the Company's Accounting Policies", "On Renewed the appointment of Tianheng Accounting Firm firm (special general partnership) Audit for the company in 2021 Agency's Proposal			
The Audit Committee	Wang Zebin, Lin Jin		April 129, 2021	Review "Q1 2021 Unanimously Agree Degree Report	Not Applicable None		
The Audit Committee	Wang Zebin, Liu Dong Yang, Lin Jintong		Review "2021 Semi-annual 25th	Unanimous Agree Not Applicable	No Report" in August 2021		
			October 2021 Review "Q3 25th 3	2021 Unanimous Agree Not Applicable None			
			Communication in November 25th	The 2021 annual pre-audit was unanimously agreed Physical situation and annual review concerns	Not applicable None		
Remuneration and Appraisal Committee Meeting	Wu Shimin, He Zhong Good, Wang Yi		April 126, 2021	Review the "2021 Directors allowances, compensation plans, Management 2021" Personnel allowance and compensation plan	Unanimously agreed not applicable No "Senior		
Remuneration and Appraisal Committee Meeting	Wu Shimin, Lu Kai, Wang Zebin		December 130, 2021	Reviewing the "2021 Directors and Senior Management's Performance of Performance Appraisal"	Duties Unanimously Agreed Not Applicable and		

8. The work of the board of supervisors

Whether the board of supervisors finds out whether the company has risks during the monitoring activities during the reporting period

ý Yes ý No

The Supervisory Committee has no objection to the supervision matters during the reporting period.

Nine, the company's employees

1. Number of employees, professional composition and education level

Number of on-the-job employees of the parent company at the end of the reporting period (person)	1,437
Number of on-the-job employees of major subsidiaries at the end of the reporting period (person)	691
Total number of on-the-job employees at the end of the reporting period (person)	2,128
The total number of employees receiving salary in the current period (person)	2,128
Number of retired employees (persons) that the parent company and major subsidiaries need to bear the expenses	0
Professional composition	
Professional Composition Category	Professional composition number (person)
Production staff	1,431
salesperson	160
Technical staff	214
Financial officer	41
administration staff	282
total	2,128
education level	
Educational level category	Quantity (person)
Master degree and above	49
Undergraduate	483
college	311
high school	195
Secondary school and below	1,090
total	2,128

2. Salary Policy

In order to enhance the competitiveness of enterprises and the enthusiasm of employees, the company has established a fair, competitive and motivated salary management system.

Funds, welfare allowances, full attendance bonuses, year-end bonuses, etc. According to the formulation and decomposition of annual business objectives, the company establishes an economic responsibility system assessment system, and formulates the economic

Responsibility system indicators, in which performance wages are determined based on economic indicators, management indicators, internal control and other related indicators. The year-end bonus is based on the company's annual operating efficiency and the indicators of each department.

The situation is confirmed. In addition, the company conducts a comprehensive evaluation of employees at the end of each year, and adjusts the employee's salary for the next year according to the evaluation results.

3. Training plan

In order to improve the overall quality and work efficiency of employees, the human resources department of the company formulates a training plan for the next year at the end of each year, including the training items, content, time, Location, training method, assessment method, participants, etc. The main training contents include employee quality, job operation skills, safety production, communication management, execution improvement, new employee training, quality awareness training, environmental and occupational health and other aspects. Teaching, external exchange learning

Wait.

4. Labor outsourcing

☑ Applicable ☑ Not applicable

X. Profit distribution of the company and conversion of capital reserve into share capital

The formulation, implementation or adjustment of the profit distribution policy during the reporting period, especially the cash dividend policy

☑ Applicable ☑ Not applicable

The company was profitable during the reporting period and the parent company's profit available for distribution to shareholders was positive, but no cash dividend distribution plan was proposed

☑ Applicable ☑ Not applicable

Profit distribution and conversion of capital reserve into share capital during the reporting period

☑ Applicable ☑ Not applicable

The company plans to distribute no cash dividends, no bonus shares, and no conversion of provident funds into share capital.

XI. Implementation of the Company's Equity Incentive Plan, Employee Stock Ownership Plan or Other Employee Incentive Measures

☑ Applicable ☑ Not applicable

1. Equity incentive

none

Equity incentives obtained by the directors and senior management of the company

☑ Applicable ☑ Not applicable

Evaluation mechanism and incentives for senior managers

Not applicable

2. Implementation of the employee stock ownership plan

☑ Applicable ☑ Not applicable

All valid employee stock ownership plans during the reporting period

range of employees	Changes in the total amount of shares held by the number of employees		total share capital of listed companies the proportion of	funds to implement the plan source
Some directors and supervisors of the company or senior management, public Company and its wholly-owned and controlled subsidiaries Company managers and	414 4,664,400	none	controlling shares	Employee's legal remuneration, self- Raising funds, 0.38% of the company's shares, loans and legal Others permitted by laws and regulations

core backbone employees					way of obtaining funds.
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Shareholdings of Directors, Supervisors and Senior Management in the Employee Stock Ownership Plan during the Reporting Period

Name	job title	Shares held at the beginning of the reporting period	Shares held at the end of the reporting period	of the total share capital of listed companies Proportion
Liu Dongyang	Director, Deputy General Manager	7,637	7,637	0.00%
Minamibo	Director, Deputy General Manager	8,353	8,353	0.00%
Lu Kai	Director, Board Secretary	7,160	7,160	0.00%
Cui Fei	Supervisor	7,160	7,160	0.00%
Sinking country	Supervisor	3,580	3,580	0.00%
Shen Yanyan	Supervisor	5,966	5,966	0.00%
Shen Liang	Deputy General Manager	78,755	78,755	0.01%

Changes in asset management institutions during the reporting period

ÿ Applicable ÿ Not applicable

Changes in equity due to disposal of shares by holders during the reporting period

ÿ Applicable ÿ Not applicable

The exercise of shareholders' rights during the reporting period

Not applicable

Other relevant situations and explanations of the employee stock ownership plan during the reporting period

ÿ Applicable ÿ Not applicable

Employee Stock Ownership Plan Management Committee Membership Changes

ÿ Applicable ÿ Not applicable

The financial impact of the employee stock ownership plan on the listed company during the reporting period and related accounting treatment

ÿ Applicable ÿ Not applicable

Termination of employee stock ownership plans during the reporting period

ÿ Applicable ÿ Not applicable

other instructions

As of the disclosure date of this report, all the company's shares held by the company's second employee stock ownership plan have been sold, and the implementation of this employee stock ownership plan has been completed and terminated. For details, see

The "Announcement on the Completion and Termination of the Second Phase of the Employee Stock Ownership Plan" disclosed by the company on March 19, 2022 (Announcement No. 2022-006).

3. Other employee incentives

ÿ Applicable ÿ Not applicable

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

1. Construction and implementation of internal control

In accordance with the provisions of the enterprise internal control standard system, the company continuously updates and improves the company's internal system, establishes, improves and effectively implements internal control, and reasonably guarantees the economic
Legal compliance of business management, asset security, true and complete financial reports and related information, improve business efficiency and effectiveness, and promote the realization of development strategies. company audit committee,
The internal audit department jointly forms the risk internal control management organization system to supervise and evaluate the company's internal control management. The company's internal control can cover the company's operations

There are no major omissions in the main aspects of management; the units, businesses and matters and high-risk areas included in the evaluation scope cover the main aspects of the company's operation and management, and there are no major omissions.

There are major omissions; the company's internal control design is sound and reasonable, the implementation of internal control is basically effective, and there are no major omissions. Through the operation of the internal control system,

Analysis and evaluation can effectively prevent risks in operation and management and promote the realization of internal control objectives.

2. The specific situation of major defects in internal control discovered during the reporting period

Yes No

XIII. The management and control of the company during the reporting period

Company Name Integration Plan Integration Progress		Problems encountered in integration	Solutions that have been taken	Resolution progress follow-up	resolution plan
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

14. Internal control self-assessment report or internal control audit report

1. Internal control self-assessment report

Disclosure date of the full text of the internal control evaluation report April 28, 2022		
Disclosure Index of the Full Text of the Internal Control Evaluation Report	For details, please refer to the company's disclosure on "Securities Times", "Shanghai Securities News" and http://www.cninfo.com.cn on April 28, 2022 2021 Annual Internal Control Self-Assessment Report	
The total assets of the units included in the evaluation scope accounted for the company's combined % of total financial statement assets	100.00%	
The operating income of the unit included in the evaluation scope accounted for the company's consolidated Financial Statements as a Percentage of Operating Income	100.00%	
Defect identification standard		
category	financial report	non-financial reporting
Qualitative Criteria	<p>Material deficiency: an internal control deficiency alone or in combination</p> <p>Other defects have a reasonable possibility and cannot be prevented in time</p> <p>stop or detect and correct material misstatements in financial reporting.</p> <p>Such as: (1) fraud of directors, supervisors and senior management;</p> <p>(2) The company corrects the published financial report; (3) Note</p> <p>The book accountant found that there was a material misstatement in the current</p> <p>financial report, but the internal control failed to detect such a misstatement during the operation.</p> <p>Misstatement; (4) Corporate Audit Committee and Internal Audit Machine</p> <p>The supervision of internal control by the institution is invalid; (5) other possible</p> <p>Defects that affect the correct judgment of report users. important lack</p> <p>Defects: Internal control defects alone or together with other defects have a reasonable</p> <p>probability that they cannot be prevented or detected in a timely manner and</p> <p>Correcting financial reporting while under- and over materiality</p> <p>level, but should still attract the attention of the board and management</p> <p>misstatement. General defects: do not constitute major defects and important defects</p>	

	Defective internal control deficiencies.
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The following circumstances may be identified as major defects, and other circumstances may be identified as major defects or general defects depending on the degree of influence. (1) The decision-making process of the enterprise is unscientific; (2)

Violating national laws and regulations, such as environmental

(3) Loss of management personnel or technical personnel; (4) Frequent negative news in the media; (5) The results of internal control evaluation, especially major or important defects have not been obtained

to rectification; (6) lack of control over important business

Systematic failure of degree control or system.		
Quantitative standard	1% of the total assets in the consolidated financial statements; major defect: the defect caused by the defect is greater than or equal to 1% of the total assets in the consolidated financial statements; Property loss greater than or equal to 0.5% of the total assets consolidated in the consolidated financial statements, but 0.5% of total financial statement assets, but less than 1%; property loss caused by the defect is less than the combined loss and less than the total amount of assets in the consolidated financial statements 0.5% of total financial statement assets.	Major defect: the property loss caused by the defect is greater than or equal to 1% of the total assets in the consolidated financial statements; Property loss greater than or equal to 0.5% of the total assets consolidated in the consolidated financial statements, but Less than 1%; general defect: the defect causes property loss greater than or equal to 0.5% of the total assets consolidated in the consolidated financial statements General defect: the amount of assets in the consolidated financial statements 0.5%
Number of major deficiencies in financial reports (pieces)		0
Number of major deficiencies in non-financial reports (pieces)		0
Number of significant deficiencies in financial reports (pieces)		0
Number of material deficiencies in non-financial reports (pieces)		0

2. Internal control audit report

Applicable Not applicable

15. The rectification of self-examination problems in the special action of listed company governance

During the reporting period, the company conscientiously implemented the requirements of the special action requirements of the China Securities Regulatory Commission on the governance of listed companies, and checked item by item against the list. After the completion of the self-inspection, the company made a summary in a timely manner, supplemented and improved the governance loopholes in a timely manner, further standardized the company's internal control and risk management system, improved the company's information disclosure quality and governance level, strengthened its own construction, and standardized operations.

Section 5 Environmental and Social Responsibility

1. Major environmental issues

Whether the listed company and its subsidiaries belong to the key pollutant discharge units announced by the environmental protection department

Yes No

Administrative penalties for environmental issues during the reporting period

Company or Subsidiary Name Reason for	Penalty	Violation	punishment result	Production of listed companies Camp Impact	The company's rectification measures
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Refer to other environmental information disclosed by key polluters

none

Measures taken to reduce carbon emissions during the reporting period and their effects

Applicable Not applicable

Reasons for not disclosing other environmental information

The company has been strictly abiding by the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, and the Environmental Noise Pollution Prevention and Control Law of the People's Republic of China. Environmental Protection Law, Law of the People's Republic of China on the Prevention and Control of Air Pollution, and Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution. The company actively fulfills the obligation of saving resources and protecting the environment in daily production and operation, and always implements the relevant national pollution prevention and control policies, and has established a comprehensive pollution prevention and control system. system, and there was no administrative penalty due to environmental issues during the reporting period.

2. Social Responsibility

During the reporting period, the company actively fulfilled its social responsibilities while creating profits and being responsible to shareholders. The company has always focused on the development of China's information and communication industry, adhered to customer-centricity, closely focused on the company's development strategy, and regarded tax payment according to law and integrity management as its "must fulfilled responsibility"; it will become stronger and better, and return to stakeholders. As their "due duty"; take charitable donation and giving back to the society as their "enjoyment duty", care for employees, fulfill their responsibilities, and contribute to the sustainable development of the enterprise.

(1) Protection of Investors' Rights and Interests

In accordance with the Company Law, the Securities Law, the Corporate Governance Guidelines for Listed Companies and other laws and regulations, the company has continuously improved corporate governance, established an internal governance structure based on the Articles of Association, and formed a The decision-making and operation system with the general meeting of shareholders, the board of directors, the board of supervisors and the management as the main structure can effectively protect the legitimate rights and interests of shareholders, especially small and medium shareholders. The company strictly abides by the principle of fair information disclosure, and often maintains good communication with investors through various methods such as receiving investor research, telephone exchanges, performance briefings, and easy interaction. The company attaches great importance to the continuous creation of stable profits for investors in the continuous development, and reasonably distributes dividends according to the company's development strategy to return the majority of shareholders and investors.

(2) Protection of employee rights and

interests The company fully respects the interests of employees, creates fair and reasonable job opportunities, creates a relaxed and pleasant working atmosphere, and promotes the common growth of enterprises and employees.

1. Establish a scientific broadband salary system, implement performance appraisal, improve the incentive mechanism, simplify the operation process, strengthen the career planning of employees, and form an incentive mechanism for selecting and employing people based on competition, salary based on performance, and promotion based on ability, which has effectively mobilized Employee potential and motivation. 2. Improve the occupational health examination system, strictly implement the routine physical examination and occupational health examination of employees, and do a good job in employee health management. Implement safety production responsibilities, build a safety supervision network system, strengthen special inspections and assessments, increase the investigation of hidden dangers in safety production, continuously improve the company's safety production management level, and create a safe working and living environment for employees.

3. Establish a training mechanism for all employees, build a three-dimensional training system, focus on improving employees' job skills and work performance, under a unified, multi-layered and personalized training framework, relying on online and offline, pre- and post-class meetings, Through channels such as skills training meetings, we carry out a series of multi-dimensional trainings on skills knowledge, safety knowledge, management knowledge, etc., to improve the professional quality of employees and comprehensively promote the growth of employees. 4. The company's trade unions, party and youth league organizations carry out targeted corporate cultural activities through "daily activity menus + customized menus" to enrich employees' spare time. (3) Protection of Stakeholders Based on the principle of "integrity and win-win", the company adheres to the two routes of "self-climbing" and "climbing by ladders", and continuously strengthens cooperation with profit in the course of operation.

Communication and cooperation with stakeholders, coordinated development, and win-win cooperation.

1. The company is customer-centric and strictly controls product quality. Improve the service system, provide customers with thoughtful pre-sale, in-sale and after-sale services,

Become a trusted partner of customers.

2. The company regards suppliers as an important part of resources and an extension of the department, and establishes mutual support, fairness, interaction and supply with them partnership to jointly create a high-quality shared supply chain.

3. Combining risk management and internal control, taking risk management as the guide, using internal control as a means, based on process management, focusing on key control activities, and supported by risk reporting, early warning and emergency management mechanisms, regular risk The accident case analysis meeting promotes the integration of risk management and business operations, ensures that risks are under control, and protects the rights and interests of relevant parties.

(4) Environmental protection and sustainable development

In accordance with the requirements of the environmental management system and relevant laws and regulations, we always adhere to the green responsibility attitude, implement energy conservation and emission reduction targets, participate in public welfare activities, and achieve sustainable development of the enterprise. 1. Build a green smart factory, develop an integrated platform, integrate customer relationship management system, production management system, transportation management system, enterprise

Industrial resource planning system and other system applications, realize platform-based, digital and visual management of the whole business, and implement green intelligent production.

2. Implement clean energy, energy conservation and emission reduction, and develop circular economy. Develop an energy management platform, comprehensively promote the comprehensive utilization of circulating water, optimize technical processes, improve product life cycles, and strengthen daily monitoring, control and governance of the three wastes in factories and workplaces to ensure environmental safety and safeguard social interests.
3. Build a corporate ecology of "clear water, green grass, clean ground and clean materials", build a garden-like factory, and enhance the connotation and external image of corporate responsibility.

4. Accurate charity in six directions, including poverty alleviation, disaster prevention and relief, education support, local attention, historic site protection, and internal assistance, to realize people's yearning for a better life.

3. Consolidate and expand the achievements of poverty alleviation and rural revitalization

none.

Section VI Important Matters

1. Fulfillment of commitments

1. Commitments made by the actual controller, shareholders, related parties, acquirers, the company and other related parties that have been fulfilled during the reporting period and that have not been fulfilled as of the end of the reporting period

☑ Applicable ☐ Not applicable

Commitment Subject	Promising Party	Commitment Type	Commitment	commitment time	Commitment period	Fulfillment
Share reform commitment						
Acquisition report or rights profit change report commitment	Chen Haibin, Cui Ze		During the reporting period, Tongding Internet reported to 5 natural persons including Chen Haibin and Nanhai Gold			
	Yuzhen, Liu Mei	fight for commitment	Controlling the issuance of shares and paying cash to purchase 100% of Byzoo Networks Equity. As the counterparty of Tongding Internet in this transaction, it now promises: 1. Before this transaction, I/the company itself had no direct or indirect It does not directly or indirectly hold or control any third party in the same or similar or competing business with Tongding Internet and Byzoo Networks. engaging in the same or similar, or competing with Tongding Internet, Byzoo Networks competing business. 2. During the period of my/our company as a shareholder of Tongding Internet and Within the next 24 months, I/our company shall not directly or indirectly engage in any In 2016, shareholders Peng, Song Yu and Chen avoid competition in the same or similar or competing businesses of Tongding Internet and Byzoo Networks, and do not directly or indirectly hold or control any third party in the form of holding or controlling any third party. or competing business of Tongding Internet and Byzoo Networks during October 17. 3. During and after 24 days of my/our company as a shareholder of Tongding Internet Within a month, if I/our company and my/our company control the existing In order to further expand the business scope of the business or these enterprises and compete with the business operated by Tongding Internet and Byzoo Networks, I/the company and I/ Enterprises controlled by the company will take measures including but not limited to cessation of operations to generate Competing or potentially competing businesses, including competing businesses Tongding Internet or transfer to unrelated third parties and other legal methods, To stop me/our company and the enterprises controlled by me/our company from engaging in and The main business of Tongding Internet and Baizhuo Network is the same or similar business, to avoid peer competition.	as Tongding interconnected is fulfill		
	Chen Haibin, Cui Ze		During the reporting period, Tongding Internet reported to 5 natural persons including Chen Haibin and Nanhai Gold			
	Yu Zhen, Liu Mei	Commitment Learning, Nanhai Financial Holdings	Controlling the issuance of shares and paying cash to purchase 100% of Byzoo Networks Equity. As the counterparty of Tongding Internet in this transaction, it now promises to: 1. Reduce and regulate the 2016 Tongdingpeng, Song Yu, Chen before this transaction, I/our company and Tongding Internet have no related party transactions. Interconnection October 17 relationship and no related party transactions. This transaction does not constitute related party transaction. Shareholders' Day 2. After the completion of It will minimize and avoid related transactions with Tongding Internet and its wholly-owned and holding subsidiaries, and will not use itself as a shareholder of Tongding Internet	as connection period	is fulfill	

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	Zhu Jianyan, Chen Liang, Fang Xiaoliang		<p>It will not take advantage of its position as a shareholder of Tongding Internet to seek the priority right to enter into a transaction with Tongding Internet. 2. If necessary and unavoidable</p> <p>Free related party transactions, I and the companies I control will be connected with Tongding Internet and its holding subsidiaries are in accordance with the principles of fairness, fairness, and equal compensation.</p> <p>Sign an agreement, perform legal procedures, and follow relevant laws and regulations and</p> <p>"Tongding Optoelectronics Articles of Association" to fulfill the obligation of information disclosure and related</p> <p>Regarding internal decision-making and approval procedures, the prices of related party transactions are based on and unrelated</p> <p>The price at which the independent third party of the relationship conducts the same or similar transaction</p> <p>to ensure that the price of related party transactions is fair, and not to use such transactions to engage in any damage to the legal rights of Tongding Internet and other shareholders of Tongding Internet</p> <p>beneficial behavior. 3. I will perform my duty as a shareholder of Tongding Internet in good faith</p> <p>to fully respect the independent legal person status of Tongding Interconnection, and protect Tongding Interconnection</p> <p>Independent operation and independent decision-making. I warrant that I will comply with the</p> <p>Participate in the general meeting of shareholders according to the Articles of Association, exercise corresponding</p> <p>rights equally, undertake corresponding obligations, and do not use the status of shareholders to seek illegitimate interests,</p> <p>Do not use affiliated transactions to illegally transfer the capital of Tongding Internet and its subsidiaries.</p> <p>Gold, profits, guarantee not to damage Tongding Internet and other shareholders of Tongding Internet</p> <p>legitimate interests. 4. If I violate the above promises and guarantees, I will separately,</p> <p>And jointly compensate Tongding Internet for the losses caused by the aforementioned acts to</p> <p>Tongding Internet.</p>		period	
initial public offering or Commitments when refinancing	Tongding Group has commitments caused to Tongding Internet	avoid horizontal competition in the long-term company, Shenxiao Internet and its holding subsidiaries. any activity. For the breach of the above	<p>Directly or indirectly controlled by other than Tongding Internet and its controlled subsidiaries</p> <p>Other companies are not currently, and will not be directly or indirectly engaged in business with Tongding in 2010 to</p> <p>Day</p> <p>The company/I will be responsible for compensation for the economic loss.</p>			is fulfill
Equity Incentive Commitment						
Other small and medium-sized companies Shareholders' commitment	Tongding Group has limited company	Ownership Group of Tongding's second-phase employees provided a capital-guaranteed share-holding plan for the principal of the employees participating in the employee stock ownership plan, and will not form control over the employee stock ownership plan. The management committee of this employee stock ownership plan holders, exercising	<p>1. Tongding Group is an employee who participates in the second phase of Tongding Internet Employee Stock Ownership Plan.</p> <p>Employees provide financial support as the principal for participating in this employee stock ownership plan. Tongding Group plans to provide a loan of not more than 200 million yuan, covering the entire share of the employee stock ownership plan. The loan period is from the date of subscription of the employee stock ownership plan to the end of the employee stock ownership plan. 2. In 2018, the 2018 Workers' Tongding's second-phase employees provided a capital-guaranteed share-holding plan for the principal of the employees participating in the employee stock ownership plan. 3. Tongding Group does not participate in the management of this employee stock ownership plan, and will not form control over the employee stock ownership plan. The management committee of this employee stock ownership plan holders, exercising</p> <p>right. Tongding Group does not interfere with employees participating in this employee stock ownership plan</p> <p>to exercise relevant rights and perform corresponding obligations.</p>		second term member shareholders save renewal between	is fulfill
Whether the promise is fulfilled on time	no					
Row						
If the promise is not fulfilled the details should be	No overdue unfulfilled promises. When completed,					
Detailed description of unfinished performance						

specific reasons for the next work plan Draw	
--	--

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 the asset or project's achievement of the original profit forecast and the reasons for it

☐ Applicable ☐ Not applicable

II. Non-operating capital occupation of listed companies by controlling shareholders and other related parties

☐ Applicable ☐ Not applicable

During the reporting period of the company, there was no non-operating capital occupation of the listed company by the controlling shareholder and other related parties.

3. Illegal external guarantees

☐ Applicable ☐ Not applicable

During the reporting period, the Company had no violation of external guarantees.

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

☐ Applicable ☐ Not applicable

V. Explanation of the board of directors, the board of supervisors and the independent directors (if any) on the "non-standard audit report" of the accounting firm in the reporting period

☐ Applicable ☐ Not applicable

6. Explanation on changes in accounting policies, accounting estimates or correction of major accounting errors compared with the financial report of the previous year

☐ Applicable ☐ Not applicable

From January 1, 2021, the company will implement the Accounting Standards for Business Enterprises No. 21 - Lease (referred to as the "New Lease Standards") revised by the Ministry of Finance in 2018. The company chooses not to renew the existing contracts before the first implementation date. Assess whether it is a lease or includes a lease, the cumulative impact on the first implementation of this standard, adjust the beginning of 2021

The amount of retained earnings and other related items in the financial statements is not adjusted for comparable period information.

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

7. Explanation on the changes in the scope of the consolidated statement compared with the financial report of the previous year

☐ Applicable ☐ Not applicable

For the changes in the consolidation scope of the company's financial statements this year, please refer to the eighth item "Changes in the consolidation scope" in Section X "Financial Reports" of this report.

8. Appointment and dismissal of accounting firms

The current accounting firm

Name of domestic accounting firm	Tianheng Certified Public Accountants (special general partnership)
----------------------------------	---

Remuneration of domestic accounting firm (10,000 yuan)	100
Consecutive years of audit services of domestic accounting firms	15
The name of the certified public accountant of the domestic accounting firm	Chang Guihua, Shi Lihua
Consecutive years of auditing services by certified public accountants of domestic accounting firms	3y2

Whether to change the accounting firm in the current period

☐ Yes ☐ No

Employment of internal control auditing accounting firms, financial advisors or sponsors

☐ Applicable ☐ Not applicable

9. Facing delisting after the annual report is disclosed

☐ Applicable ☐ Not applicable

X. Matters related to bankruptcy and reorganization

☐ Applicable ☐ Not applicable

During the reporting period, the company did not have any bankruptcy and reorganization related matters.

11. Major Litigation and Arbitration Matters

☐ Applicable ☐ Not applicable

Litigation (Arbitration) Basic Information	Amount involved (10,000 yuan)	whether it is expected debt	Litigation (Arbitration) Progress	Litigation (Arbitration) Trial Results and Impact	Litigation (Arbitration) Judgment Execution	Disclosure Date Disclosure Index
Case No.: (2020) Su Arbitration Zi No. 0395; Cause of Action: Performance Compensation Dispute; Application Requester: Tongding Internet Interest Co., Ltd.; Respondents: Chen Haibin, Cui Zepeng, Song Yu, Chen Yuzhen, Liu Meimei, Shenzhen Shenzhen Nanhai Cargill Finance holding company	108,000 No		Arbitration has been awarded decide	Arbitration result and progress For details, please refer to the company announcement. The final impact will depend on the actual performance and enforcement of the arbitral award during the enforcement process.		Announcement of May 2021 Book 06th "Securities newspaper, "Shanghai Securities Journal" Securities Journal and Juchao Information Network Disclosure "About Receiving Performance Compensation Matters" an arbitral award (Announcement No.: 2021-028jy "About Byzero Network performance supplement progress of compensation Announcement (public Notice number: 2021-054jy
Failure to meet major litigation disclosure Other lawsuits against the dew standard	9,683.29 No		on file, trial or execution row stage	Some lawsuits have been reported Mediation within the reporting period or judgment to appeal	Partially adjudicated cases file has been executed	

				The lawsuit is not material to the company influences.			
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12. Punishment and rectification

Applicable Not applicable

There was no penalty or rectification in the reporting period of the company.

XIII. Integrity of the company, its controlling shareholder and actual controller

Applicable Not applicable

14. Significant related transactions

1. Related-party transactions related to daily operations

Applicable Not applicable

Related party transactions	Association off	association	association	association	association	The ratio of related transactions to the	transaction	Is it over	association	similar available	Announcement date	disclosure request
direction	system	easy type	Easy content	easy pricing	easy price	amount of the same type of transaction (Ten thousand Yuan)	example	approved quota	Easy settlement	trading market	Expect	lead
	with my husband		Tongding									"Securities Times",
Jiangsu Wujang Division received the same			Internet, Tongding									"Shanghai securities newspaper with and giant tide Information disclosed by the website
Suzhou Bay freshman	female male	buy clothes	broadband live	Market price	Market price 448.36 6.79%			700 No	By contract	market price	2021 Company April 28 2021	"about
Hotel Limited Control		service	accommodation, catering						settlement		Day	Degrees are expected to close daily joint transaction
company	the other enterprise		Services, etc.									the male Announcement (public Complaint No: 2021-0 14)
Jiangsu Haisi	Associates	Buyers	Tongding	Market price	Market price 1.78 0.00%			Yes	By contract	market price		
Da Power Co., Ltd.		Goods	Broadband Purchase						settlement			

Co., Ltd.			lithium battery										
Group			Group										
Tongding Group Holdings Co. East		sale object	Tongdingkuan with sale jumper, net Network cabinet, optical market price market price 6.27 0.00% splitter;					60 No	By contract settlement	market price	2021 Company April 28 2021 Day		"Securities Times, "Shanghai securities newspaper with and http:// www.cninfo.com.cn disclosed "about
			Tongdingkuan take charge service charge										Degree expected daily off joint transaction the male Announcement (Announcement Edition No: 2021-0 14y
Jiangsu Wujiang Division Suzhou Bay Freshman Hotel Limited Control company	with my husband received the same female male the other enterprise	sale object	Tongdingkuan take charge dormitory water electricity bill	Market price	Market price 21.09	0.53%		Yes	Settled by contract	market price			
Nantong Longli Joint Venture Electronic Technology Industry Subsidiary Limited Division		sale of goods	Tongdingkuan with sale Sheet metal production product, machine Cabinet, Chassis	Market price	Market price 338.12	0.12%		Yes	Settled by contract	market price			
total				-	-	815.62	-	760 --	-	-	-	-	-
Details of the return of large sales				none									
Daily related transactions that will occur in the current period by category													
If the total amount is estimated by Yijin, the actual amount incurred during the reporting period is within the estimated range. Actual performance (if any)													
The transaction price is quite different from the market reference price the reason (if applicable)				none									

2. Affiliated transactions arising from the acquisition or sale of assets or equity

√ Applicable √ Not applicable

		Related-party Transactions	Assets	Liabilities	Transfer Assets	Transfer Assets					
		type	content	Transfers	Transfers	Transfers	(10,000 yuan)	settlement method	(10,000 yuan)		
			Purchased and held by Tongding Group Commercial office space in Beijing								"Securities newspaper", "On Sea Securities newspaper and Giant tide information disclosed on the net *About the Company purchase capital Production cum connection public trade Announcement (Announcement) Numbering: 2021-013 √
Difference between transfer price and book value or appraised value				The appraised value and transfer price of RMB 20,110,000 is the price including tax, which is equal to the book value of RMB 19,773,700 without tax.							
Big reason (if any)				To.							
Impact on the company's operating results and financial position				The transaction amount accounts for a small proportion of the company's latest audited net assets, and it has a significant impact on the company's current and future financial performance. Business conditions, operating results and cash flow have little impact.							
If the relevant transaction involves the performance agreement, during the reporting period achievement of				Not applicable							

3. Related-party transactions of joint foreign investment

√ Applicable √ Not applicable

During the reporting period, the company did not have any related transactions related to joint external investment.

4. Related creditor's rights and debts

√ Applicable √ Not applicable

During the reporting period, the company has no related creditor's rights and debts.

5. Transactions with related financial companies

√ Applicable √ Not applicable

There is no deposit, loan, credit or other financial business between the company and related financial companies and related parties.

6. Transactions between the financial company controlled by the company and related parties

☐ Applicable ☐ Not applicable

There is no deposit, loan, credit or other financial business between the financial company controlled by the company and its related parties.

7. Other significant related transactions

☐ Applicable ☐ Not applicable

During the reporting period, the company had no other significant related transactions.

XV. Significant contracts and their performance

1. Entrustment, contracting and leasing matters

(1) Custody situation

☐ Applicable ☐ Not applicable

There was no trusteeship in the company's reporting period.

(2) Contracting situation

☐ Applicable ☐ Not applicable

There was no contracting situation in the reporting period of the company.

(3) Leasing situation

☐ Applicable ☐ Not applicable

Description of lease

During the reporting period, the subsidiary Jiangsu Tongding Optoelectronics Technology Co., Ltd. leased the production plant of Tongding Group Co., Ltd., the controlling shareholder, with a rent of 4.4155 million yuan in 2021.

During the reporting period, the subsidiary Shanghai Weiye Chuangxing Electromechanical Equipment Co., Ltd. leased the production plant of Shanghai Weiye Electromechanical Equipment Co., Ltd., with a rent of 407,000 yuan in 2021. During the reporting period, the subsidiary Suzhou Dingyu Material Technology Co., Ltd. leased the production plant of Wujiang Xingdu Cable Material Factory, and the rent in 2021 was 141,200 yuan.

During the reporting period, the subsidiary Suzhou Ruiyi Information Technology Co., Ltd. leased the office R&D space of Suzhou Industrial Park Science and Technology Development Co., Ltd. with a rent of 571,000 yuan in 2021.

During the reporting period, the subsidiary Beijing Baizhuo Network Technology Co., Ltd. leased the office space of Beijing Shichuang Environmental Protection Development Co., Ltd., and the rent in 2021 was 4.1431 million yuan.

During the reporting period, the subsidiary Shenzhen Huazhen Information Technology Co., Ltd. leased the office space of Shenzhen Qianfeng Integrated Circuit Design Park Management Co., Ltd., and the rent in 2021 was 26.33 million.

Projects that bring profits and losses to the company reaching more than 10% of the company's total profit during the reporting period

☐ Applicable ☐ Not applicable

During the reporting period of the company, there was no leasing project that brought the company's profit and loss to more than 10% of the company's total profit during the reporting period.

2. Major guarantee

☐ Applicable ☐ Not applicable

Unit: ten thousand yuan

External guarantees of the company and its subsidiaries (excluding guarantees to subsidiaries)										
Guarantee object name	Guarantee amount Related Announcements Disclosure date	Guarantee amount	Actually happened date	actual guarantee amount	Warranty Type	collateral (such as Have)	Counter-guarantee Happening (if any)	Guarantee period	Whether it is fulfilled or not complete	Joint guarantee
Guarantee of the company to its subsidiaries										
Guarantee object name	Guarantee amount Related Announcements Disclosure date	Guarantee amount	Actually happened date	actual guarantee amount	Warranty Type	collateral (such as Have)	Counter-guarantee Happening (like Have)	Guarantee period	Whether it is fulfilled or not complete	Joint guarantee
Jiangsu Tongding Optoelectronics Technology Co., Ltd	2021 04 28th of the month		01/14/2016 30,000	liability 10,000	Joint and several guarantee			main contract fixed debt Whether the performance period is expiry date 2 years from		
Jiangsu Tongding Optoelectronics Technology limited company	April 28, 2021	05	03/03/2020 30,000	liability 5,500	Joint and several guarantee			main contract fixed debt Whether the performance period is 2 years from expiry date		
Jiangsu Tongding Light Bar Co., Ltd.	2021 04 28th of the month	20,000	31st March 2021		Joint Liability 500 Guarantee			main contract fixed debt Whether the performance period is expiry date 3 years from		
Jiangsu Tongding Light bar is limited company	2021 04 28th of the month		02/22/2018 20,000	liability 30,000	Joint and several guarantee			main contract fixed debt performance deadline yes expiry date 3 years from		
Beijing Baizhuo network technology limited company	2021 04 28th of the month	02/02	02/02/2019 10,000	liability 5,000	Joint and several guarantee			Debt agreed in the main contract Whether the performance period is 2 years from expiry date		
Jiangsu Tongding limited bandwidth company	April 28, 2021	08	05/05/2021 30,000	liability 10,000	Joint and several guarantee			main contract fixed debt Whether the performance period is expiry date 3 years from		

Jiangsu Tongding limited bandwidth company	2021 04 28th of the month		08/31/2020 30,000	liability 5,000	Joint and several guarantee			main contract fixed debt Whether the performance period is 2 years from expiry date		
Approval of subsidiaries during the reporting period				During the reporting period, the total actual amount of guarantees to subsidiaries of 90,000 (B2)		66,000				
Total Guarantee Amount (B1)										
Total approved guarantee amount for subsidiaries at the end of the reporting period				At the end of the reporting period, the actual total guarantee balance of 90,000 for subsidiaries (B4)		66,000				
yB3y										
Subsidiary's Guarantee to Subsidiary										
Guarantee object name	Guarantee amount Related Announcements Disclosure date	Guarantee amount	Actually happened date	actual guarantee amount	Warranty Type	collateral (such as Have)	Counter-guarantee Happening (if any)	Guarantee period	Whether it is fulfilled or not complete	Joint guarantee
The total amount of company guarantees (that is, the total of the first three items)										
Total approved guarantee amount during the reporting period yA1+B1+C1y				The total amount of guarantees actually incurred during the reporting period of 90,000 (A2+B2+C2)		66,000				
The approved guarantee amount at the end of the reporting period Meter (A3+B3+C3)				Actual guarantee balance at the end of the reporting period 90,000 Total (A4+B4+C4)		66,000				
The actual total guarantee amount (ie A4+B4+C4) accounts for the company's net assets proportion				30.93%						
in:										

Description of the specific situation of using compound guarantee

3. Entrusting others to manage cash assets

(1) Entrusted financial management

ÿ Applicable ÿ Not applicable

There was no entrusted wealth management in the reporting period of the company.

(2) Entrusted loans

ÿ Applicable ÿ Not applicable

There was no entrusted loan in the reporting period of the company.

4. Other major contracts

ÿ Applicable ÿ Not applicable

The company has no other major contracts in the reporting period.

16. Explanation of other important matters

□ Applicable □ Not applicable

During the reporting period of the company, there were no other significant events that need to be explained.

17. Significant Events of the Company's Subsidiaries

□ Applicable □ Not applicable

Due to the needs of urban implementation planning and urban management, the Wujiang Economic and Technological Development Zone Management Committee will repurchase the land and real estate assets held by the company's subsidiaries Jiangsu

Tongding Guangbang Co., Ltd. and Jiangsu Tongding Broadband Co., Ltd. in 2021. For details, please refer to the company's announcements in Securities Times on November 13, 2021 and December 6, 2021,

The Announcement on the Government's Proposed Repurchase of Land, Real Estate and Other Assets of the Holding Subsidiary (Announcement No.: 2021-061), the Announcement of the

Announcement on the Government's Proposed Repurchase of Land, Real Estate and Other Assets from Controlling Subsidiaries* (Announcement No.: 2021-070).

Section 7 Changes in Shares and Shareholders

1. Changes in shares

1. Changes in shares

Unit: share

	Before this change		Increase or decrease in this change (+, -)					After this change	
	Quantity	ratio	Issue new share	Bonus	Provident fund Convert stock	Other subtotal	quantity ratio		
1. Restricted shares	79,742,243	6.38%				-26,177,614	-26,177,614	53,564,629	4.32%
1. State shareholding									
2. State-owned legal person holding shares									
3. Other domestic holdings	79,742,243	6.38%				-26,177,614	-26,177,614	53,564,629	4.32%
Of which: 9,482,331 0.76% of shares held by domestic legal persons						-9,482,331	-9,482,331		0.00%
Domestic natural persons hold shares 70,259,912	5.62%					-16,695,283	-16,695,283	53,564,629	4.32%
4. Foreign shareholding									
Of which: Shares held by foreign legal persons									
Shares held by foreign natural persons									
2. Unrestricted shares 1,170,720,847	93.62%					16,395,924	16,395,924	1,187,116,771	95.68%
1. RMB ordinary shares 1,170,720,847	93.62%					16,395,924	16,395,924	1,187,116,771	95.68%
2. Domestically listed foreign shares									
3. Foreign shares listed overseas									
4. Other									
3. Total number of shares	1,250,463,090	100.00%				-9,781,690	-9,781,690	1,240,681,400	100.00%

Reason for share change

☐ Applicable ☒ Not applicable

On December 27, 2021, the company repurchased and cancelled part of the performance commitment compensation shares, a total of 9,781,690 shares, and the company's total share capital was reduced from 1,250,463,090 shares to 1,240,681,400 shares.

Approval of share changes

☐ Applicable ☒ Not applicable

The company held the eleventh meeting of the fifth session of the board of directors of the company on November 12, 2021, and held the second interim meeting of the company in 2021 on November 29, 2021.

The general meeting of shareholders reviewed and approved the "Proposal on Repurchase and Cancellation of Performance Compensation Shares". On November 13, 2021, the board of directors of the company published in Securities Times, Shanghai Securities News and Juchao Information Website (<http://www.cninfo.com.cn>) disclosed the "Announcement on Resolutions of the Eleventh Meeting of the Fifth Board of Directors" (Announcement No.: 2021-060),

And on November 30, 2021, it disclosed the "Announcement on Resolutions of the Second Extraordinary General Meeting of Shareholders in 2021" (Announcement No.: 2021-067), "Repurchase and Cancellation Results" Announcement on Compensation Shares Reducing Registered Capital and Notifying Creditors (Announcement No.: 2021-068).

Transfer of share changes

̐ Applicable ̐ Not applicable

The impact of changes in shares on financial indicators such as basic earnings per share and diluted earnings per share, net assets per share attributable to common shareholders of the company in the most recent year and the most recent period

̐ Applicable ̐ Not applicable

Other information the company deems necessary or required by securities regulators to disclose

̐ Applicable ̐ Not applicable

2. Changes in restricted shares

̐ Applicable ̐ Not applicable

Unit: share

Shareholder name	Number of restricted shares at the beginning of the period	Increase in restricted shares in the current period	Restricted shares lifted in the current period	Number of restricted shares at the end of the period	Reasons for the restriction and the release date
		number	number		
Shenzhen Nanhai Cargill Gold Rong Holdings Limited	9,482,331		9,482,331	0	Restricted shares after IPO Compensation for performance Promise, be returned by the company purchase cancellation
Chen Yuzhen	299,359		299,359	0	Restricted shares after IPO Compensation for performance Promise, be returned by the company purchase cancellation
Huang Jian	14,723,324		14,723,324	0	executives lock up shares Lock up shares by executive Items lifted
Gao Zhirong	29,250	9,750		39,000	executive lock-up shares Lock up shares by executive Items lifted
Liu Yanhui	97,500		97,500	0	executives lock up shares Lock up shares by executive Items lifted
Zhu Kun	153,250		153,250	0	executives lock up shares Lock up shares by executive Items lifted
Chen Bin	250,200		250,200	0	executives lock up shares Lock up shares by executive Items lifted
Zhang Yuefang	681,400		681,400	0	executives lock up shares Lock up shares by executive Items lifted
Cai Wenjie	500,000		500,000	0	executives lock up shares Lock up shares by executive Items lifted
Chen Haibin	11,530,000			11,530,000	Restricted shares after IPO Fulfill performance compensation commitments Unlock after promise
Shen Xiaoping	41,995,629			41,995,629	executives locked shares Lock up shares by executive Items lifted
total	79,742,243	9,750	26,187,364	53,564,629	-

II. Securities Issuance and Listing

1. Securities issuance (excluding preference shares) during the reporting period

̐ Applicable ̐ Not applicable

2. Changes in the total number of shares of the company and the structure of shareholders, and the changes in the structure of assets and liabilities of the company

̐ Applicable ̐ Not applicable

3. Existing internal employee shares

̐ Applicable ̐ Not applicable

3. Shareholders and actual controllers

1. Number of shareholders and shareholding of the company

Unit: share

Ordinary shares at the end of the reporting period	71,719	Annual report disclosure date	70,666	Voting rights at the end of the reporting period	0	Annual report disclosure date	0
Total number of shareholders		Normal at the end of the previous month		Recovered Preferred Shares		Before last month's vote	
		Total number of shareholders		East total (if any) (see		Reinstated preferred stock	
				See Note 8)		Total number of shareholders (if any)	
						(See Note 8)	
Shareholdings of shareholders holding more than 5% of the shares or the top 10 shareholders							
Shareholder name	Shareholding ratio by nature of shareholders	Holding at the end of the reporting period	During the reporting period	hold limited sale	Hold Unlimited	Staking, tokenizing or freezing	
						conditional shares	conditional shares
		number of shares	increase or decrease	conditional shares	conditional shares	Number of shares	status
			Happening	quantity	quantity		
Tongding Group Co., Ltd.	Domestic non-state law people	31.23% 387,519,421		0	387,519,421 pledged		363,570,000
Soochow Venture Capital Co., Ltd.							
Division - Suzhou Wuqi Chuangji	other	7.01% 86,956,500		0	86,956,500		
Equity Investment Partnership							
(Limited Partnership)							
Shen Xiaoping	Domestic natural persons	4.51% 55,994,172		41,995,629	13,998,543 pledged		45,000,000
Huang Qijun	Domestic natural person	1.39% 17,200,000		0	17,200,000		
Chen Haibin	Domestic natural person	1.09% 13,530,000		11,530,000	2,000,000	Pledge	13,530,000
						freeze	13,530,000
Li Xinghua	Domestic natural person	0.81% 10,000,000		0	10,000,000		
Shen Feng	Domestic natural person	0.40% 5,000,000		0	5,000,000 pledged		5,000,000
Tongding Internet Information Co., Ltd.	has other	0.38% 4,664,400		0	4,664,400		

Co., Ltd. - the second phase of employees stock ownership plan								
Chen Hui	Domestic natural person 0.34%	4,180,500			0	4,180,500		
Ye Qingchun	Domestic natural person 0.32%	3,920,200			0	3,920,200		
Strategic investors or general legal persons due to placement of new shares Becoming a top 10 shareholder (if any) (see See Note 3)	none.							
The statement that the above-mentioned shareholders are affiliated or acting in concert Bright	Shen Xiaoping holds 93.44% of Tongding Group Co., Ltd. and is the actual controller of Tongding Group Co., Ltd.							
The above shareholders are involved in entrusted/entrusted voting rights, Explanation of Abstention from Voting	none.							
There is a special repurchase account among the top 10 shareholders Description, if any (see Note 10)	Tongding Internet Information Co., Ltd. has repurchased 10,686,900 shares in the special securities account for repurchase, accounting for 0.86% of the company's total share capital							
Shareholdings of the top 10 shareholders not subject to selling restrictions								
Shareholder name	Number of unrestricted shares held at the end of the reporting period	Type of shares						
		Type of shares	quantity					
Tongding Group Co., Ltd.	387,519,421 RMB	ordinary shares	387,519,421					
Soochow Venture Capital Co., Ltd. - Suzhou Wu Enterprise Chuangji Equity Investment Partnership (Limited Partnership) Partner)	86,956,500 RMB	ordinary shares	86,956,500					
Huang Qijun	17,200,000 RMB	ordinary shares	17,200,000					
Shen Xiaoping	13,998,543 RMB	ordinary shares	13,998,543					
Li Xinghua	10,000,000 RMB	ordinary shares	10,000,000					
Shen Feng	5,000,000 RMB	ordinary shares	5,000,000					
Tongding Internet Information Co., Ltd. - Second employee stock ownership plan	4,664,400 RMB	ordinary shares	4,664,400					
Chen Hui	4,180,500 RMB	ordinary shares	4,180,500					
Ye Qingchun	3,920,200 RMB	ordinary shares	3,920,200					
Zhu Wenbo	3,223,800 RMB	ordinary shares	3,223,800					
Among the top 10 shareholders of unrestricted tradable shares, and the top 10 shareholders of unrestricted tradable shares and the top 10 affiliated relationship or concerted action among shareholders illustrate	Shen Xiaoping holds 93.44% of Tongding Group Co., Ltd. and is the actual controller of Tongding Group Co., Ltd.							
Top 10 common shareholders participating in margin financing and securities lending industry Statement of service situation (if any) (see Note 4)								

The company's shareholder Huang Qijun holds 8,500,000 shares of the company through the client credit transaction guarantee securities account of Guosen Securities Co., Ltd.

The company's shareholder Li Xinghua holds 10,000,000 shares of the company through the customer credit transaction guarantee securities account of Soochow Securities Co., Ltd.

The company's shareholder Chen Hui holds 4,180,500 shares of the company through the customer credit transaction guarantee securities account of Soochow Securities Co., Ltd.

The company's shareholder Ye Qingchun holds 3,920,200 shares of the company through the customer credit transaction guarantee securities account of Shenwan Hongyuan Western Securities Co., Ltd.

Company shareholder Zhu Wenbo holds the company through the client credit transaction guarantee securities account of China Merchants Securities Co., Ltd.

2,625,100 shares.

Whether the top 10 shareholders of ordinary shares and the top 10 shareholders of ordinary shares not subject to selling restrictions of the company conducted agreed repurchase transactions during the reporting period

Yes No

The company's top 10 shareholders of ordinary shares and the top 10 shareholders of unrestricted ordinary shares did not conduct agreed repurchase transactions during the reporting period.

2. The company's controlling shareholder

Nature of controlling shareholder: natural person holding

Type of controlling shareholder: legal person

Controlling shareholder name	Date of establishment of the legal representative / person in charge of the unit	Organization code Main business	
Tongding Group Co., Ltd.	Shen Xiaoping	October 19, 2001 732286307	
Others controlled and held by the controlling shareholder during the reporting period	none.		
Equity of domestic and overseas listed companies			

Change of controlling shareholder during the reporting period

Applicable Not applicable

The controlling shareholder of the company did not change during the reporting period.

3. The actual controller of the company and its persons acting in concert

The nature of the actual controller: domestic natural person

Type of actual controller: natural person

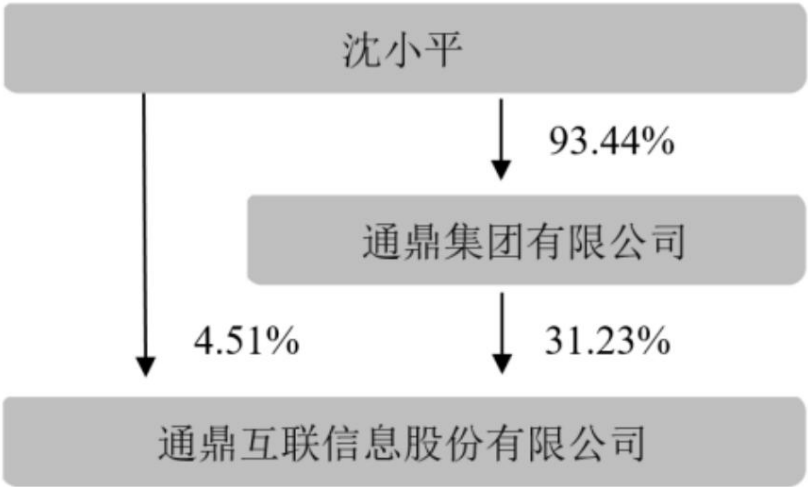
Actual controller name	Relationship with the actual controller	Country of Citizenship	Whether to obtain the right of residence in other countries or regions
Shen Xiaoping	myself	China	no
Main occupation and position	From October 2001 to present, he served as executive director of Tongding Group; from January 2000 to May 2015, served as director of Tongding Internet Chairman; since February 2018, he has served as a director of Tongding Internet.		
Domestic and overseas listed companies that have been controlled in the past 10 years	Except for Tongding Internet, Mr. Shen Xiaoping has not controlled other domestic or overseas listed companies in the past 10 years.		
Division situation			

Change of actual controller during the reporting period

Applicable Not applicable

The actual controller of the company did not change during the reporting period.

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



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

☐ Applicable ☐ Not applicable

4. The company's controlling shareholder or the largest shareholder and its persons acting in concert with the accumulative number of pledged shares account for 80% of the company's shares held by them

☐ Applicable ☐ Not applicable

Name Shareholder	Class	stock pledge financing Total (ten thousand yuan)	the company's specific use, repayment period, repayment fund source	Whether there is debt repayment or liquidation risk	Whether it affects stable control
Tongding Group Co., Ltd. controlling shareholder company		Own production and operation 23 days	November 2026 165,983	self-financing no	no
Shen Xiaoping	The largest shareholder to action		Provide guarantee for Tongding Group's financing in November 2026 The 23rd	self-financing no	no

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

☐ Applicable ☐ Not applicable

6. Controlling shareholders, actual controllers, reorganizing parties and other undertaking entities with restricted shareholding reductions

☐ Applicable ☐ Not applicable

IV. The specific implementation of share repurchase during the reporting period

Implementation progress of share repurchase

☐ Applicable ☐ Not applicable

Implementation progress of reducing share repurchased by centralized bidding

☐ Applicable ☐ Not applicable

Section VIII Preference Shares

☐ Applicable ☐ Not applicable

During the reporting period, the Company had no preferred shares.

Section IX Bonds Related Information

̣ Applicable ̣ Not applicable

Section X Financial Report

1. Audit report

Type of audit opinion	standard unqualified opinion
Audit report signing date	April 27, 2022
Auditor's name	Tianheng Certified Public Accountants (special general partnership)
Audit report number	Tianheng Shenzi (2022) No. 01761
CPA name	Chang Guihua, Shi Lihua

Audit report body

All shareholders of Tongding Internet Information Co., Ltd.:

I. Audit opinion We audited the

financial statements of Tongding Internet Information Co., Ltd. (hereinafter referred to as Tongding Co., Ltd.), including the consolidated and parent company's balance sheet on December 31, 2021, and the 2021 consolidated and parent company's income statement, Consolidated and Parent Company Statement of Cash Flows, Consolidated and Parent Company Statement of Changes in Shareholders' Equity and Notes to Related Financial Statements.

We believe that the attached financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises in all material aspects and fairly reflect Tongding Co., Ltd.

Consolidated and parent company financials as of December 31, 2021 and consolidated and parent company operating results and cash flows for 2021. 2. Basis for Forming Audit Opinion We carried out the audit work

in accordance with the Chinese Certified Public Accountants Auditing Standards. Our responsibilities under these standards are further explained in the "CPA's Responsibility for the Audit of Financial

Statements" section of the auditor's report. In accordance with the Code of Professional Ethics for Chinese Certified Public Accountants, we are independent from Tongding Co., Ltd. and have fulfilled other responsibilities in terms of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. 3. Key audit matters The key audit matters are the matters most important to the audit of the financial statements of the current period according to our professional judgment. These matters are addressed in the context of the audit of the financial statements as a whole and the formation of an audit opinion, and we do not express an independent opinion on these matters. The key audit matters identified in our audit are as follows: (I) Revenue recognition 1. The description of the matter is shown in Note V. 39. The principles for the recognition of Tongding Co., Ltd. revenue are as follows:

Communication optical cable, cable business, and communication equipment business: Domestic sales model The company delivers goods according to the order signed with the customer. After the customer has passed the acceptance test and notified the billing, the company confirms that the control of the product has been transferred.

That is, the realization of product sales revenue is recognized.

The foreign sales model company delivers goods

according to the order signed with the customer. After the product is declared for export, it is confirmed that the control right of the product has been transferred, that is, the realization of product sales revenue is confirmed. Traffic and data marketing business: For the forward traffic business of the traffic office, the revenue is confirmed according to the number of orders sent, the unit price of the order, and the settlement-to-remuneration ratio; the revenue of the electronic yellow pages business is confirmed according to the number of orders sent, the unit price, the share ratio, and the estimated delivery rate; vertical For the customer acquisition business, revenue is recognized according to the number of downloads and the unit price.

Network security business: revenue is recognized when the sales of goods are shipped and the customer acceptance order is obtained.

Software and technical service business: revenue is recognized according to the progress of contract performance. Since revenue is one of

the key performance indicators of Tongding Co., Ltd. and has a significant impact on the financial statements, there is an inherent risk that management will manipulate the timing of revenue recognition in order to achieve specific goals or expectations. Therefore, we determine the revenue recognition of Tongding Co., Ltd. are key audit matters. Please refer to Note VII.61 for the disclosure of operating income. 2. Audit response Our main audit procedures for revenue recognition are as follows: y Understand and evaluate the management's internal control design for Tongding Co., Ltd. related to revenue recognition, and test the effectiveness of key control implementation; y

According to customer transactions The characteristics and nature of the company, select samples and carry out the confirmation procedure to confirm the amount of operating income; y Sample test for domestic operating income, and check the supporting documents related to revenue recognition, including sales contracts, invoices, customer acceptance forms, and delivery lists, arrange the number of reloading downloads, etc., and review the settlement-to-reward ratio of the traffic hall business, the share ratio of the electronic yellow pages business, and the estimated delivery rate; y Carry out analytical procedures on income and costs, including: income for each month in the current period, cost, gross profit margin fluctuation analysis, the main products

Analytical procedures such as comparative analysis of revenue, cost, gross profit margin and the previous period to evaluate the rationality of income;

y Carry out a sampling test on the sales revenue recognized around the balance sheet date, and check with supporting documents such as customer acceptance documents to evaluate whether the sales revenue is recognized in an appropriate period. (II) Provision for asset impairment 1. Provision for bad debts of accounts receivable (1) Description of events As shown in Note VII.5 of this report, as of December 31, 2021, the balance of provision for bad debts of accounts receivable of Tongding Co., Ltd. was 414,303,895.86 yuan, and the balance of bad debt provision for other receivables is 73,450,075.48 yuan, which is a significant amount. Since the provision of bad debt provision for accounts receivable and other receivables has a significant impact on the financial statements, and the provision of impairment losses involves the subjective judgment of the management of Tongding Co., Ltd. (hereinafter referred to as the management), there are inherent uncertainties. , we have identified it as a key audit matter.

(2) Auditing The main auditing

procedures we perform for the impairment of receivables are as follows: y Evaluated and tested the internal

control related to the management of receivables of Tongding Co., Ltd., and tested the effectiveness of the design and implementation of key internal controls

sex;

y Analyzed and calculated the ratio between the bad debt provision amount and the balance of accounts receivable of Tongding Co., Ltd. on the balance sheet date; y Reviewed the historical credit loss empirical data and key assumptions used by Tongding Co., Ltd. to calculate the expected credit loss rate. Reasonableness, so as to evaluate the rationality of the management's credit risk assessment and identification of accounts receivable; y Independent review of the recoverability of accounts receivable and other receivables accrued individually, and checked the management's assessment of the According to the appropriateness of the data; analyzed the aging details of accounts receivable and other receivables of Tongding Co., Ltd., through the implementation of the confirmation procedures of accounts receivable and other receivables, checking the accounting vouchers and invoices, and the inspection period Evaluate the reasonableness of the provision for bad debts of accounts receivable and bad debts of other receivables;

y Inquired about the credit status of major customers through public channels such as China Judgment Documents Network and the National Court Persons Subject to Enforcement Information Inquiry System, and assessed their debt repayment ability; y Recalculated the provision for bad debts; Appropriateness of Disclosure. 2. Provision for depreciation of inventories (1) Description of matters As shown in Notes VII and 9 of this report, as of December 31, 2021, the book balance of inventories verified in the consolidated statements of Tongding Co., Ltd. was RMB 1,182,767,009.64, and the balance of provision for depreciation of inventories was RMB 259,940,366.72, with a book value of RMB 922,826,642.92. The provision for inventory depreciation reserves depends on the estimation of the net realizable value of inventories. As the provision for inventory depreciation reserves has a significant impact on the financial statements and requires management to make significant accounting estimates and judgments, we identified the provision for inventory depreciation reserves as a key audit matter. (2) Audit response

Our main audit procedures for the provision for inventory depreciation reserves are as follows: Evaluated and tested the

internal control related to the inventory management of Tongding Co., Ltd., and tested the effectiveness of the design and implementation of key internal controls; Execution of inventory monitoring Procedures, check the quantity and condition of the inventory, and review the inventory and turnover of the inventory; Judging whether there is any sign of impairment of the inventory according to the latest selling price in combination with the trend of the product sales price in the current year; Is it correct, consistent with the previous year, and whether the assumptions involved are consistent with

reason;

Compare whichever is higher between net realizable value and book cost; review whether the management's calculation process for inventory devaluation reserves is correct. 3.

Impairment of long-term assets (1) As shown in Notes VII, 17, 21, 22, and 26 of this report, as of December 31, 2021, the original book value of the long-term equity investment reviewed

in the consolidated statements of Tongding Co., Ltd. 924,828,033.36 213,247,136.92 711,580,896.44 1,877,841,862.59 944,087,263.32

239,322,174.67 694,432,424.60 145,626,264.89 RMB 65,363,053.50 and book value RMB 80,263,211.39; the book balance of intangible assets is RMB 309,494,913.32, the accumulated amortization

is RMB 125,179,540.05, the provision for impairment is RMB 52,943,322.16, and the book value is RMB 131,372,051.11. On the balance sheet date, the management assesses whether long-term equity investments, fixed assets, construction in progress and intangible assets have signs of impairment. If there is an indication of impairment, an impairment test is carried out. If the result of the impairment test indicates that the recoverable amount of the asset is lower than its book value, an impairment provision shall be made according to the difference and included in the impairment loss. The recoverable amount is the higher of the fair value of the asset less disposal costs and the present value of the asset's estimated future cash flows. As long-term equity investment, fixed assets, construction in progress, and intangible assets impairment provision has a significant impact on the financial statements, and requires the management to make significant accounting estimates and judgments, we will The impairment of assets is identified as a key audit matter. (2) The main audit procedures we perform for the impairment of long-term assets are as follows: Evaluated and tested the internal control related to the long-term equity investment, fixed assets, construction in progress and intangible assets management of Tongding Co., Ltd.

Tested the effectiveness of key internal control design and implementation; Conducted

on-the-spot monitoring of the fixed assets and construction in progress recorded in the book, and observed their actual situation; Evaluated long-term equity

investment, fixed assets, construction in progress, and intangible assets Valuation method for impairment test; test the basic data on which management's impairment test is based, assess the appropriateness of key assumptions used in management's impairment test; evaluate the rationality of the parameters cited in the test, including operating income, operating Cost, operating expenses, discount rate, etc.; compare the net value of the asset after deducting the disposal cost from the fair value of the asset and the present value of the asset's estimated future cash flow, whichever is higher, or the book cost;

Review whether the management's calculation process of long-term equity investment, fixed assets, construction in progress and intangible assets impairment provision is correct.

(3) Disposal of subsidiaries

For the accounting policies and related disclosures on disposal of subsidiaries, please refer to the accounting policies described in Notes V. 6 and 43 to the consolidated financial statements and the relevant disclosures in Note 8. 4 of the consolidated financial statements for disposal of subsidiaries.

1. Description of the matter

Tongding Co., Ltd. will dispose of its subsidiary Shenzhen Huazhen Information Technology Co., Ltd. (hereinafter referred to as "Shenzhen Huazhen") in April 2021, and its subsidiary Shanghai Weiye Chuangxing Electromechanical Equipment Co., Ltd. (hereinafter referred to as "Shenzhen Huazhen") in June 2021. hereinafter referred to as "Shanghai Weiye"), dispose of the entire equity of the subsidiary Suzhou Ruiyi Information Technology Co., Ltd. (hereinafter referred to as "Ruiyi Information") in December 2021, and thus confirm the investment income of 96,940,073.97 yuan. Relevant matters have a significant impact on the operating results of Tongding Co., Ltd. in 2021. Therefore, we identified Tongding's disposal of its subsidiary as a key audit matter. 2. Audit response For the disposal of subsidiaries by Tongding Co., Ltd. in 2021, we carried out the following audit procedures: Understand and evaluate the design and operation of relevant key internal controls of Tongding Co., Ltd. on the disposal of subsidiaries this time The management was inquired, and public information was inquired to understand the transaction purpose, progress, method, price basis, and basic information of the transaction party of Tongding Co., Ltd. in disposing of the subsidiary;

• Obtained and checked the resolutions of the board of directors, the resolutions of the shareholders' meeting,

Equity transfer agreement and the pricing basis on the transfer base date;

• We implemented audit procedures on the financial statements of Shenzhen Huazhen, Shanghai Weiye and Ruiyi Information on the transfer base date and disposal base date, and checked the accounting treatment of the disposal of subsidiaries Shenzhen Huazhen, Shanghai Weiye and Ruiyi Information, focusing on Pay attention to the accuracy of Tongding's judgment on the date of loss of control of the subsidiary, the accuracy of the recognized amount of asset impairment losses and investment losses, the accuracy of discontinued operation presentation and disclosure, and the accuracy of related non-recurring profit and loss presentations . • Obtained and checked the delivery bank documents, industrial and commercial change registration materials, relevant announcements and other documents for the disposal of subsidiary transactions.

(IV) Disposal of long-term assets

For the accounting policies and related disclosures on disposal of long-term assets, please refer to the accounting policies and consolidated financial statements in Notes V. 24 and 25 to the consolidated financial statements.

Relevant disclosures in Notes VII, 21 and 22 of the Financial

Statements. 1. The description of the matter is to speed up

the organic renewal of urban industries, promote the economical use of land resources, optimize the industrial layout to achieve "return to the second and the second best", and promote the high-quality development of the industrial economy. The People's Government of Zhenze Town, Wujiang District, Suzhou City repurchased Tongding Co., Ltd. And the subsidiary Guangbang part of the land and real estate and other assets. Tongding Co., Ltd. recognized asset disposal income of RMB 239,182,700, and Guangbang Company recognized asset disposal income of -57,898,800 yuan. Since this special event has a significant impact on Tongding Co., Ltd.'s operating results in 2021, we listed it as a key audit matter .

2. Audit response •

Check on site whether the overall relocation project has been completed;

• Review the overall relocation related agreements, asset evaluation reports, and bank receipts for government compensation payments. Review the nature of the proceeds from the disposal of assets,

Whether the amount and time of entry are correct;

• Review whether Tongding Co., Ltd. disposes of long-term assets in time and whether the book value is timely and accurate; •

Obtain the government handover confirmation letter. 4. Other information The management of Tongding Co., Ltd. (hereinafter

referred to as the management) is responsible for other information. The other information includes the information covered in the

2021 Annual Report but does not include the financial statements and our audit report. Our audit opinion on the financial statements does not cover the other information, nor do we express any form of assurance conclusion on the other information. In conjunction with our audit of the financial statements, it is our responsibility to read the other information and, in doing so, consider whether the other information is relevant to the financial statements

There are material inconsistencies or appear to be material misstatements in the tables or what we learned during the audit.

Based on the work we have performed, if we determine that other information is materially misstatement, we should report that fact. We have nothing to report in this regard. V. Responsibilities of the management and those charged with governance for the financial statements The management is responsible for preparing the financial statements in accordance with the Accounting Standards for Business Enterprises to achieve a fair reflection, and designing, implementing and maintaining the necessary

Internal control so that the financial statements are free from material misstatement due to fraud or error.

When preparing the financial statements, the management is responsible for evaluating the going concern ability of Tongding Co., Ltd. and disclosing matters related to going concern (such as applicable), and apply the going concern assumption unless management plans to liquidate Tongding Corporation, terminate operations or have no other realistic option. Those charged with governance are responsible for overseeing Tongding's financial reporting process. 6. The CPA's responsibility for the audit of the financial statements Our goal is to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement due to fraud or error, and to issue an audit report containing an audit opinion. Reasonable assurance is a high level of assurance, but there is no assurance that an audit performed in accordance with Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if the misstatements, individually or in aggregate, could reasonably be expected to affect economic decisions made by users of the financial statements based on the financial statements.

We exercise professional judgment and maintain professional scepticism in conducting our audit in accordance with Auditing Standards. At the same time, we also perform the following work: (1) Identify and assess the risks of material misstatement of the financial statements due to fraud or error, design and implement audit procedures to address these risks, and obtain sufficient and appropriate audit evidence to express an audit opinion The basics. Because fraud may involve collusion, forgery, intentional omission,

Misrepresentation or overriding internal control, failure to detect material misstatements due to fraud is higher than failure to detect errors due to errors

risk of material misstatement.

(2) To understand the internal control related to the audit in order to design appropriate audit procedures, but the purpose is not to express an opinion on the effectiveness of the internal control

See.

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

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

Ding Co., Ltd.'s ability to continue as a going concern event or situation whether there is a material uncertainty to draw conclusions. If we come to the conclusion

We believe that there are significant uncertainties, and the auditing standards require us to draw the attention of users of the statements to the relevant disclosures in the financial statements in the audit report; such as

If the disclosure is insufficient, we should express a non-qualified opinion. Our conclusions are based on information available as of the date of our audit report. However, the future

events or circumstances that may result in Tongding Co., Ltd. being unable to continue as a going concern.

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

(6) Obtain sufficient and appropriate audit evidence on the financial information of the entities or business activities in Tongding Co., Ltd.

Issue an audit opinion. We are responsible for the direction, supervision and performance of the group audit and are solely responsible for our audit opinion.

We communicate with those charged with governance on matters such as the planned scope, timing and significant audit findings of the audit, including communicating our identified internal control deficiencies of concern.

We also provide a statement to those charged with governance that we have complied with ethical requirements related to independence and communicate with those charged with governance that may reasonably be believed to affect all relationships and other matters affecting our independence, and related precautions, if applicable.

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

We reasonably expect that the negative consequences of communicating a matter in the audit report would outweigh the benefits in the public interest, and we determined that the communicate the matter in the report.

2. Financial Statements

The unit of the statement in the financial notes is: Yuan

1. Consolidated balance sheet

Prepared by: Tongding Internet Information Co., Ltd.

unit: yuan

project	December 31, 2021	December 31, 2020
Current Assets:		
Money funds	890,548,134.05	1,341,714,017.67
Settlement provisions		
Loan funds		
Tradable financial assets	457,085,068.88	589,885,210.45
Derivative financial assets		
bill receivable	121,885,264.09	97,278,701.52
accounts receivable	960,366,843.00	1,270,368,000.52

Receivables Financing	3,496,049.14	39,409,835.80
Prepayments	21,460,049.03	90,020,329.50
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	133,019,747.95	94,257,253.33
Of which: Interest receivable		
Dividends receivable		
Repurchase of resale financial assets		
stock	922,826,642.92	944,949,553.92
contract assets	36,099,283.73	44,611,034.31
Assets held for sale	79,849,248.35	
Non-current assets due within one year		
Other current assets	99,457,283.56	148,385,250.23
Total current assets	3,726,093,614.70	4,660,879,187.25
Non-current assets:		
Disbursement of loans and advances		
Debt investment		
Other debt investments		
Long-term receivables	260,384,084.61	33,889,804.00
long-term equity investment	711,580,896.44	898,408,547.01
Investment in other equity instruments		
Other non-current financial assets		
investment real estate	28,430,960.41	29,916,694.76
fixed assets	694,432,424.60	1,358,166,829.23
Construction in progress	80,263,211.39	219,885,972.76
productive biological assets		
Oil and gas assets		
right-of-use asset	24,297,257.77	
intangible assets	131,372,051.11	270,219,171.39
Development expenditure	14,281,638.91	20,615,109.83
goodwill		55,663,213.84
Long-term prepaid expenses	379,412,599.47	395,475,876.91
Deferred tax assets	136,929,673.83	215,052,920.51

Other non-current assets	21,176,549.98	19,701,156.18
Total non-current assets	2,482,561,348.52	3,516,995,296.42
total assets	6,208,654,963.22	8,177,874,483.67
Current liabilities:		
short-term loan	2,902,857,437.41	2,827,763,362.10
borrowing from the central bank		
borrowed funds		
Held-for-trading financial liabilities		
Derivative financial liabilities		
bills payable	123,948,645.65	433,340,546.71
accounts payable	465,800,026.79	517,163,743.38
advance payment		
contract liabilities	20,082,479.92	32,164,543.88
Financial assets sold under repurchase		
Deposits and deposits		
Agent for buying and selling securities		
Agent underwriting securities		
Payroll payable	49,558,640.26	64,667,509.68
Taxes payable	5,780,341.62	30,277,881.75
Other payables	143,628,212.99	84,995,003.60
Of which: Interest payable		13,364,320.60
dividends payable		
Fees and commissions		
Reinsurance Accounts Payable		
held-for-sale liabilities		
Non-current liabilities due within one year	201,809,146.87	662,903,890.70
Other current liabilities	2,423,822.21	2,973,517.60
Total current liabilities	3,915,888,753.72	4,656,249,999.40
Non-current liabilities:		
Insurance contract reserve		
Long term loan		114,920,000.00
Bonds payable		
Of which: preferred stock		
perpetual bond		

lease liability	18,647,534.64	
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	80,673,772.26	66,848,998.21
Deferred tax liabilities	41,315,806.19	48,593,233.70
Other non-current liabilities		400,000,000.00
Total non-current liabilities	140,637,113.09	630,362,231.91
Total Liabilities	4,056,525,866.81	5,286,612,231.31
Owners' equity:		
share capital	1,240,681,400.00	1,250,463,090.00
Other equity instruments		
Of which: preferred stock		
perpetual bond		
capital reserve	1,262,028,717.77	1,292,721,472.61
Less: treasury stocks	76,001,900.54	76,001,900.54
Other comprehensive income	-19,863,964.89	-4,674,888.90
Special reserves		
surplus reserve	193,508,394.20	193,508,394.20
general risk preparation		
undistributed profit	-466,563,180.96	180,145,239.10
Total owner's equity attributable to the parent company	2,133,789,465.58	2,836,161,406.47
Minority interests	18,339,630.83	55,100,845.89
Total owner's equity	2,152,129,096.41	2,891,262,252.36
Total Liabilities and Owner's Equity	6,208,654,963.22	8,177,874,483.67

Legal representative: Wang Jiaxin

Person in charge of accounting work: Chen Danghan

Person in charge of accounting department: Chen Danghan

2. Parent company balance sheet

unit: yuan

project	December 31, 2021	December 31, 2020
Current Assets:		
Money funds	690,605,398.10	658,594,195.30
Tradable financial assets	447,082,918.88	579,728,060.45
Derivative financial assets		

bill receivable	117,219,155.72	92,363,588.44
accounts receivable	656,023,323.20	772,113,756.99
Receivables Financing	3,231,500.84	1,745,093.17
Prepayments	18,573,555.32	16,626,996.80
Other receivables	143,723,190.81	211,750,165.62
Of which: Interest receivable		
Dividends receivable		
stock	705,589,762.89	652,205,124.11
contract assets	12,208,274.80	22,288,513.62
Assets held for sale		
Non-current assets due within one year		
Other current assets	31,908,815.33	24,331,378.14
Total current assets	2,826,165,895.89	3,031,746,872.64
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables	260,384,084.61	33,889,804.00
long-term equity investment	2,764,878,166.88	2,793,915,353.19
Investment in other equity instruments		
Other non-current financial assets		
investment real estate		
fixed assets	497,154,425.30	621,918,290.67
Construction in progress	47,744,217.24	64,156,416.02
productive biological assets		
Oil and gas assets		
right-of-use asset	522,076.97	
intangible assets	117,845,270.85	135,245,379.64
Development expenditure		
goodwill		
Long-term prepaid expenses	377,836,235.02	394,761,978.34
Deferred tax assets	107,443,694.96	92,371,483.67
Other non-current assets	3,605,029.24	19,280,331.87
Total non-current assets	4,177,413,201.07	4,155,539,037.40
total assets	7,003,579,096.96	7,187,285,910.04

Current liabilities:		
short-term loan	2,383,297,830.38	2,585,776,101.07
Held-for-trading financial liabilities		
Derivative financial liabilities		
bills payable	523,272,894.65	414,031,335.52
accounts payable	316,362,874.72	337,732,154.21
advance payment		
contract liabilities	18,371,051.67	21,216,992.38
Payroll payable	40,505,548.36	42,792,772.38
Taxes payable	1,489,660.36	1,850,341.89
Other payables	1,149,607,087.18	583,897,289.17
Of which: Interest payable		12,863,079.48
dividends payable		
held-for-sale liabilities		
Non-current liabilities due within one year	194,312,589.90	572,903,890.70
Other current liabilities	2,201,336.54	1,583,753.48
Total current liabilities	4,629,420,873.76	4,561,784,630.80
Non-current liabilities:		
Long term loan		
Bonds payable		
Of which: preferred stock		
perpetual bond		
lease liability		
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	33,463,517.77	10,422,365.13
Deferred tax liabilities	41,149,575.00	47,919,180.10
Other non-current liabilities		
Total non-current liabilities	74,613,092.77	58,341,545.23
Total Liabilities	4,704,033,966.53	4,620,126,176.03
Owners' equity:		
share capital	1,240,681,400.00	1,250,463,090.00
Other equity instruments		

Of which: preferred stock		
perpetual bond		
capital reserve	1,594,642,910.35	1,626,465,192.66
Less: treasury stocks	76,001,900.54	76,001,900.54
Other comprehensive income		
Special reserves		
surplus reserve	193,508,394.20	193,508,394.20
undistributed profit	-653,285,673.58	-427,275,042.31
Total owner's equity	2,299,545,130.43	2,567,159,734.01
Total Liabilities and Owner's Equity	7,003,579,096.96	7,187,285,910.04

3. Consolidated income statement

unit: yuan

project	2021	2020
I. Total operating income	2,977,263,184.19	3,586,471,069.23
Of which: operating income	2,977,263,184.19	3,586,471,069.23
interest income		
Premium earned		
Fee and commission income		
2. Total operating cost	3,323,945,017.62	3,803,637,058.29
Of which: Operating costs	2,555,612,458.62	3,037,280,758.20
interest expense		
Fees and Commissions Expenses		
Surrender		
Net payout		
Net withdrawal of insurance liability contract reserves		
dividend payment policy		
Reinsurance costs		
Taxes and surcharges	21,453,516.28	18,552,822.44
sales expense	130,504,698.91	136,377,107.43
Management fees	238,561,188.57	216,233,372.28
R&D expenses	187,046,976.89	219,777,835.59
Financial expenses	190,766,178.35	175,415,162.35

Of which: interest expense	184,859,251.01	186,520,098.24
interest income	13,560,994.61	15,277,820.56
Plus: other income	77,441,480.86	50,647,248.44
Investment income (losses are listed with "-")	150,832,899.57	288,717,604.87
Of which: For associates and joint ventures investment income	5,706,456.48	-50,196,322.44
Financial facilities measured at amortized cost Income from derecognition of production		
Exchange gains (losses are listed with "-")		
Net exposure hedging gains (losses are marked with "-" number)		
Gains from changes in fair value (losses in Fill in with "-")	-40,075,727.49	-60,043,477.34
Credit impairment losses (losses are filled with "-" List)	-154,798,039.44	-57,040,450.72
Asset impairment losses (losses are filled with "-" List)	-428,118,419.56	-56,548,162.98
Asset disposal gains (losses are filled with "-" List)	149,054,402.04	69,326,720.48
3. Operating profit (losses are listed with "-")	-592,345,237.45	17,893,493.69
Plus: Non-operating income	7,819,284.98	76,897,984.25
Less: Non-operating expenses	17,944,547.24	6,970,174.18
4. Total profit (total loss is listed with "-")	-602,470,499.71	87,821,303.76
Deduct: income tax expense	44,449,252.33	46,237,408.88
V. Net profit (net losses are listed with "-")	-646,919,752.04	41,583,894.88
(1) Classification by business continuity		
1. Net profit from continuing operations (net losses are marked with "-" number)	-646,919,752.04	41,583,894.88
2. Net profit from discontinued operations (net losses are marked with "-" number)		
(2) Classification by ownership		
1. Net profit attributable to shareholders of the parent company	-646,708,420.06	43,588,571.88
2. Minority shareholder profit and loss	-211,331.98	-2,004,677.00
6. Other comprehensive income, net after tax	-15,189,075.99	-9,161,472.43
of other comprehensive income attributable to owners of the parent company net after tax	-15,189,075.99	-9,161,472.43

(1) Other comprehensive items that cannot be reclassified into profit or loss combined income		
1. Remeasurement of defined benefit plan changes Momentum		
2. Others that cannot be transferred to profit or loss under the equity method his comprehensive income		
3. Fair value of other equity instrument investments value change		
4. The fair value of the company's own credit risk value change		
5. Others		
(2) Other comprehensive items reclassified into profit or loss income	-15,189,075.99	-9,161,472.43
1. Others that can be transferred to profit or loss under the equity method Comprehensive income		
2. Changes in fair value of other debt investments with loss		
3. Financial assets are reclassified and included in other Amount of comprehensive income		
4. Credit impairment standards for other debt investments prepares		
5. Cash flow hedge reserve		
6. Differences in translation of foreign currency financial statements	-15,189,075.99	-9,161,472.43
7. Others		
Tax on other comprehensive income attributable to minority shareholders net after		
7. Total comprehensive income	-662,108,828.03	32,422,422.45
Total comprehensive income attributable to owners of parent company Forfeited	-661,897,496.05	34,427,099.45
Total comprehensive income attributable to minority shareholders	-211,331.98	-2,004,677.00
8. Earnings per share:		
(1) Basic earnings per share	-0.5172	0.0347
(2) Diluted earnings per share	-0.5172	0.0347

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

Legal representative: Wang Jiaxin

Person in charge of accounting work: Chen Danghan

Person in charge of accounting department: Chen Danghan

4. Income statement of parent company

unit: yuan

project	2021	2020
I. Operating income	2,147,760,596.99	2,715,211,889.72
Less: operating costs	1,911,742,183.37	2,467,599,073.22
Taxes and surcharges	9,799,732.14	10,757,305.25
sales expense	62,143,867.43	51,097,804.39
Management fees	109,910,872.08	97,157,489.05
R&D expenses	118,384,430.53	140,955,116.36
Financial expenses	169,711,457.33	153,776,893.92
Of which: interest expense	165,254,122.19	166,074,652.23
interest income	10,379,008.49	12,295,104.39
Plus: other income	31,061,628.21	31,463,834.89
Investment income (losses are filled with "-" List)	86,718,313.89	344,016,637.18
Of which: For associates and joint ventures investment income	18,930,824.10	8,186,403.07
Finance at amortized cost Assets are derecognized as income (losses are filled with "-" List)		
Net exposure hedging gains (losses in Fill in with "-")		
Gains from changes in fair value (losses in Fill in with "-")	-39,940,869.47	-59,688,052.68
Credit impairment losses (losses are marked with "-" fill in)	1,623,776.81	18,760,485.65
Asset impairment losses (losses are marked with "-" fill in)	-301,948,707.03	-43,071,222.63
Asset disposal gains (losses are marked with "-" fill in)	211,477,814.03	22,718,837.95
2. Operating profit (losses are listed with "-")	-244,939,989.45	108,068,727.89
Plus: Non-operating income	7,440,820.75	76,761,257.01
Less: Non-operating expenses	8,432,011.48	3,553,148.48
3. Total profit (total loss is filled with "-" List)	-245,931,180.18	181,276,836.42
Deduct: income tax expense	-21,840,781.39	26,277,378.24

4. Net profit (net losses are listed with "-")	-224,090,398.79	154,999,458.18
(1) Net profit from continuing operations (net loss Fill in with "-")	-224,090,398.79	154,999,458.18
(2) Net profit from discontinued operations (net loss Fill in with "-")		
V. Other comprehensive income, net after tax		
(1) Others that cannot be reclassified into profit or loss Comprehensive income		
1. Remeasurement of defined benefit plans change		
2. The profit and loss cannot be transferred under the equity method Other comprehensive income		
3. Fair investment in other equity instruments change in value		
4. The company's own credit risk is fair change in value		
5. Others		
(2) Other comprehensive items that will be reclassified into profit or loss combined income		
1. Others of transferable profits and losses under the equity method his comprehensive income		
2. Fair value of other debt investments change		
3. Financial assets are reclassified and included in their Amount of his comprehensive income		
4. Credit impairment of other debt investments Prepare		
5. Cash flow hedge reserve		
6. Differences in translation of foreign currency financial statements		
7. Others		
6. Total comprehensive income	-224,090,398.79	154,999,458.18
7. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

5. Consolidated cash flow statement

unit: yuan

project	2021	2020
1. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	3,187,966,773.02	3,848,693,037.50
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from the central bank		
Net increase in borrowings from other financial institutions		
Cash received from the original insurance contract premium		
Net cash received from reinsurance operations		
Net increase in policyholders' savings and investment funds		
Cash for interest, fees and commissions		
Net increase in borrowed funds		
Net increase in repurchase business funds		
Net cash received from agents buying and selling securities		
Tax Refund	7,392,845.96	18,189,092.33
Other cash received related to operating activities	97,187,399.10	141,045,733.90
Subtotal of cash inflows from operating activities	3,292,547,018.08	4,007,927,863.73
Cash for purchasing goods and accepting labor services	2,656,561,808.42	2,798,076,114.58
Net increase in loans and advances to customers		
Net increase in deposits with central banks and interbanks		
Cash to pay the original insurance contract compensation		
Net increase in borrowed funds		
Cash for interest, fees and commissions		
Cash to pay policy dividends		
Cash paid to and for employees	308,652,021.64	384,686,296.72
taxes paid	98,436,519.02	93,844,462.45
Payment of other cash related to operating activities	203,000,960.11	394,196,407.37
Subtotal of cash outflows from operating activities	3,266,651,309.19	3,670,803,281.12
Net cash flow from operating activities	25,895,708.89	337,124,582.61
2. Cash flow from investing activities:		
Cash back on investment	99,436,470.61	17,002,458.09
Cash received from investment income	44,249,207.91	22,436,024.88

Disposal of fixed assets, intangible assets and others	926,682,842.34	39,927,037.90
Net cash recovered from long-term assets		
Disposal of subsidiaries and other business units received net cash	371,317.66	16,822,934.75
Other cash received relating to investing activities	10,816,979.42	46,000,380.70
Subtotal of cash inflows from investing activities	1,081,556,817.94	142,188,836.32
Purchase and construction of fixed assets, intangible assets and others	101,047,800.77	120,159,096.69
Cash paid for long-term assets		
Cash Investment		10,000,000.00
Net increase in mortgage loans		
Obtain payment from subsidiaries and other business units net cash		
Other cash paid relating to investing activities	15,262,402.56	5,314,638.44
Subtotal of cash outflows from investing activities	116,310,203.33	135,473,735.13
Net cash flows from investing activities	965,246,614.61	6,715,101.19
3. Cash flow from financing activities:		
Absorbed cash received from investments		
Of which: Subsidiaries absorb investment from minority shareholders cash received		
Get cash received from borrowing	4,116,014,919.30	3,771,779,304.65
Receive other cash related to fundraising activities	124,300,000.00	458,585,000.00
Subtotal of cash inflows from financing activities	4,240,314,919.30	4,230,364,304.65
cash paid for debt repayment	5,022,528,274.89	4,217,878,915.08
Distribute dividends, profits or repay interest payments cash	224,955,790.93	199,938,623.70
Of which: Subsidiaries paid to minority shareholders dividends, profits		
Payment of other cash related to fundraising activities	410,120,651.42	
Subtotal of cash outflows from financing activities	5,657,604,717.24	4,417,817,538.78
Net cash flow from financing activities	-1,417,289,797.94	-187,453,234.13
4. The impact of exchange rate changes on cash and cash equivalents influences	-303,779.36	-7,635,230.55
V. Net increase in cash and cash equivalents	-426,451,253.80	148,751,219.12
Add: Beginning balance of cash and cash equivalents	602,826,953.77	454,075,734.65
VI. Balance of cash and cash equivalents at the end of the period	176,375,699.97	602,826,953.77

6. Parent company cash flow statement

unit: yuan

project	2021	2020
1. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	2,402,787,253.56	2,986,646,326.44
Tax Refund	5,043,878.14	2,028,899.45
Other cash received related to operating activities	621,316,409.89	451,077,801.82
Subtotal of cash inflows from operating activities	3,029,147,541.59	3,439,753,027.71
Cash for purchasing goods and accepting labor services	2,145,886,926.99	2,187,725,327.92
Cash paid to and for employees	156,568,805.38	205,357,564.93
taxes paid	42,995,553.17	48,862,167.68
Payment of other cash related to operating activities	133,078,161.99	718,068,718.65
Subtotal of cash outflows from operating activities	2,478,529,447.53	3,160,013,779.18
Net cash flow from operating activities	550,618,094.06	279,739,248.53
2. Cash flow from investing activities:		
Cash back on investment	99,000,000.00	16,000,000.00
Cash received from investment income	44,246,796.95	1,922,900.00
Disposal of fixed assets, intangible assets and others	354,502,229.42	39,764,156.91
Net cash recovered from long-term assets		
Disposal of subsidiaries and other business units received	45,100,000.00	
net cash		
Other cash received relating to investing activities	5,816,979.42	28,000,380.70
Subtotal of cash inflows from investing activities	548,666,005.79	85,687,437.61
Purchase and construction of fixed assets, intangible assets and others	50,144,956.59	27,800,457.95
Cash paid for long-term assets		
Cash Investment		
Obtain payment from subsidiaries and other business units		
net cash		
Other cash paid relating to investing activities	6,262,402.56	5,314,638.44
Subtotal of cash outflows from investing activities	56,407,359.15	33,115,096.39
Net cash flows from investing activities	492,258,646.64	52,572,341.22
3. Cash flow from financing activities:		
Absorbed cash received from investments		
Get cash received from borrowing	3,986,050,095.21	3,576,792,043.62

Receive other cash related to fundraising activities	124,300,000.00	48,585,000.00
Subtotal of cash inflows from financing activities	4,110,350,095.21	3,625,377,043.62
cash paid for debt repayment	4,577,791,189.77	3,849,478,915.08
Distribute dividends, profits or repay interest payments cash	167,312,299.83	156,315,502.91
Payment of other cash related to fundraising activities	401,314,707.72	0.00
Subtotal of cash outflows from financing activities	5,146,418,197.32	4,005,794,417.99
Net cash flow from financing activities	-1,036,068,102.11	-380,417,374.37
4. The impact of exchange rate changes on cash and cash equivalents influences	-1,258,637.42	-9,132,094.48
V. Net increase in cash and cash equivalents	5,550,001.17	-57,237,879.10
Add: Beginning balance of cash and cash equivalents	116,059,403.94	173,297,283.04
VI. Balance of cash and cash equivalents at the end of the period	121,609,405.11	116,059,403.94

7. Consolidated Statement of Changes in Owner's Equity

Current Amount

unit: yuan

project	2021														
	Equity attributable to equity holders													few Shareholders	all rights Yihe Equity count
	share capital	Other equity instruments			capital Accumulation	minus: library Deposit shares	other comprehensive income	Special reserve	surplus Accumulation	generally risk Prepare	Undivided distribution of profit	other subtotals			
		Priority share	Sustainability debt	Others											
I. Balance at the end of the previous year Forecast	1,250 ,463, 090.0 0				1,292,76 721,47 2.61	001 -4,674, 4	900.5 888.90		193,50 8,394. 20		180,14 5,239. 10		2,836,55,100 161,40 6.47	9	2,891, 262,25 2.36
Plus: Accounting policy change															
Early stage error correction															
Same business combination under control															
other															
2. Balance at the beginning of the year Forecast	1,250 ,463, 090.0				1,292,76 721,47 2.61	001 -4,674, 4	900.5 888.90		193,50 8,394. 20		180,14 5,239. 10		2,836,55,100 161,40 6.47	9	2,891, 262,25 2.36

	0														
3. Changes in this period	-9,78				-30,69		-15,18				-646,7		-702,3	-36,76	-739,1
Amount (reduced and filled in with "-")	1,690				2,754.		9,075.				08,420		71,940	1,215.33	155
	.00				84		99				.06		.89	06	.95
(1) Comprehensive income lump sum							-15,18				-646,7		-661,8	-211,3	-662,1
							9,075.				08,420		97,496	31.98	08,828
							99				.06		.05		.03
(2) Owner voted 1,690	-9,78				-30,69								-40,47	-36,54	-77,02
Incoming and Reducing Capital					2,754.								4,444.	9,883.	4,327.
	.00				84								84	08	92
1. owner input of common stock	-9,78												-9,781,		-9,781,
	1,690												690.00		690.00
	.00														
2. Other equity workers															
Owner's input capital															
3. share-based payment into owner's equity amount of															
4. other					-30,69								-30,69	-36,54	-67,24
					2,754.								2,754.	9,883.	2,637.
					84								84	08	92
(3) Profit distribution															
1. Withdrawal of surplus product															
2. extract general wind risk preparation															
3. to the owner (or shareholders) distribution															
4. other															
(IV) Internal transfer of owner's equity															
1. capital reserve transfer															
Increase capital (or shares Book)															
2. surplus reserve transfer															
Increase capital (or shares Book)															
3. surplus reserve															

make up losses															
4. defined benefit plan															
Transferred amount carried forward to retained earnings															
5. Other comprehensive income															
Profit carried forward and retained income															
transfer															
6. other															
(5) Special Reserve															
1. Extraction in this issue															
2. Use in this issue															
(6) Others															
4. Balance at the end of the current period	1,240				1,262,76,001	-19,86		193,50		-466,5		2,133,18,839		2,152,	
Forecast	,681,				028,71	,900.5	3,964.	8,394.		63,180		789,46	,630.8	129,09	
	400.0				7.77	4	89	20		.96		5.58	3	6.41	
	0														

Amount of the previous period

unit: yuan

project	2020														
	Equity attributable to equity holders													Minority Equity	Owner's Hedong Equity
	Equity	Other equity instruments			capital	minus: library	other	Special	surplus	generally	Undivided	other			
		Priority	Perpetual	Others											
		share	debt												count
1. The closing balance of the previous year	1,261,553,144.00				1,367,76,001637,240.63	001,900.5583.534	4,486,		193,508,394.20		125,193,968.31		2,876,377,430.13	87,447,958.73	2,963,825,388.86
Plus: Changes in accounting policies															
Early stage error correction															
Same business combination under control															
other											11,362,698.91		11,362,698.91		11,362,698.91
2. The beginning of this year	1,261,553,				1,367,76,001637,24	001,900.5	4,486,		193,508,394.		136,556,667.		2,887,740,1287,447,		2,975,188,087.

balance	144.0				0.63	4	83.53		20		22		9.04	98.73	77
	0														
3. Increase or decrease in this period															
Amount of change (minus	-11,0				-74,91		-9,161,				43,588		-51,57	-32,347	-83,925
Fill in less with "-"	90,05				5,768.		472.43				,571.8		57	,112.84	,835.41
List)	4.00				02						8				
(1) Comprehensive income											43,588		43,588	-2,004,	41,583,
total profit											,571.8		,571.8	677.00	894.88
											8		8		
(2) Owner	-11,0				-74,91								-86,00	-115,34	-30,342
investing and reducing	90,05				5,768.								02	,435.84	5,822.
Book	4.00				02										8,257.8
															6
1. Owner puts in 90,05	-11,0												-11,09		-11,090,
of common stock	4.00												0,054.		054.00
													00		
2. Other equity workers															
Owner's input															
capital															
3. share-based payment															
Amount invested in															
owner's equity															
4. other					-74,91								-74,91	-105,25	-30,342
					5,768.								02	,435.84	5,768.
					02										8,203.8
															6
(3) Profit sharing															
match															
1. Withdrawal of surplus															
product															
2. extract general wind															
risk preparation															
3. to the owner															
(or shareholders)															
distribute															
4. other															
(4) Owner							-9,161,						-9,161,		-9,161,
Internal transfer of equity							472.43						472.43		472.43
1. Capital reserves are															
converted into capital (or shares															
Book)															
2. surplus reserve transfer															

Increase capital (or shares Book)															
3. Surplus reserve to make up for losses															
4. defined benefit plan Transfer amount carry forward retained earnings															
5. Other comprehensive income Profit carried forward and retained income beneficial															
6. other							-9,161,472.43						-9,161,472.43		-9,161,472.43
(5) Special Reserve															
1. Extraction in this issue															
2. Use in this issue															
(6) Others															
4. The end of the current period balance	1,250,463,090.00				1,292,76,001-4,674,721.472.61	001-4,674,900.5888.904		193,508,394.20		180,145,239.10		2,836,161.406.47	55,100,845.89		2,891,262,252.36

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

Current Amount

unit: yuan

project	2021											
	share capital	Capital reduction of other equity instruments: other				comprehensive income	inventory	special storage	surplus company	unassigned	other	Ownership total profit
		Preference Shares	Perpetual Bonds	Others	product							
1. The balance at the end of the previous year was 63,090. Forward	1,250,400				1,626,4676,001,95,192.66	00.54			193,508,5,042.3	-427.27394.20		2,567,159,734.01
Plus: Changes in accounting policies												
Early stage error correction												
other												
2. Balance at the beginning of the year 1,250,463,090. Forward	1,250,463,090.				1,626,4676,001,95,192.66	00.54			193,508,5,042.3	-427.27394.20		2,567,159,734.01

	00									1		
3. Changes in the current Amount (reduced and filled in with "-")	period -9,781, 690.00				-31,822, 282.31					-226,01 0,631.2 7		-267,614,6 03.58
(1) Comprehensive income lump sum										-224,09 0,398.7 9		-224,090,3 98.79
(2) The owner voted -9,781, Incoming and Reducing Capital	690.00				-31,822, 282.31					-1,920, 232.48		-43,524,20 4.79
1. owner input of common stock	-9,781, 690.00											-9,781,690 .00
2. Other equity workers Equity invested capital					-227,421 .61							
3. share-based payment into owner's equity amount of												
4. other					-31,594, 860.70					-1,920, 232.48		-33,515,09 3.18
(3) Profit distribution												
1. Withdrawal of surplus reserve												
2. to the owner (or shareholders) distribution												
3. other												
(4) Ownership Profits carried forward internally												
1. Capital reserves are converted into capital (or shares Book)												
2. surplus reserve transfer Increase capital (or share capital)												
3. surplus reserve make up losses												
4. defined benefit plan Transferred amount carried forward to retained earnings												
5. Other comprehensive income												

Profit carried forward and retained income												
6. other												
(5) Special Reserve												
1. Extraction in this issue												
2. Use in this issue												
(6) Others												
balance at the end of the current period is 81,400.	1,240,64				1,594,64	76,001,9			193,508	-653,28		2,299,545,
Forecast	00				2,910.35	00.54			8			130.43

Amount of the previous period

unit: yuan

project	2020											
	share capital	Other equity instruments			Capital reduction product	other comprehensive share	surplus in inventory	undistributed profit	special reserve, comprehensive income		other	Ownership total profit
		priority share	sustainable debt	other					product	Run		
1. The balance at the end of the previous year 553.14 <small>Forecast</small>	1,261,4.00				1,702,076,001,9 99,678.21				193,508 -590,814,394.20	814,327.33		2,490,344.988.54
Plus: Accounting policy change										8,539,826.84		8,539,826.84
Early stage error correction												
other												
2. Balance at the beginning of the year <small>Forecast</small>	1,261,553.144.00				1,702,076,001,9 99,678.21				193,508 -582,274,394.20	274,500.49		2,498,884.815.38
3. The amount of increase or decrease in the current period (the decrease is listed with "-")	-11,090,054.00				-75,634,485.55					154,999,458.18		68,274,918.63
(1) Total comprehensive income										154,999,458.18		154,999,458.18
(2) Owner's vote Incoming and Reducing Capital	-11,090,054.00				-75,634,485.55							-86,724,539.55
1. owner input of common stock	-11,090,054.00											-11,090,054.00

2. Other equity workers												
Owner's input capital												
3. Amount of share-based payment included in owner's equity												
4. other					-75,634,485.55						-75,634,485.55	
(3) Profit distribution												
1. Withdrawal of surplus product												
2. to the owner (or shareholders) distribution												
3. other												
(4) Ownership												
Profits carried forward internally												
1. capital reserve transfer												
Increase capital (or shares Book)												
2. surplus reserve transfer												
Increase capital (or shares Book)												
3. surplus reserve												
make up losses												
4. defined benefit plan												
Transferred amount carried forward to retained earnings												
5. Other comprehensive income												
carried forward and retained												
beneficial												
6. other												
(5) Special Reserve												
1. Extraction in this issue												
2. Use in this issue												
(6) Others												
4. Balance at the end of the current period	1,250,463.09				1,626,476,001,965,192.00.54				193,508,427,275,394.20	427,275,042.31		2,567,159,734.01
Forward	0.00				66							

3. Basic information of the company

1. Company History Tongding

Internet Information Co., Ltd. (formerly known as Jiangsu Tongding Optoelectronics Co., Ltd., changed its name in January 2015) (hereinafter referred to as the company or the company) is a legal entity established by Wujiang Shengxin Cable Co., Ltd. The company's original registered capital is RMB 200,800,000.

On October 11, 2010, with the approval of the China Securities Regulatory Commission's Zheng Jian Fa Xing Zi [2010] No. 1287, the company issued 67 million RMB ordinary shares to the public, and on October 21, 2010, the company was listed on the Shenzhen Stock Exchange. After the listing transaction, the company's registered capital was changed to RMB 267,800,000. According to the resolutions of the company's first extraordinary general meeting in 2013 and the nineteenth meeting of the second board of directors, the company applied for an increase in the registered capital of RMB 7,530,000, and the registered capital after the change was RMB 275,330,000. The newly added registered capital is raised by the targeted issuance of restricted RMB ordinary shares (A shares) to the incentive objects.

On May 6, 2014, as reviewed and approved by the company's 2013 annual general meeting of shareholders, the company transferred 3 shares for every 10 shares to all shareholders with capital reserve, The changed registered capital is RMB 357,929,000.

In November 2014, according to the resolution of the company's first extraordinary general meeting in 2014, and approved by the China Securities Regulatory Commission Zheng Jian Xu [2014] No. 1034 "On Approval of Jiangsu Tongding Optoelectronics Co., Ltd. to issue shares to Huang Jian and others to purchase assets" Approval", the company issued RMB ordinary shares to 10 natural persons including Huang Jian, Zhang Yu, Chen Bin, Liu Wenbin, Sheng Sen, Huang Ji, Zhang Yongmei, Zhu Jianyan, Chen Liang and Fang Xiaoliang

(A shares) 9,647,651.00 shares at an issue price of RMB 11.92 per share to purchase a 51% stake in Suzhou Ruiyi Information Technology Co., Ltd. with a registered capital of RMB 367,576,700 after the change. Approved by the China Securities Regulatory Commission Zheng Jian Xu Ke [2014] No. 715, the company publicly issued 6 million convertible corporate bonds on August 15, 2014, each with a face value of 100 yuan and a total issuance of 600 million yuan. The duration of the convertible corporate bonds is 6 years, that is, from February 25, 2015 to August 14, 2020; the conversion start and end date is the first transaction after 6 months from the end of the convertible bond issuance. date to the maturity date of the convertible bonds. As of July 6, 2015, the actual number of convertible corporate bonds converted by the company was 87,217,708.00 shares (including 8,464,781.00 shares as of May 19, 2015), and the remaining 2,929 unconverted convertible bonds have been Redeem all. On April 16, 2015, the 2014 annual profit distribution plan was reviewed and approved by the resolution of the company's 2014 annual general meeting.

On May 19, 2015, the company's total share capital of 376,041,432.00 shares was used as the base, and 20 shares were transferred to all shareholders for every 10 shares with capital reserves, and the company's registered capital was changed to RMB 1,128,124,300.

According to the resolutions of the second meeting of the third board of directors and the fourteenth meeting of the third board of directors, the company repurchased and cancelled some 7,761,000.00 shares of restricted shares for equity incentives. The changed registered capital is RMB 1,199,116,200. On June 7, 2016, according to the resolution of the twenty-ninth meeting of the third session of the board of directors of the company, the company repurchased and cancelled 7,273,500.00 restricted shares for partial equity incentives. The changed registered capital is RMB 1,191,842,700. On February 20, 2017, according to the resolution of the company's third extraordinary general meeting in 2016, and approved by China Securities Regulatory Commission Zheng Jian Xu Ke [2017] No. 244 "On Approval of Tongding Internet Information Co., Ltd. to issue shares to Chen Haibin and others to purchase assets Reply to Raising Supporting Funds" Approved, the company issued 69,866,421.00 RMB ordinary shares, which were listed on the Shenzhen Stock Exchange on April 26, 2017, and the company's registered capital was changed to RMB 1,261,709,100.

On August 2, 2017, according to the resolution of the second meeting of the fourth session of the board of directors of the company, the company repurchased and cancelled 156,000.00 restricted shares of some equity incentives. The changed registered capital is RMB 1,261,553,100. On April 27, 2020, according to the twenty-eighth meeting of the fourth board of directors of the company, the company repurchased the performance compensation shares from the counterparty at a price of RMB 1.00, and cancelled them according to law. On June 29, 2020, the company completed the repurchase and cancellation procedures for 11,090,054 performance compensation shares at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The changed registered capital is RMB 1,250,463,100.

On November 12, 2021, the company held the eleventh meeting of the fifth board of directors, and held the second extraordinary general meeting of the company in 2021 on November 29, 2021. proposal". The company has completed the repurchase procedure of 9,781,690 performance compensation shares at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on December 27, 2021, and cancelled them according to law. The changed registered capital is RMB 1,240,681,400.

2. The company's business scope

The company belongs to the communication equipment manufacturing industry. The company's business scope: Internet web page design; computer network integration technical services; wireless communication equipment, transmission equipment, data communication equipment, broadband multimedia equipment, Internet of Things and product research and development in communication-related fields , production, sales, technical services; local telephone cables, special cables, optical cables, duplex iron-core telephone lines, duplex copper-clad steel telephone lines, wires and cables, optical fibers, communication cables, RF cable, leaky coaxial cable, indoor optical cable production, sales and related testing technical services; optical cable raw material sales; scrap metal recycling; road general cargo transportation; Except for commodities and technologies whose import and export is prohibited) (projects subject to approval according to law can only carry out business activities after approval by relevant departments).

3. The place of company registration and the place of actual

business operation is at No. 8, Xiaoping Avenue, Badu Economic Development Zone, Zhenze Town, Wujiang District, Suzhou City.

Co., Ltd. (listed company, natural person holding), unified enterprise social credit code: 91320500714102279K.

4. These financial statements were approved by the company's board of directors on April 27, 2022.

There are 12 subsidiaries included in the scope of consolidation of the Company. For changes in the scope of consolidation of the Company this year compared with the previous year, please refer to Note VIII "Consolidation Scope Changes in Circumstances" and Note 9 "Equity in Other Entities".

4. Basis for the preparation of financial statements

1. The basis of preparation

The company is based on going concern, according to actual transactions and events, in accordance with the "Accounting Standards for Business Enterprises - Basic Standards" promulgated by the Ministry of Finance and specific accounting standards, application guidelines, interpretations and other relevant regulations for recognition and measurement, and the financial statements are prepared on this basis.

2. Continued operation

The board of directors of the company believes that the company has sufficient working capital and will be able to continue operations for a foreseeable future period of not less than 12 months after the approval date of these financial statements, and there are no major events affecting the ability to continue as a going concern. Therefore, the Board of Directors continues to prepare the Company's 2021 financial statements for the year ended December 31, 2021 on a going concern basis.

V. Significant accounting policies and accounting estimates

Notes on specific accounting policies and accounting estimates:

According to the actual production and operation characteristics, the company has formulated a number of specific accounting policies and accounting estimates for transactions and events such as revenue recognition in accordance with the provisions of the relevant enterprise accounting standards. For the description of the significant accounting judgments and estimates made by the management, please refer to the descriptions in Note V. 12 "Receivables" and Note V. 24 "Fixed Assets".

1. Statement of Compliance with Accounting Standards for Business Enterprises

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

2. Accounting period

A fiscal year starts from January 1st to December 31st in the Gregorian calendar.

3. Operating cycle

The company takes 12 months as an operating cycle, and uses it as the standard for dividing the liquidity of assets and liabilities.

4. Standard currency for accounting

RMB is used as the standard currency for bookkeeping.

5. Accounting treatment method for business combination under the same control and not under the same control

(1) Business combination under the same control All parties

involved in the merger are ultimately controlled by the same party or the same multiple parties before and after the merger, and the control is not temporary, it is a business combination under the same control. The assets and liabilities acquired by the merging party in the business combination are carried out on the basis of the book value of the assets and liabilities of the merged party (including the goodwill formed by the ultimate controlling party acquiring the merged party) in the consolidated financial statements of the ultimate controlling party. related accounting treatment. The difference between the book value of the net assets obtained by the merging party and the book value of the merger consideration paid (or the total face value of the issued shares) shall be adjusted to the capital reserve (equity premium); if the capital reserve (equity premium) is not sufficient to offset, the retained earnings shall be adjusted. . The merger date is the date when the merging party actually obtains control over the merged party.

In a business combination under the same control realized step by step through multiple transactions, the long-term equity investment held by the merging party before obtaining the control of the merged party is under the ultimate control of the same party as the merging party and the merged party on the date of obtaining the original equity. Relevant profit and loss, other comprehensive income and other changes in owner's equity have been recognized between the date of whichever is later and the date of combination, respectively, and offset the retained earnings at the beginning of the period or the current profit and loss in the comparative statement period.

(2) Business combination not under common control

If the parties involved in the merger are not ultimately controlled by the same party or the same multiple parties before and after the merger, it is a business combination not under the same control. The merger cost paid by the purchaser is the sum of the assets paid, the liabilities incurred or assumed and the fair value of the equity securities issued on the purchase date to obtain the control right of the purchaseee. The difference between the fair value of the paid asset and its book value is included in the current profit and loss. The purchase date refers to the date on which the purchaser actually obtains control over the purchased party.

The purchaser allocates the combined cost on the purchase date, and confirms the fair value of the acquired identifiable assets, liabilities and contingent liabilities of the purchaser. The difference between the merger cost and the fair value share of the identifiable net assets of the acquiree obtained in the merger is recognized as goodwill; the difference between the merger cost and the fair value of the identifiable net assets of the acquiree obtained in the merger is included in the current profit and loss. For a business combination not under the same control realized step by step through multiple transactions, the equity of the acquiree held before the acquisition date shall be re-measured according to the fair value of the equity on the acquisition date, and the difference between the fair value and its book value shall be included in Investment income for the current period; if the equity of the acquiree held before the purchase date involves other comprehensive income and changes in other owners' equity, the related other comprehensive income and other changes in owner's equity are converted into the current investment income on the purchase date. Except for other comprehensive income arising from changes in net liabilities or net assets of the defined benefit plan by the investor.

6. Preparation method of consolidated financial statements

The scope of consolidation of the consolidated financial statements is determined on the basis of control, including the company and its subsidiaries (referring to the entities controlled by the company, including enterprises, severable parts of investees, and structured entities controlled by enterprises, etc.). The operating results and financial status of subsidiaries are included in the consolidated financial statements from the date of control to the end of control. Subsidiaries acquired by the Company through business combination under the same control are deemed to be merged subsidiaries in the current period when preparing the consolidated financial statements for the current period.

When the ultimate controlling party of the company controls it, it shall be included in the scope of consolidation, and the opening balance of the consolidated financial statements and the comparative statements of the previous period shall be adjusted accordingly.

For subsidiaries acquired through business combination not under the same control, when preparing the consolidated financial statements for the current period, the financial statements of the subsidiaries are adjusted based on the fair value of the identifiable assets and liabilities determined on the purchase date, and the The consolidated subsidiary will be included in the scope of consolidation from the date of purchase. When the accounting period or accounting policy adopted by the subsidiary is inconsistent with that of the company, necessary adjustments shall be made to the financial statement of the subsidiary according to the accounting period or accounting policy of the company when preparing the consolidated financial statements. All major transactions, balances and unrealized gains and losses between enterprises within the scope of consolidation are offset when preparing the consolidated financial statements. Unrealized losses arising from internal transactions will not be offset if there is evidence that the losses are related to asset impairment losses. Equity and profit or loss attributable to minority shareholders of subsidiaries are listed separately under the item of shareholders' equity in the consolidated balance sheet and under the item of net profit in the consolidated income statement. If the current loss shared by the minority shareholders of a subsidiary exceeds the share of the minority shareholders in the owner's equity of the subsidiary at the beginning of the period, the

The balance shall offset the minority shareholders' equity.

If the control over the original subsidiary is lost due to the disposal of part of the equity investment or other reasons, the remaining equity shall be re-measured according to its fair value on the date of loss of control. The sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity, minus the difference between the share of the original subsidiary's net assets calculated continuously from the date of purchase calculated according to the original shareholding ratio, is included in the current period of loss of control. Investment income, while offsetting goodwill. Other comprehensive income and other changes in owner's equity related to the original subsidiary's equity investment shall be converted into investment income for the current period when control is lost. Except for income.

If the equity investment in the subsidiary is disposed of step by step through multiple transactions until the control is lost, it is necessary to consider whether each transaction constitutes a package transaction, and the terms, conditions and economic impact of each transaction to dispose of the equity investment in the subsidiary meet one of the following or There are various circumstances, indicating that multiple transactions should be accounted for as a package of transactions: (1) These transactions are entered into at the same time or in consideration of mutual influence; (2) Only these transactions can be taken as a whole to achieve a complete business As a result; (3) the occurrence of a transaction depends on the occurrence of at least one other transaction; (4) a transaction is uneconomical on its own, but economical when considered together with other transactions.

If it does not belong to a package of transactions, each of the transactions shall be accounted for as described above; if each transaction belongs to a package of transactions, each transaction shall be accounted for as a transaction that disposes of a subsidiary and loses control; however, The difference between each disposal price and the share of the subsidiary's net assets corresponding to the disposal investment before the loss of control is recognized as other comprehensive income in the consolidated financial statements, and is transferred to the profit and loss of the current period when the control is lost.

7. Classification of joint arrangements and accounting treatment of joint operations

Joint arrangements are divided into joint operations and joint ventures. Joint operation refers to a joint arrangement in which the joint venture party enjoys the relevant assets of the arrangement and assumes the relevant liabilities of the arrangement. A joint venture refers to a joint arrangement in which the joint venture party only has rights to the net assets of the arrangement. A joint venture party in a joint operation shall confirm the following items related to its share of interests in the joint operation, and conduct accounting treatment in accordance with the relevant accounting standards for business enterprises: (1) Recognize the assets held separately, and confirm the jointly held assets according to their shares (2) Recognize the liabilities borne individually, and recognize the liabilities jointly borne according to their share; (3) Recognize the income generated from the sale of their share of the output of the joint operation; (4) Recognize the joint operation according to their share. Income from the sale of output; (5) Recognize the expenses incurred individually, and recognize the expenses incurred by the joint operation according to its share. The joint venture invests or sells assets, etc. to the joint operation (except for the assets constituting a business), before the assets are sold to a third party by the joint operation, only the profits and losses arising from the transaction shall be confirmed attributable to other participants of the joint operation. part. If the assets invested or sold have an asset impairment loss that complies with the "Accounting Standards for Business Enterprises No. 8 - Asset Impairment" and other provisions, the joint venture party shall fully recognize the loss.

When the joint venture party purchases assets, etc. from the joint operation (except for the assets constituting a business), before selling the assets, etc. to a third party, it shall only confirm the part of the profit or loss arising from the transaction that is attributable to other participants in the joint operation. If the purchased assets suffer from asset impairment losses in accordance with the provisions of Accounting Standards for Business Enterprises No. 8 - Asset Impairment, the joint venture party shall recognize the loss according to its share. If the participants who do not enjoy joint control of the joint operation have the relevant assets of the joint operation and assume the liabilities related to the joint operation, they shall

Accounting treatment shall be carried out in accordance with the preceding provisions.

8. Determination standard of cash and cash equivalents

Cash refers to cash on hand and deposits that can be used for payment at any time. Cash equivalents are short-term, highly liquid and easily convertible

It is an investment with a known amount of cash and little risk of changes in value.

9. Foreign currency business and foreign currency statement translation

(1) Accounting treatment of foreign currency

transactions When a foreign currency transaction occurs, the foreign currency amount shall be converted into RMB amount using the spot exchange

rate on the transaction date. On the balance sheet date, foreign currency monetary items are translated into RMB at the spot exchange rate on the balance sheet date, and the resulting translation difference, unless capitalized according to the borrowing cost accounting method, is included in the current profit and loss. Foreign currency non-monetary items measured at historical cost are still translated at the spot exchange rate on the date of the transaction on the balance sheet date. (2) Translation of foreign currency financial statements Assets and liabilities in the balance sheet of overseas operations

shall be translated at the spot exchange rate on the balance sheet date. Except for undistributed profit items, other items of shareholders' equity shall be at the spot when they occur. Exchange rate conversion. The income and expense items in the income statement of overseas operations shall be converted at the annual average exchange rate. The foreign currency statement translation differences arising from the above translations are listed in other comprehensive income.

10. Financial instruments

Financial instruments refer to contracts that form financial assets of one party and financial liabilities or equity instruments of other parties. (1) Recognition and

derecognition of financial instruments When the company becomes a party to a financial instrument contract, it recognizes a financial asset or financial

liability. A financial asset shall be terminated if it meets one of the following conditions: (1) The contractual right to receive the cash flow of the financial asset

shall be terminated. (2) The right to receive the cash flow of the financial asset has been transferred, or the obligation to pay the full amount of the cash flow received to a third party in a timely manner under the "pass-through agreement" has been transferred; and substantially all the risks of ownership of the financial asset have been transferred. and rewards, or relinquish control of a financial asset while substantially neither transferring nor retaining substantially all the risks and rewards of ownership of the financial asset. If the current obligation of a financial liability (or a part of it) has been discharged, the recognition of the financial liability (or this part of the financial liability) is terminated. For the purchase or sale of financial assets in a conventional manner, the company recognizes on the transaction date the assets it will receive and the liabilities it will assume for this purpose, or

Assets sold are derecognised on the trading day. (2) Classification

and measurement of financial assets At the time of

initial recognition of financial assets, the company divides financial assets into: financial assets measured at amortized cost; Financial assets measured at value through other comprehensive income; financial assets at fair value through profit or loss. 1) Initial measurement of financial assets: Financial assets are measured at fair value upon initial recognition. For financial assets at fair value through profit or loss, relevant transaction costs are directly included in current profit and loss; for other types of financial assets, relevant transaction costs are included in the initial recognition amount.

Receivables arising from the sale of products or rendering of labor services that do not include or consider significant financing components are initially measured at the consideration that the company is expected to be entitled to receive.

2) Subsequent measurement of financial assets:

̣ The contractual cash flow characteristics of debt instruments

invested in financial assets measured at amortized cost are consistent with the basic lending arrangements, that is, the cash flow generated on a specific date is only for the principal and outstanding principal. If the payment of interest based on the amount of gold, and the company's business model for managing such financial assets is to collect contractual cash flow as the goal, the company classifies it as a financial asset measured at amortized cost. The financial asset adopts the effective interest method and is subsequently measured at amortized cost, and the gains or losses arising from amortization, impairment and derecognition are included in the current profit and loss.

• The contractual cash flow characteristics of debt instruments that are measured at fair value and whose changes are included

in other comprehensive income are consistent with the basic borrowing arrangements, that is, the cash flow generated on a specific date is only for the principal and outstanding principal. If the payment of interest is based on the amount, and the company's business model for managing such financial assets is to both collect contractual cash flow and sell it, the company will classify it as measured at fair value and its changes are included in other Comprehensive income financial assets. The interest income, impairment losses and exchange differences of the financial assets recognized by the effective interest method are recognized as the current profit and loss, and the remaining fair value changes are included in other comprehensive income. When the recognition is terminated, the accumulated gains or losses previously included in other comprehensive income are transferred out of other comprehensive income and included in the current profit and loss.

• Designated as equity instrument investments at fair value through other comprehensive income When initially recognized, the company

designates some non-trading equity instrument investments as financial assets at fair value through other comprehensive income . The Company includes its relevant dividend income in the current profit and loss, and its fair value changes are included in other comprehensive income. When the financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income will be transferred from other comprehensive income to retained earnings and will not be included in the current profit and loss.

• Financial assets at fair value through profit or loss include those classified as financial assets at fair value

through profit or loss and those designated as financial assets at fair value through profit or loss. The Company classifies the financial assets that are not classified into financial assets measured at amortized cost and measured at fair value through other comprehensive income, and classified as financial assets at fair value through profit or loss. At initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company may designate financial assets as financial assets at fair value through profit or loss for the current period. (3) Recognition basis and measurement method for the transfer of financial assets If the company has transferred almost all the risks and rewards of ownership of the financial assets to the transferee, the recognition of the financial assets shall be terminated;

If there are almost all risks and rewards of ownership of a financial asset, the financial asset will not be derecognized.

If the company neither transfers nor retains almost all the risks and rewards of ownership of the financial asset, and does not retain control over the financial asset, derecognize the financial asset and separately recognize the rights and obligations arising or retained in the transfer as assets or liabilities ; If the control over the financial asset is retained, the relevant financial asset shall be continuously recognized according to the degree of continued involvement in the transferred financial asset, and the relevant liabilities shall be recognized accordingly.

(4) Classification and measurement of financial liabilities

Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities at initial recognition. 1) Initial measurement of financial liabilities Financial liabilities are measured at fair value upon initial recognition. For financial liabilities measured at fair value through profit or loss, the relevant

The relevant transaction costs are directly included in the current profit and loss; for financial liabilities measured at amortized cost, the relevant transaction costs are included in the initial recognition amount.

2) Subsequent measurement of financial liabilities

• Financial liabilities measured at fair value through profit or loss for the current period include financial liabilities

held for trading (including derivatives that are financial liabilities) and financial liabilities designated as measured at fair value through changes at initial recognition. Financial liabilities included in the current profit and loss. Held-for-trading financial liabilities (including derivatives that are financial liabilities) are subsequently measured at fair value, except for those related to hedge accounting.

Changes in fair value are included in current profit and loss.

Designated as financial liabilities at fair value through profit or loss, changes in fair value caused by changes in the company's own credit risk are included in other comprehensive income; Transfer out of other comprehensive income is included in retained earnings. The remaining fair value changes are included in the current profit and loss. If the aforementioned accounting treatment will cause or expand the accounting mismatch in profit and loss, all the gains or losses of the financial liabilities (including the amount affected by changes in the enterprise's own credit risk) shall be included in the current profit and loss. • Other financial liabilities Other financial liabilities other than the financial liabilities and financial guarantee contracts formed by the transfer of financial assets that do not meet the conditions for derecognition or the continuous involvement of the transferred financial assets are classified as financial liabilities measured at amortized cost and are classified as financial liabilities at amortized cost. For subsequent measurement, the gain or loss arising from derecognition or amortization is included in the current profit and loss. (5) If the offset of financial assets and financial liabilities meets the following conditions at the same time, the financial assets and financial liabilities shall be listed in the balance sheet as the net amount after offsetting each other:

The legal right to the recognized amount, and the legal right is currently enforceable; the plan is to settle on a net basis, or to realize the financial asset and pay off the financial liability at the same time. (6)

Determination of the fair value of financial instruments For financial instruments that exist in an active market, the fair value is determined by the quotation in the active market. For financial instruments that do not have an active market, their fair value is determined using valuation techniques. When valuing, the Group adopts valuation techniques that are applicable under the current circumstances and that are supported by sufficient available data and other information, and select the characteristics of the assets or liabilities that are considered by market participants in the transaction of the relevant assets or liabilities. Consistent input values and, where possible, prioritize the use of relevant observable input values. Unobservable input values are used when the relevant observable input values are unavailable or impractical to obtain. (7) Impairment of financial instruments (excluding receivables) 1) Recognition method of impairment reserves into other

For debt instrument investments with combined income, financial guarantee contracts, etc., provision for impairment is made and credit impairment losses are recognized.

The Company considers all reasonable and substantiated information, including forward-looking information, when assessing expected credit losses. The company assesses on each balance sheet date whether the credit risk of a financial instrument has increased significantly since the initial recognition. The determined probability of default during the expected duration indicates that the credit risk of the financial instrument has increased significantly.

If the credit risk has not increased significantly since the initial recognition and is in the first stage, the company will measure the loss provision based on the amount of expected credit losses in the next 12 months; if the credit risk has increased significantly since the initial recognition but no credit impairment has occurred, In the second stage, the company measures the loss provision based on the amount equivalent to the expected credit loss during the entire duration; if the financial instrument has suffered credit impairment since the initial recognition, it is in the third stage, and the company uses the expected credit loss for the entire duration. Loss measurement loss allowance.

For financial instruments with low credit risk on the balance sheet date, the company assumes that the credit risk has not increased significantly since the initial recognition, and measures the loss provision based on the expected credit loss in the next 12 months.

11. Notes receivable

The company measures the loss provision for bills receivable according to the expected credit loss amount equivalent to the entire duration. Based on common risk characteristics Divide receivables into different groups and assess credit risk on a combined basis. The different combinations are determined based on the following:

project	Basis for determining the combination
Combination 3	This portfolio consists of bank acceptance bills and commercial acceptance bills receivable from operators and railway system construction units, with low credit risk.
Combo 4	Convert accounts receivable to commercial acceptance bills for settlement.

12. Accounts receivable

For the accounts receivable arising from the sale of products or the provision of labor services, the company shall calculate the amount equivalent to the expected credit loss during the entire duration. Measure loss allowance.

If the credit risk has not increased significantly since the initial recognition and is in the first stage, the company will measure the loss provision based on the amount of expected credit losses in the next 12 months; if the credit risk has increased significantly since the initial recognition but no credit impairment has occurred, In the second stage, the company measures the loss provision according to the amount equivalent to the expected credit loss during the entire duration; if the accounts receivable has been credit-impaired since the initial recognition, it is in the third stage, and the company calculates the loss reserve according to the entire duration. Expected credit losses measure loss allowances.

For accounts receivable with low credit risk on the balance sheet date, the company assumes that its credit risk has not increased significantly since the initial recognition Plus, the loss provision is measured according to the expected credit losses in the next 12 months.

In addition to the receivables that are individually assessed for credit risk, the company divides receivables into different groups based on common risk characteristics.

credit risk is assessed on a combined basis. Accounts receivable are determined based on the following:

project	Basis for determining the combination
Combination 1	This portfolio takes the aging of receivables as credit risk characteristics.

For the accounts receivable classified into combination 1, the company refers to the historical credit loss experience, combined with the current situation and the future economic situation.

Forecast, prepare a comparison table between the aging of accounts receivable and the expected credit loss rate of the entire duration, and calculate the expected credit loss

aging	Account receivable accrual ratio (%)
Within one year (including one year, the following analogy)	5
One to two years	10
Two to three years	30
Three to four years	50
Four to five years	80
over five years	100

13. Receivables financing

For contractual cash flow characteristics consistent with basic lending arrangements, and the company's business model for managing such financial assets is to receive contractual

Notes receivable and accounts receivable with cash flow as the target and sale as the target are classified by the Company as receivables financing and are measured at fair value.

amount and its changes are included in other comprehensive income. Receivables financing Recognition of interest income, impairment losses and exchange differences recognized using the effective interest method

It is the current profit and loss, and other changes in fair value are included in other comprehensive income. At the time of derecognition, the accumulated gains or losses previously included in other comprehensive income

The losses are transferred out of other comprehensive income and included in the current profit and loss.

14. Other receivables

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

Based on whether the credit risk of other receivables has increased significantly since the initial recognition, the company adopts the expected credit risk within the next 12 months or the entire duration.

Impairment losses are measured by the amount of the loss. Except for other receivables that are individually assessed for credit risk, they are divided into portfolio 2 based on their credit risk characteristics, as follows:

project	Basis for determining the combination
Combination 2	This portfolio includes various types of deposits, deposits, reserve funds, advances and temporary payments that should be collected in daily activities.

15. Inventory

(1) The company's inventories include raw materials, finished products, production costs (work in process), and turnover materials.

(2) When raw materials and finished products are sent out, the weighted average method is used for accounting.

(3) Turnover materials, including low-value consumables and packaging materials, are amortized using the one-off write-off method when they are used.

(4) The basis for determining the net realizable value of inventories and the method for accruing inventory depreciation reserves

The net realizable value of inventories is the estimated selling price of inventories less the estimated costs to be incurred at the time of completion, estimated selling expenses and related taxes

After the amount is determined.

At the end of the period, according to the difference between the cost of a single inventory and the net realizable value, the provision for inventory depreciation shall be made and included in the current profit and loss; the inventory price was previously written down

If the factors affecting the value of the inventories have disappeared, the written-down amount shall be recovered and reversed within the original provision for inventory depreciation.

The amount is included in the current profit and loss. For inventories with a large quantity and a low unit price, the provision for inventory depreciation shall be made according to the inventory category.

(5) The company's inventory inventory adopts the perpetual inventory system.

16. Contract assets

A contract asset is the right to receive consideration for which the company has transferred goods or services to the customer, and this right depends on the lapse of time beyond the other factors. The Company's unconditional (that is, only dependent on the passage of time) right to receive consideration from customers is presented separately as receivables. The determination method and accounting treatment method of expected credit loss of contract assets are consistent with the determination method and accounting treatment method of expected credit loss of accounts receivable in Note V.

12.

17. Contract costs

(1) Cost of obtaining a contract If the

incremental cost incurred by the company for obtaining a contract (that is, the cost that would not be incurred without obtaining a contract) is expected to be recovered, it is recognized as an asset, and the goods or services related to the asset are used. Revenue is recognized on the same basis for sales, and is included in the current profit and loss. If the amortization period of the asset does not exceed one year, it shall be included in the current profit and loss when it occurs. Other expenses incurred by the company for obtaining the contract shall be included in the current profit and loss when incurred, unless it is clearly borne by the customer. (2) Cost of performing the contract The cost incurred by the company for performing the contract, which does not belong to the scope of other enterprise accounting standards except the income standard and meets the following conditions at the same time, is recognized as an asset: \bar{y} The cost is related to a current or expected The contract obtained is directly related; \bar{y} The cost increases the resources used by the company to perform performance obligations in the future; \bar{y} The cost is expected to be recovered. The recognized assets are amortized on the same basis as the revenue from goods or services related to the assets are recognized, and are included in the current profit and loss. (3) Impairment of contract cost If the book value of the contract cost is higher than the difference between the following two items, a provision for impairment shall be made and recognized as an asset impairment loss: \bar{y} Due to the transfer and the asset

The remaining consideration expected to be obtained for the production-related commodities; \bar{y} to estimate the cost to be incurred for the transfer of the relevant commodities.

If the factors of impairment in the previous period change afterward, so that the difference between \bar{y} minus \bar{y} in the preceding paragraph is higher than the book value of the contract cost, the original provision for asset impairment shall be reversed and included in the current profit and loss. The book value of contract costs should not exceed the book value of the asset on the reversal date assuming no provision for impairment is made.

18. Assets held for sale

The company classifies non-current assets or disposal groups that meet the following conditions as 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 enterprise has made a resolution on a sale plan and obtained a firm purchase commitment, and it is expected that the sale will be completed within one year. If the relevant regulations require the relevant authority of the enterprise or the regulatory department to approve the sale, the approval should already be obtained.

When the non-current assets or disposal groups held for sale are initially measured or re-measured on the balance sheet date, if the book value is higher than the net amount after the fair value minus the selling expenses, the book value shall be written down to the fair value minus The net amount after selling expenses, the written-down amount is recognized as asset impairment loss, which is included in the current profit and loss, and at the same time, an impairment provision for assets held for sale is made.

19. Debt investment

20. Other debt investments

21. Long-term receivables

22. Long-term equity investment

(1) Judgment criteria for significant influence and joint control ¶The company

comprehensively considers whether it has a significant influence on the investee based on the following circumstances: whether it has a representative on the board of directors of the investee or similar authority; whether it participates in the financial and financial affairs of the investee. The process of formulating business policies; whether there is an important transaction with the investee; whether to dispatch management personnel to the investee; whether to provide the investee with key technical information. ¶If the company and other participants are bound by a joint arrangement, any participant cannot control the arrangement alone, and any participant cannot control the arrangement independently.

Both parties can prevent other parties or a combination of parties from independently controlling the arrangement, and the company judges that it has joint control over the joint arrangement. (2) Determination of

investment cost ¶For the long-term equity investment formed by the merger of enterprises, the investment cost shall be determined according to the following methods: A. For the investment in subsidiaries formed by the merger of enterprises under the same control, the owner's equity of the merged party obtained on the merger date shall be determined in the final control

The share of book value in the party's consolidated financial statements is taken as the investment cost of long-term equity investment.

For a business combination under the same control realized step by step, the initial investment cost of long-term equity investment shall be determined according to the share of the book value of the net assets of the merged party in the consolidated financial statements of the ultimate controlling party after the merger; The difference between the book value of the long-term equity investment before the merger and the sum of the book value of the newly paid consideration for further acquisition of shares on the merger date shall be adjusted to the capital reserve (capital/share premium). If the capital reserve is insufficient to offset, the retained earnings shall be offset. For the equity investment held before the combination date, other comprehensive income recognized due to accounting using the equity method or financial instrument recognition and measurement standards will not be accounted for temporarily until the investment is disposed of by directly disposing of the relevant assets or liabilities. Accounting treatment shall be carried out on the same basis; the total net assets of the investee recognized by the use of the equity method, except for net profit and loss, other comprehensive income and other changes in owner's equity other than profit distribution, shall not be accounted for temporarily until the investment is disposed of, transferred to the current profit and loss. Among them, if the remaining equity after disposal is accounted for by the cost method or the equity method according to this standard, other comprehensive income and other owners' equity shall be carried forward in proportion, and the remaining equity after disposal shall be accounted for in accordance with the financial instrument recognition and measurement standards. , other comprehensive income and other owners' equity should be carried forward in full.

B. For the investment in subsidiaries formed by the merger of enterprises not under the same control, the cost of enterprise merger shall be regarded as the investment cost. If the

additional investment can control the investee not under the same control, the sum of the book value of the equity investment of the acquiree held before the purchase date and the new investment cost on the purchase date shall be regarded as the initial investment cost calculated by the cost method ; Other comprehensive income recognized by the equity investment of the acquiree held before the purchase date due to accounting by the equity method shall be accounted for on the same basis as the investee's direct disposal of the relevant assets or liabilities when disposing of the investment. If the equity investment held before the purchase date is accounted for in accordance with the relevant provisions of "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments", the cumulative fair value changes originally included in other comprehensive income should be accounted for by the cost method. Transfer to the current profit and loss. ¶Except for the long-term equity investment formed by the merger of enterprises, the long-term equity investment obtained by other means shall determine the investment cost according to the following methods: A. For the long-term equity investment obtained by paying cash, the actual purchase price shall be regarded as the investment cost.

B. For long-term equity investment obtained by issuing equity securities, the fair value of the issued equity securities shall be regarded as the investment cost. ¶If it is able to exert significant

influence on the invested entity or exercise joint control but does not constitute control due to additional investment and other reasons, it shall be determined in accordance with the "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments". The sum of the fair value plus the new investment cost is regarded as the initial investment cost calculated by the equity method. If the equity investment originally held is classified as available-for-sale financial assets, the difference between its fair value and book value, as well as the accumulated changes in fair value originally included in other comprehensive income, should be transferred to the current profit and loss accounted for by the equity method.

(3) Subsequent measurement and profit and loss recognition

method ¶Investment in subsidiaries

In the consolidated financial statements, the investment in subsidiaries is treated according to Note V.6. In the parent company's financial statements, the investment in subsidiaries is accounted for by the cost method. When the investee declares the distribution of cash dividends or profits, Confirm investment income.

The investment in joint ventures and the investment in joint ventures are accounted for by the equity method. The specific accounting treatment includes: For the initial investment cost is greater than the share of the fair value of the identifiable net assets of the investee at the time of investment, The difference is included in the long-term equity investment cost; if the initial investment cost is less than the fair value share of the investee's identifiable net assets at the time of investment, the difference is included in the current profit and loss, and the long-term equity investment cost is adjusted at the same time.

After obtaining investment in joint ventures and joint ventures, according to the share of net profit and loss and other comprehensive income realized by the investee that should be enjoyed or shared, respectively, confirm the investment profit and loss and other comprehensive income and adjust the book value of long-term equity investment; The book value of the long-term equity investment shall be reduced accordingly according to the portion that should be distributed in cash dividends or profits announced by the investee. When calculating the share of the net profit or loss realized by the investee that should be enjoyed or shared, it shall be determined based on the fair value of the identifiable net assets of the investee when the investment is obtained. Differently, when accounting by the equity method, necessary adjustments are made to the financial statements of the investee in accordance with the company's accounting policies or accounting periods. Unrealized gains and losses arising from internal transactions with joint ventures and associates are attributable to the Company according to the shareholding ratio, and are offset during accounting using the equity method. For unrealized losses arising from internal transactions, if there is evidence that the losses are related to asset impairment losses, the losses shall be fully recognized.

For net losses incurred by joint ventures or associates, the book value of the long-term equity investment and other long-term equity that substantially constitutes the net investment in the investee shall be written down to zero, except that the company is obliged to bear additional losses. If the invested enterprise realizes the net profit in the future, after the profit sharing amount makes up for the unrecognized loss sharing amount, the recognition of the profit sharing amount shall be resumed. For other changes in the owner's equity of the investee other than net profit or loss, other comprehensive income and profit distribution, adjust the long-term equity investment

book value and included in the capital reserve. When disposing of the investment, the part originally included in the capital reserve shall be transferred to the current profit and loss according to the corresponding proportion.

(4) For the disposal of long-term equity investment, the difference between its book value and the actual amount obtained shall be included in the current profit and loss. For long-term equity investment accounted for by the equity method, when disposed of, the same basis as the investee's direct disposal of relevant assets or liabilities shall be adopted. The portion originally included in other comprehensive income shall be accounted for according to the corresponding proportion.

If the joint control or significant influence over the investee is lost due to the disposal of part of the equity investment or other reasons, the remaining equity after disposal shall be accounted for in accordance with the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments. The difference between the fair value and the book value on the date of significant influence is included in the current profit and loss. Other comprehensive income recognized by the original equity investment due to accounting by the equity method shall be accounted for on the same basis as the investee directly disposes of the relevant assets or liabilities when the equity method is terminated. If the control over the investee is lost due to the disposal of part of the equity investment and other reasons, when preparing individual financial statements, if the remaining equity after the disposal can exercise joint control or significant influence on the investee, it shall be accounted for by the equity method instead, and shall be accounted for by the equity method. The remaining equity is deemed to be adjusted using the equity method when it is acquired. If the remaining equity after disposal cannot exercise joint control or significant influence on the investee, the accounting treatment shall be carried out in accordance with the relevant provisions of "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments", and its fair value on the date of loss of control The difference with the book value is included in the current profit and loss.

23. Investment real estate

Investment real estate measurement model

Cost method measurement

Depreciation or Amortization Method

The Company adopts the cost model for subsequent measurement of investment properties, deducting depreciation or amortization using the straight-line method after deducting the estimated net residual value within the useful life.

category	Service life (years)	Estimated net residual value ratio	Annual Depreciation (Amortization) Rate
building	20	5%	4.75%
Land use rights	Legal use period	-	-

24. Fixed assets

(1) Confirmation conditions

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

(2) Depreciation method

category	Depreciation method	Depreciation period	Residual rate	annual depreciation rate
houses and buildings	Average years method	20	5%	4.75%
mechanical equipment	Average years method	10	5%	9.5%
Electronic office equipment	Average years method	5	5%	19%
Transportation Equipment	Average years method	5	5%	19%

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

(3) Recognition basis, valuation and depreciation method of fixed assets under financing lease

25. Construction in progress

The cost of construction in progress is determined based on the actual construction expenditure, including various construction expenditures and other related expenses incurred during the construction period. under construction Processes are carried forward as fixed assets after reaching the intended usable state.

26. Borrowing costs

(1) Borrowing costs include borrowing interest, amortization of discount or premium, auxiliary expenses, and exchange differences arising from foreign currency borrowings.

Borrowing costs that can be directly attributable to the acquisition, construction or production of assets eligible for capitalization shall be capitalized and included in the cost of relevant assets; other

The borrowing costs are included in the current profit and loss.

(2) When the asset expenditure has occurred, the borrowing cost has occurred and is necessary to make the asset reach the intended use or sale state

The capitalization of borrowing costs begins when the acquisition, construction or production activities have commenced. Assets eligible for capitalization are issued during the acquisition, construction or production process.

If an abnormal interruption occurs and the interruption time exceeds 3 consecutive months, the capitalization of borrowing costs shall be suspended. When the purchased, constructed or produced assets reach the pre-

Capitalization of borrowing costs is stopped when it is ready for use or sale, and the borrowing costs incurred later are included in the current profit and loss.

(3) Calculation method of capitalized amount of borrowing costs

ÿ Borrowing costs incurred for special borrowings (including borrowing interest, discounts, etc.)

or the amortization of premium, ancillary expenses, exchange differences on the principal and interest of foreign currency special borrowings), the capitalized amount is

The actual borrowing costs incurred by the borrowing minus the interest income obtained by depositing the unused borrowing funds in the bank or the investment obtained from temporary investment.

amount after capital gains.

ÿ The borrowing costs incurred for the general borrowings occupied for the purchase, construction or production of assets eligible for capitalization (including borrowing interest, discounts

or the amortization of the premium), the capitalized amount is based on the weighted average of the accumulated asset expenditures over the specific borrowings during the capitalization period.

The number is multiplied by the capitalization rate of the occupied general borrowings.

27. Biological assets

28. Oil and gas assets

29. Right-of-use assets

The right-of-use asset refers to the lessee's right to use the leased asset during the lease term. The company

initially measures the right-of-use asset at cost, which includes: (1) the initial measurement amount of the lease liability; (2) the lease payment paid on or before the start date of the lease term, if there is a lease incentive, deduct the enjoyment (3) Initial direct costs incurred by the lessee; (4) The lessee is expected to incur costs 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. With reference to the relevant depreciation provisions of "Accounting Standards for Business Enterprises No. 4 - Fixed Assets", the Company accrues depreciation for right-of-use assets. If it can be reasonably determined that the ownership of the leased asset will be obtained at the expiration of the lease term, depreciation shall be accrued within the remaining useful life of the leased asset. If it cannot be reasonably determined that the ownership of the leased asset can be obtained at the expiration of the lease term, depreciation shall be accrued within the shorter of the lease term and the remaining useful life of the leased asset. When the Company re-measures the lease liability according to the present value of the changed lease payments, and adjusts the book value of the right-of-use asset accordingly, if the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, The remaining amount is included in the current profit and loss.

30. Intangible assets

(1) Valuation method, service life and impairment test

(1) Intangible assets are initially measured at the cost at the time of acquisition. (2)

Amortization method of intangible assets ÿ For intangible assets with limited service

life, the straight-line method is used for amortization within the service life. The Company shall review the useful life and amortization method of intangible assets at least at the end of each year.

ÿ For intangible assets with uncertain service life, no amortization is required. At the end of each year, the service life of intangible assets with indefinite service life shall be reviewed. If there is evidence that its service life is limited, its service life shall be estimated and amortized according to its service life.

(2) Accounting policy for internal research and development expenditure

ÿ Specific standard research that divides the research phase and development phase of the company's internal

research and development projects refers to original and planned investigations to acquire and understand new scientific or technical knowledge. Development is the application of research results or other knowledge to one or more plans or designs to produce new or substantially improved materials, devices, products, or to obtain new processes before commercial production or use .

ÿ Expenditure in the research stage shall be included in the current profit and loss when incurred. Expenditures in the development stage shall be capitalized if the following conditions are met at the same time: A. It is technically feasible to complete the intangible asset so that it can be used or sold; B. There is an intention to complete the intangible asset and use or sell it; C . The way in which intangible assets generate economic benefits, including the existence of a market for products produced by using the intangible assets or the existence of a market for the intangible assets themselves. If the intangible assets will be used internally, its usefulness should be proved; D. There are sufficient technical and financial resources and other resources to complete the development of the intangible asset and have the ability to use or sell the intangible asset; E. Expenses attributable to the development stage of the intangible asset can be measured reliably.

31. Impairment of long-term assets

On the balance sheet date, the company determines whether long-term equity investments, investment real estate measured by cost model, fixed assets, construction in progress, intangible assets and other long-term assets have signs of impairment based on internal and external information. Long-term assets with signs of impairment are tested for impairment and their recoverable amounts are estimated. In addition, regardless of whether there is any sign of impairment, the Company shall conduct impairment test on goodwill, intangible assets with uncertain service life and intangible assets that have not yet reached a usable state at least at the end of each year, and estimate their recoverable amounts.

If the estimation result of the recoverable amount shows that the recoverable amount of the above-mentioned long-term assets is lower than its book value, its book value will be written down to the recoverable amount. The written-down amount is recognized as asset impairment loss, which is included in the current profit and loss, and the corresponding impairment provision is made at the same time.

The recoverable amount refers to the net amount after the fair value of the asset (or asset group, asset group combination, the same below) minus the disposal cost and the estimated value of the asset. The higher of the present value of future cash flows.

An asset group is the smallest asset group that can be identified, and its cash inflow is basically independent of other assets or asset groups. An asset group consists of assets related to generating cash inflows. When identifying an asset group, the main consideration is whether the asset group can generate cash inflows independently, and at the same time, the management method of production and operation activities, and the decision-making method of the use or disposal of assets, etc. are considered. The net amount of the asset's fair value less disposal costs is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date minus the price that could be directly paid. The amount attributable to the disposal of the asset is determined. The present value of the expected future cash flow of the asset is determined according to the expected future cash flow generated during the continuous use and final disposal of the asset, and the discounted amount is determined by selecting an appropriate pre-tax discount rate. For impairment losses related to an asset group or combination of asset groups, the book value of the goodwill allocated to the asset group or combination of asset groups is first offset, and then based on other items other than goodwill in the asset group or combination of asset groups. The proportion of the book value of the asset, the book value of other assets shall be deducted proportionally, but the book value of each asset after deduction shall not be lower than the net amount after the fair value of the asset minus disposal costs (if it can be determined).), the present value of the asset's expected future cash flows (if determinable), and zero, whichever is the highest. Once the aforementioned long-term asset impairment loss is confirmed, it cannot be reversed in subsequent accounting periods.

32. Long-term deferred expenses

Long-term deferred expenses are amortized equally over the benefit period. If the long-term amortized expense item cannot benefit the future accounting period, all the amortized value of the item that has not been amortized will be transferred to the current profit and loss.

33. Contract liabilities

Contract liabilities refer to the obligation of the company to transfer goods or services to customers for which the company has received or receivable consideration from customers. Contract assets and contract liabilities under the same contract are presented on a net basis.

34. Employee remuneration

(1) Accounting treatment of short-term compensation

Employee compensation includes short-term compensation, post-employment benefits, termination benefits and other long-term employee benefits. Short-term remuneration mainly includes wages, bonuses, allowances and subsidies, employee benefits, medical insurance, maternity insurance, work-related injury insurance, housing provident fund, trade union funds, employee education funds, and non-monetary benefits. The company recognizes the actual short-term employee benefits as liabilities during the accounting period when employees provide services to the company, and includes them in the current profit and loss or related asset costs. Among them, non-monetary benefits are measured at fair value.

(2) Accounting treatment of post-employment benefits

Post-employment benefits are defined contribution plans, mainly including basic endowment insurance, unemployment insurance, etc. The corresponding expenditures are included in the relevant asset costs or current profits and losses when incurred.

(3) Accounting treatment of dismissal benefits

If the employee terminates the labor relationship with the employee before the expiration of the labor contract, or proposes compensation in order to encourage the employee to voluntarily accept the layoff, the company shall recognize the employee compensation liability arising from the dismissal benefit on the earlier of the following two dates and include it in the current profit and loss : When the company cannot unilaterally withdraw the dismissal benefits provided by the labor relationship termination plan or layoff proposal; when the company confirms the costs or expenses related to the restructuring involving the payment of dismissal benefits. The internal retirement plan of employees is treated according to the same principles as the above-mentioned dismissal benefits. The company will include the salaries and social insurance premiums to be paid for internal retirees during the period from the date when employees stop providing services to the normal retirement date, and include them in the current profit and loss (dismissal welfare) when the conditions for the recognition of estimated liabilities are met.

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

Other long-term employee benefits provided by the company to employees that meet the defined contribution plan shall be accounted for in accordance with the defined contribution plan, and otherwise shall be accounted for in accordance with the defined income plan.

35. Lease liabilities

On the commencement date of the lease term, the Company recognizes the present value of the outstanding lease payments as a lease liability (except for short-term leases and leases of low-value assets). 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 incremental borrowing rate of the lessee is used as the discount rate. Variable lease payments that are not included in the measurement of lease liabilities are included in the current profit and loss when they are actually incurred.

The company calculates the interest expense of the lease liability during the lease period according to the fixed periodic interest rate, and includes it in the current profit and loss. If it should be included in the cost of the relevant assets according to other standards, the regulations shall apply. Variable lease payments that are not included in the measurement of lease liabilities are included in the current profit and loss when they are actually incurred, and if they should be included in the cost of relevant assets in accordance with other standards, the provisions thereof shall apply.

Changes in the evaluation results or actual exercise of the lease renewal option, lease termination option or purchase option after the commencement date of the lease term , re-determine the lease payments and re-measure the lease liability at the present value of the changed lease payments and the revised discount rate.

Changes in amounts expected to be payable based on residual value guarantees after the lease commencement date, or due to an index or ratio used to determine lease payments If there is a change in the future lease payment due to the change, the lease liability is re-measured at the present value of the lease payment after the change.

When the lease liability is remeasured for the above reasons or due to changes in the substantial fixed payment, the book value of the right-of-use asset is adjusted accordingly. Make If the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the remaining amount shall be included in the current profit and loss.

36. Estimated liabilities

(1) An obligation related to a contingent event that meets the following conditions at the same time shall be recognized as an estimated liability: ̄ The obligation is a current obligation undertaken by the enterprise; ̄ The performance of the obligation is likely to result in the outflow of economic benefits from the enterprise; ̄ The amount of the obligation can be Reliable metering.

(2) The estimated liabilities are initially measured according to the best estimate of the expenditure required to perform the relevant current obligations. If there is a continuous range of required expenditures, and the probability of occurrence of various outcomes within this range is the same, the best estimate shall be based on the range within this range. The median value is determined.

In other cases, the best estimates are handled separately as follows:

Contingencies involving a single item shall be determined according to the most likely amount. Contingencies

involving multiple items shall be calculated and determined according to various possible results and related probabilities.

37. Share-based payment

(1) Types of share-based payment

Share-based payment is a transaction that grants equity instruments or undertakes liabilities determined on the basis of equity instruments in order to obtain services from employees or other parties. Share-based payment is divided into equity-settled share-based payment and cash-settled share-based payment. Equity-settled share-based payment in exchange for services provided by employees shall be measured at the fair value of the equity instruments granted to employees on the grant date. The amount of the fair value shall be calculated and included in the relevant costs on a straight-line basis during the waiting period based on the best estimate of the number of exercisable equity instruments under the condition that the right can be exercised after completing the service during the waiting period or meeting the specified performance conditions. If the right is exercised immediately after the grant, it will be included in the relevant costs or expenses on the grant date, and the capital reserve will be increased accordingly. For equity-settled share-based payments in exchange for services of other parties, if the fair value of services of other parties can be measured reliably, it shall be measured at the fair value of services of other parties on the date of acquisition; if the fair value of services of other parties cannot be reliably measured, but equity instruments If the fair value of the equity instrument can be reliably measured, it shall be measured according to the fair value of the equity instrument on the date of service acquisition, included in the relevant costs or expenses, and the shareholders' equity shall be increased accordingly. Cash-settled share-based payment The cash-settled share-based payment shall be measured at the fair value of the liabilities determined on the basis of shares or other equity instruments undertaken by the company. If the right can be exercised immediately after the grant, the relevant costs or expenses will be included on the grant date, and the liabilities will be increased accordingly; if the right can only be exercised after completing the service during the waiting period or meeting the specified performance conditions, on each balance sheet date of the waiting period, Based on the best estimate of the vesting situation, according to the fair value of the liabilities assumed by the company, the services obtained in the current period are included in costs or expenses, and liabilities are increased accordingly. On each balance sheet date and settlement date before the settlement of the relevant liability, the fair value of the liability is remeasured, and the change is included in the current loss

beneficial.

(2) Relevant accounting treatment for implementation, modification and termination of share-based payment

plan When the company modifies the share-based payment plan, if the modification increases the fair value of the equity instruments granted, the increase in the fair value of the equity instruments shall be recognized accordingly as the increase in services obtained. The increase in the fair value of equity instruments refers to the difference between the fair values of the equity instruments before and after the modification on the modification date. If the modification reduces the total fair value of share-based payment or adopts other methods that are not conducive to employees, the accounting treatment of the services obtained shall continue to be treated as if the change has never occurred, unless the company cancels some or all of the granted rights and interests tool.

During the waiting period, if the granted equity instruments are cancelled, the company will treat the cancellation of the granted equity instruments as accelerated exercise, and the amount that should be recognized during the remaining waiting period will be immediately included in the current profit and loss, and the capital reserve will be recognized at the same time. If the employees or other parties can choose to meet the non-vesting conditions but not within the waiting period, the company will treat it as the cancellation of the grant of equity instruments.

38. Preferred shares, perpetual bonds and other financial instruments

39. Income

Accounting policies used for revenue recognition and measurement

When the company has fulfilled the performance obligation in the contract, that is, when the customer obtains the control of the relevant goods or services, the revenue is recognized according to the transaction price allocated to the performance obligation. If the contract contains two or more performance obligations, the company will allocate the transaction price to each individual performance obligation according to the relative proportion of the stand-alone selling price of the goods or services promised by each individual performance obligation on the contract start date. For sales with a warranty clause, if the warranty provides a separate service in addition to assuring the customer that the goods or services sold meet the established standard, the warranty constitutes a single performance obligation. Otherwise, the company will conduct accounting treatment for quality assurance responsibilities in accordance with the "Accounting Standards for Business Enterprises No. 13 - Contingencies".

Transaction price refers to the amount of consideration that the company expects to be entitled to receive for the transfer of goods or services to customers, but does not include collections on behalf of third parties

and the amount the Company expects to return to the customer. If there is variable consideration in the contract, the company determines the best estimate of the variable consideration according to the expected value or the most likely amount. The transaction price including variable consideration shall not exceed the amount for which it is highly probable that the accumulated recognized revenue will not be reversed significantly when the relevant uncertainty is eliminated. If there is consideration payable to the customer in the contract, unless the consideration is to obtain other clearly distinguishable goods or services from the customer, the company shall offset the consideration payable against the transaction price, and confirm the relevant income and pay (or promise to pay) the customer consideration. The later of the two is offset against current income. If there is a significant financing component in the contract, the company will adjust the transaction price according to the financing component in the contract; if the interval between the transfer of control and the customer's payment is less than one year, the company does not consider the financing component.

The company determines whether the company is primarily responsible or an agent when engaging in a transaction based on whether it has control over the goods or services before transferring them to customers. If the company can control the goods or services before transferring the goods or services to the customer, the company is the main responsible person, and the revenue is recognized according to the total amount of consideration received or receivable; otherwise, the company is the agent and is expected to be entitled to receive the income. The amount of commission or handling fee is recognized as revenue, and the amount is determined as the net amount of the total consideration received or receivable after deducting the price payable to other related parties.

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

The company's revenue mainly comes from: (1)

Sales of goods. Commodity sales contracts between companies and customers usually only include communication optical cables, cable business, communication equipment business, traffic and data marketing business, and network security business. The company usually recognizes revenue at the time when the control right of the commodity is transferred on the basis of comprehensive consideration of the following factors: the current right to receive payment of the commodity, the transfer of the main risks and rewards in the ownership of the commodity, the transfer of the legal title of the commodity, the physical object of the commodity. The transfer of the asset, the customer's acceptance of the item.

(2) Provide labor income, software and technical service contracts between the company and customers, because the customer obtains and consumes the economic benefits brought by the company's performance at the same time as the company performs the contract, or the goods or services provided by the company in the process of performing the contract are irrelevant. Alternative use, and the company has the right to accumulatively complete the performance part of the revenue during the entire contract period, the company regards it as a performance obligation performed within a certain period of time, and recognizes the revenue according to the performance progress, unless the performance progress cannot be reasonably determined. . The company determines the performance progress of the services provided by the output method or the input method according to the business category. When the progress of contract performance cannot be reasonably determined, if the costs incurred by the company are expected to be compensated, revenue shall be recognized according to the amount of costs incurred until the progress of contract performance can be reasonably determined. The company's business scope includes communication optical cable, cable business, communication equipment business, traffic and data marketing business, network security business, etc.

The specific methods of revenue recognition for this business are as follows:

Communication optical cable, cable business, and communication equipment business:

Domestic sales model The company delivers the goods according to the orders signed with

the customer. After the customer has passed the acceptance test and notified the invoice, the company confirms that the control right of the product has been transferred.

That is, the realization of product sales revenue is recognized.

The foreign sales model company

delivers goods according to the order signed with the customer. After the product is declared for export, it is confirmed that the control right of the product has been transferred, that is, the realization of product sales revenue is confirmed. Traffic

and data marketing business: For the forward traffic business of the traffic office, the revenue is confirmed according to the number of orders sent, the unit price of the order, and the settlement-to-remuneration ratio; the revenue of the electronic yellow pages

business is confirmed according to the number of orders sent, the unit price, the share ratio, and the estimated delivery rate; vertical For the customer acquisition business, revenue is recognized according to the number of downloads and the unit

price. Network security business: revenue is recognized when the sales of goods are shipped and the customer acceptance order is obtained.

Software and technical service business: revenue is recognized according to the progress of contract performance.

40. Government subsidies

Government grants refer to the monetary assets and non-monetary assets obtained by the company from the government for free, excluding the capital invested by the government as the owner. Government grants are divided into asset-related government grants and income-related government grants. The company defines the government grants obtained for the purchase and construction or forming long-term assets in other ways as government grants related to assets; other government grants are defined as government grants related to income. If the government documents do not clearly specify the subsidy objects, the subsidy funds are divided into government subsidies related to income and government subsidies related to assets in the following ways.

Government subsidy: (1) If the government document clarifies the specific project for which the subsidy is aimed, it shall be divided according to the relative proportion of the expenditure amount that forms the asset and the expenditure amount included in the cost in the budget of the specific project. Review each balance sheet date, and make changes if necessary; (2) The purpose in government documents is only a general statement, and if no specific item is specified, it will be regarded as a government grant related to income.

If the government grant is a monetary asset, it shall be measured according to the amount received or receivable. If the government grant is a non-monetary asset, it shall be measured at its fair value; if the fair value cannot be obtained reliably, it shall be measured at its nominal amount. Government subsidies shall be confirmed if they meet the following conditions at the same time: (1) The enterprise can meet the conditions attached to the government subsidy; (2) The enterprise can receive the government subsidy. Government subsidies related to the daily activities of the enterprise are included in other income according to the substance of the economic business. Government subsidies unrelated to the daily activities of the enterprise are included in non-operating income. If the government grants related to income are used to compensate the relevant expenses or losses of the Company in subsequent periods, they shall be recognized as deferred income, and shall be included in the current profits and losses during the period in which the relevant expenses are recognized; Relevant expenses or losses shall be directly included in the current profit and loss.

Government grants related to assets are recognized as deferred income, and are evenly distributed over the useful life of the relevant assets and included in the current profit and loss. However, government subsidies measured at nominal amounts 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 shall be transferred to the profit and loss of the current period of asset disposal.

41. Deferred tax assets/deferred tax liabilities

Current income tax expense and deferred income, except for income tax effects related to transactions or events that are directly included in shareholders' equity

Tax expenses (or gains) are included in the current profit and loss.

Current income tax expense is the expected income tax payable calculated based on the taxable income for the current year and the tax rate prescribed by the tax law, plus adjustments to income tax payable in previous years. On the balance sheet date, if the taxable entity has the legal right to settle on a net basis and intends to settle on a net basis or to acquire assets and settle liabilities at the same time, the current tax assets and current tax liabilities are presented as a net amount after offsetting. Deferred income tax assets and deferred income tax liabilities are determined based on deductible temporary differences and taxable temporary differences, respectively, and are measured at the applicable tax rate during the period when assets are expected to be recovered or debts settled. Temporary differences are the differences between the book value of an asset or liability and its tax base, including losses and deductions that can be carried forward for deduction in subsequent years. Deferred income tax assets are recognised to the extent that it is probable that taxable income will be available against which the temporary differences can be utilised. For temporary differences arising from the initial recognition of assets or liabilities arising from non-business combination transactions that affect neither accounting profit nor taxable income (or deductible losses), no deferred income tax is recognized. Temporary differences resulting from the initial recognition of goodwill also do not result in deferred tax.

On the balance sheet date, according to the expected recovery or settlement method of deferred tax assets and liabilities, in accordance with the promulgated tax laws, in accordance with the expected The carrying amount of the deferred tax assets and liabilities is measured at the applicable tax rate in the period in which the asset is recovered or the liability is settled.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities are presented as a net amount after offsetting when the following conditions are met simultaneously:

(1) The taxpayer has the legal right to settle 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 the income tax levied by the same tax administration department on the same taxpayer or are related to different taxpayers, but each significant deferred tax asset and During the period in which the liabilities are reversed, the involved taxpayer intends to settle the current income tax assets and liabilities on a net basis or to acquire the assets and settle the liabilities at the same time.

42. Leasing

(1) Accounting treatment of operating leases

For details, please refer to Note V. 44 "Changes in Significant Accounting Policies and Accounting Estimates".

(2) Accounting treatment method of financial lease

For details, please refer to Note V. 44 "Changes in Significant Accounting Policies and Accounting Estimates".

43. Other significant accounting policies and accounting estimates

(1) Termination of operation

Termination of operation refers to the components that meet one of the following conditions and have been disposed of or classified as held for sale by the company and can be separately distinguished when operating and preparing financial statements: ̳ This component represents An independent main business or a main business area; ̳ This component is part of a proposed disposal plan for an independent main business or a main business area; ̳ This component is a subsidiary acquired only for resale .

For the accounting treatment method of discontinued operation, please refer to the relevant description in Note V. 18 "Assets Held for Sale". (2) Hedging accounting

To avoid certain risks, the Company hedges certain financial instruments as hedging instruments. The hedge that meets the specified conditions shall be handled by the Company using the hedge accounting method. The Company's hedges include fair value hedges, cash flow hedges and hedges of net investments in foreign operations. The hedging of foreign exchange risk of certain commitments is treated as cash flow hedge/fair value hedge.

At the beginning of the hedge, the company records the relationship between the hedging instrument and the hedged item, as well as the risk management objectives and strategies for different hedging transactions. In addition, the Company will continuously evaluate the effectiveness of the hedge at the beginning of and after the hedge to check whether the relevant hedge is highly effective during the accounting period in which the hedging relationship is designated.

A fair value hedge is designated as

a fair value hedge and eligible derivatives, and the gains or losses arising from changes in its fair value are included in the current profit and loss.

The gain or loss of the hedged item due to the hedged risk is also included in the current profit and loss, and the book value of the hedged item is adjusted at the same time.

When the Company withdraws the designation of the hedging relationship, the hedging instrument expires or is sold, the contract is terminated or exercised, or it is no longer eligible to apply the hedge

When the conditions for period accounting are met, the use of hedge accounting is terminated.

B cash flow hedges are designated

as cash flow hedges and are eligible derivatives. The part of the fair value change that belongs to the effective hedge is recognized as other comprehensive income, and the part of the ineffective hedge is included in the current profit and loss. If the hedging of the expected transaction causes the Company to subsequently recognize a financial asset or financial liability, the amount originally included in other comprehensive income will be transferred out and included in the current profit and loss in the same period when the asset or liability affects the profit and loss of the enterprise; If the company expects that all or part of the net loss originally included in other comprehensive income cannot be made up in future accounting periods, the unrecoverable part will be transferred out and included in the current profit and loss.

If the hedging of the expected transaction causes the company to subsequently recognize a non-financial asset or non-financial liability, the gain or loss that has been included in other comprehensive income is transferred out to the initial value of the non-financial asset or non-financial liability. The amount originally included in other comprehensive income in the cost is transferred out in the same period when the non-financial asset or non-financial debt affects the profit and loss of the enterprise, and is included in the current profit and loss. If it is expected that all or part of the net loss originally included in other comprehensive income cannot be made up in the future accounting period, the unrecoverable part shall be transferred out and included in the current profit and loss.

Except for the above circumstances, the amount originally included in other comprehensive income is transferred out in the same period when the hedged forecast transaction affects the profit and loss, and is included in the current loss beneficial.

Hedge accounting is terminated when the company revokes the designation of the hedging relationship, the hedging instrument expires or is sold, the contract is terminated, exercised or no longer meets the conditions for hedge accounting. When hedge accounting is terminated, the accumulated gain or loss that has been included in other comprehensive income will be transferred out of other comprehensive income and included in profit or loss when the expected transaction occurs and is included in profit or loss. If the expected transaction does not occur, the accumulated gain or loss included in other comprehensive income will be immediately transferred out and included in the current profit and loss.

C Hedges of net investment in foreign operations

Hedges of net investment in foreign operations are accounted for in a similar manner to cash flow hedges. Among the gains or losses on hedging instruments, the part belonging to the effective hedging is recognized as other comprehensive income, and the part of the gains or losses from the ineffective hedging is included in the current profit and loss.

Gains and losses that have been included in other comprehensive income shall be transferred out of other comprehensive income and included in the current profit and loss when disposing of overseas operations.

44. Changes in significant accounting policies and accounting estimates

(1) Changes in important accounting policies

√ Applicable √ Not applicable

The content and reasons for changes in accounting policies	approval procedure	Remark
On December 7, 2018, the Ministry of Finance issued the "Enterprise Accounting Standard No. 21 - Leases, requiring onshore Companies listed both inside and outside the country and companies listed overseas and Businesses that prepare financial statements in accordance with International Financial Reporting Standards or Accounting Standards for Business Enterprises, since the resolution on 27, 2019 The new leasing standards will be implemented from January 1, and other implementing companies will Businesses subject to IFRS will be implemented from January 1, 2021.	The fourth meeting of the fifth board of directors will be held in April 2021 in accordance with the resolution on 27, 2019	with the Accounting Standards for Business Enterprises No. 21 - Leases

From January 1, 2021, the company will implement the Accounting Standards for Business Enterprises No. 21 - Lease (referred to as the "New Lease Standards") revised by the Ministry of Finance in 2018. The company chooses not to renew the existing contracts before the first implementation date. Evaluate whether it is a lease or includes a lease, the cumulative impact on the first implementation of this standard, adjust the amount of retained earnings and other related items in the financial statements at the beginning of 2021, and do not adjust the information of comparable periods.

For the financial lease before the date of initial execution, the Company shall use the original book value of the assets under the financial lease and the financial lease payable on the date of initial execution. value to measure the right-of-use asset and lease liability separately.

For operating leases prior to the date of initial application, the Company will debit the lessee incrementally on the date of initial application based on the remaining lease payments on the date of initial application. The lease liability is measured at the present value of the discounted interest rate, and the right-of-use asset is measured at either of the following, for each lease option:

A. It is assumed that the book value of the new lease will be adopted from the commencement date of the lease term (the lessee's incremental borrowing rate on the date of initial application is used as the discount rate); B. The amount equal to the lease liability, subject to necessary adjustments based on prepaid rent. For operating leases before the date of initial execution, the Company adopts the following simplified treatment: A. The leases that will be completed within 12 months after the date of initial execution are treated as short-term leases.

B. When measuring lease liabilities, the same discount rate is used for leases with similar characteristics; the measurement of right-of-use assets does not include initial direct costs; The lease term is determined by the actual exercise and other latest information; D. As an alternative to the right-of-use asset impairment test, assess whether the contract containing the lease is a onerous contract prior to the date of initial execution in accordance with Accounting Standards for Business Enterprises No. 13 - Contingencies. The right-of-use asset is adjusted according to the amount of the loss provision included in the balance sheet before the date of initial application.

E. The lease modification before the first execution date shall be accounted for according to the final arrangement of the lease modification. The aforementioned simplification of operating leases prior to the date of initial application had no impact on retained earnings at 1 January 2021. For sub-leases classified as operating leases before the date of initial application and subsistence after the date of initial application, the Company re-evaluates on the date of initial application based on the remaining contract terms and terms of the original lease and sub-lease, and classifies them in accordance with the provisions of the new lease standards. If it is reclassified as a finance lease according to the new lease standards, it shall be accounted for as a new finance lease.

For the sale and leaseback transactions that existed before the date of initial implementation, the company will not re-evaluate whether the asset transfer complies with the "Accounting Standards for Business Enterprises No. 14 - Revenue" on the date of initial implementation for accounting treatment of sales. For sale-and-leaseback transactions that should be accounted for as sales and financial leases before the date of initial application, the Company will account for leasebacks in the same way as other financial leases existing on the date of initial application, and will continue to amortize the related transactions over the lease term. Deferred Gains or Losses. For sale-and-leaseback transactions that should be accounted for as sales and operating leases before the date of initial application, the Company will account for leasebacks in the same way as other operating leases existing on the date of initial application, and will be included in assets and liabilities according to the date of initial application. The related deferred gain or loss in the table adjusts the right-of-use asset. The company's accounting policy for low-value asset leases is not to recognize right-of-use assets and lease liabilities. According to the convergence provisions of the new leasing standards,

The company's low-value asset leases prior to the date of initial implementation shall be accounted for in accordance with the new lease standards from the date of initial implementation.

Retrospective adjustment of property leases.

The impact of the implementation of the new lease standards on relevant items in the financial statements on January 1, 2021 is as follows:

Consolidated Balance Sheet

project	December 31, 2020 Movies Amount	Cumulative Impact Amount			January 1, 2021 Impact amount
		reclassification	remeasurement	Subtotal	
Right-of-use assets	-	-	1,270,884.50	1,270,884.50	1,270,884.50
Lease liabilities Non-	-	-	80,662.08	80,662.08	80,662.08
current liabilities due within one year	-	-	1,190,222.42	1,190,222.42	1,190,222.42

Parent Company Balance Sheet

project	December 31, 2020 Movies Amount	Cumulative Impact Amount			January 1, 2021 Impact amount
		reclassification	remeasurement	Subtotal	
right-of-use asset	-	-	1,270,884.50	1,270,884.50	1,270,884.50
Non-current	-	-	80,662.08	80,662.08	80,662.08
liabilities due within one year of lease liabilities 1,190,222.42	Note: The above table only presents the affected financial statement items, and			1,190,222.42	1,190,222.42

the unaffected financial statement items are not included.

In the consolidated statement on January 1, 2021, the Company confirmed right-of-use assets of RMB 1,270,884.50, lease liabilities of RMB 80,662.08, and non-current due within one year.

Current liabilities of RMB 1,190,222.42, right-of-use assets of RMB 1,270,884.50, lease liabilities of RMB 80,662.08, and non-current due within one year were confirmed in the statement of the parent company.

Current liabilities are RMB 1,190,222.42. For operating leases before the date of initial application, the Group uses the present value of the incremental borrowing rate discounted on the date of initial application to measure the lease liabilities.

The weighted average of these incremental borrowing rates is 4.60%.

(2) Changes in significant accounting estimates

☐ Applicable ☐ Not applicable

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

☐ Applicable ☐ Not applicable

Whether it is necessary to adjust the balance sheet accounts at the beginning of the year

☐ Yes ☐ No

Consolidated Balance Sheet

unit: yuan

project	December 31, 2020	January 1, 2021	adjustment
Current Assets:			
Money funds	1,341,714,017.67	1,341,714,017.67	
Settlement provisions			
Loan funds			
Tradable financial assets	589,885,210.45	589,885,210.45	
Derivative financial assets			
bill receivable	97,278,701.52	97,278,701.52	

accounts receivable	1,270,368,000.52	1,270,368,000.52	
Receivables Financing	39,409,835.80	39,409,835.80	
Prepayments	90,020,329.50	90,020,329.50	
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other receivables	94,257,253.33	94,257,253.33	
Of which: Interest receivable			
Dividends receivable			
Repurchase of resale financial assets			
stock	944,949,553.92	944,949,553.92	
contract assets	44,611,034.31	44,611,034.31	
Assets held for sale			
Non-current due within one year assets			
Other current assets	148,385,250.23	148,385,250.23	
Total current assets	4,660,879,187.25	4,660,879,187.25	
Non-current assets:			
Disbursement of loans and advances			
Debt investment			
Other debt investments			
Long-term receivables	33,889,804.00	33,889,804.00	
long-term equity investment	898,408,547.01	898,408,547.01	
Investment in other equity instruments			
Other non-current financial assets			
investment real estate	29,916,694.76	29,916,694.76	
fixed assets	1,358,166,829.23	1,358,166,829.23	
Construction in progress	219,885,972.76	219,885,972.76	
productive biological assets			
Oil and gas assets			
right-of-use asset		1,270,884.50	1,270,884.50
intangible assets	270,219,171.39	270,219,171.39	
Development expenditure	20,615,109.83	20,615,109.83	
goodwill	55,663,213.84	55,663,213.84	

Long-term prepaid expenses	395,475,876.91	395,475,876.91	
Deferred tax assets	215,052,920.51	215,052,920.51	
Other non-current assets	19,701,156.18	19,701,156.18	
Total non-current assets	3,516,995,296.42	3,518,266,180.92	1,270,884.50
total assets	8,177,874,483.67	8,179,145,368.17	1,270,884.50
Current liabilities:			
short-term loan	2,827,763,362.10	2,827,763,362.10	
borrowing from the central bank			
borrowed funds			
Held-for-trading financial liabilities			
Derivative financial liabilities			
bills payable	433,340,546.71	433,340,546.71	
accounts payable	517,163,743.38	517,163,743.38	
advance payment			
contract liabilities	32,164,543.88	32,164,543.88	
Financial assets sold under repurchase			
Deposits and deposits			
Agent for buying and selling securities			
Agent underwriting securities			
Payroll payable	64,667,509.68	64,667,509.68	
Taxes payable	30,277,881.75	30,277,881.75	
Other payables	84,995,003.60	84,995,003.60	
Of which: Interest payable	13,364,320.60	13,364,320.60	
dividends payable			
Fees and commissions			
Reinsurance Accounts Payable			
held-for-sale liabilities			
Non-current due within one year debt	662,903,890.70	664,094,113.12	1,190,222.42
Other current liabilities	2,973,517.60	2,973,517.60	
Total current liabilities	4,656,249,999.40	4,657,520,883.90	1,270,884.50
Non-current liabilities:			
Insurance contract reserve			
Long term loan	114,920,000.00	114,920,000.00	

Bonds payable			
Of which: preferred stock			
perpetual bond			
lease liability		80,662.08	80,662.08
Long-term payables			
Long-term employee compensation payable			
Estimated liabilities			
Deferred income	66,848,998.21	66,848,998.21	
Deferred tax liabilities	48,593,233.70	48,593,233.70	
Other non-current liabilities	400,000,000.00	400,000,000.00	
Total non-current liabilities	630,362,231.91	630,442,893.99	80,662.08
Total Liabilities	5,286,612,231.31	5,286,692,893.39	80,662.08
Owners' equity:			
share capital	1,250,463,090.00	1,250,463,090.00	
Other equity instruments			
Of which: preferred stock			
perpetual bond			
capital reserve	1,292,721,472.61	1,292,721,472.61	
Less: treasury stocks	76,001,900.54	76,001,900.54	
Other comprehensive income	-4,674,888.90	-4,674,888.90	
Special reserves			
surplus reserve	193,508,394.20	193,508,394.20	
general risk preparation			
undistributed profit	180,145,239.10	180,145,239.10	
Equity attributable to equity holders total	2,836,161,406.47	2,836,161,406.47	
Minority interests	55,100,845.89	55,100,845.89	
Total owner's equity	2,891,262,252.36	2,891,262,252.36	
Total Liabilities and Owner's Equity	8,177,874,483.67	8,179,145,368.17	1,270,884.50

Description of adjustment

Parent Company Balance Sheet

unit: yuan

project	December 31, 2020	January 1, 2021	adjustment
Current Assets:			
Money funds	658,594,195.30	658,594,195.30	

Tradable financial assets	579,728,060.45	579,728,060.45	
Derivative financial assets			
bill receivable	92,363,588.44	92,363,588.44	
accounts receivable	772,113,756.99	772,113,756.99	
Receivables Financing	1,745,093.17	1,745,093.17	
Prepayments	16,626,996.80	16,626,996.80	
Other receivables	211,750,165.62	211,750,165.62	
Of which: Interest receivable			
Dividends receivable			
stock	652,205,124.11	652,205,124.11	
contract assets	22,288,513.62	22,288,513.62	
Assets held for sale			
Non-current due within one year assets			
Other current assets	24,331,378.14	24,331,378.14	
Total current assets	3,031,746,872.64	3,031,746,872.64	
Non-current assets:			
Debt investment			
Other debt investments			
Long-term receivables	33,889,804.00	33,889,804.00	
long-term equity investment	2,793,915,353.19	2,793,915,353.19	
Investment in other equity instruments			
Other non-current financial assets			
investment real estate			
fixed assets	621,918,290.67	621,918,290.67	
Construction in progress	64,156,416.02	64,156,416.02	
productive biological assets			
Oil and gas assets			
right-of-use asset		1,270,884.50	1,270,884.50
intangible assets	135,245,379.64	135,245,379.64	
Development expenditure			
goodwill			
Long-term prepaid expenses	394,761,978.34	394,761,978.34	
Deferred tax assets	92,371,483.67	92,371,483.67	

Other non-current assets	19,280,331.87	19,280,331.87	
Total non-current assets	4,155,539,037.40	4,156,809,921.90	1,270,884.50
total assets	7,187,285,910.04	7,188,556,794.54	1,270,884.50
Current liabilities:			
short-term loan	2,585,776,101.07	2,585,776,101.07	
Held-for-trading financial liabilities			
Derivative financial liabilities			
bills payable	414,031,335.52	414,031,335.52	
accounts payable	337,732,154.21	337,732,154.21	
advance payment			
contract liabilities	21,216,992.38	21,216,992.38	
Payroll payable	42,792,772.38	42,792,772.38	
Taxes payable	1,850,341.89	1,850,341.89	
Other payables	583,897,289.17	583,897,289.17	
Of which: Interest payable	12,863,079.48	12,863,079.48	
dividends payable			
held-for-sale liabilities			
Non-current due within one year debt	572,903,890.70	574,094,113.12	1,190,222.42
Other current liabilities	1,583,753.48	1,583,753.48	
Total current liabilities	4,561,784,630.80	4,562,974,853.22	1,190,222.42
Non-current liabilities:			
Long term loan			
Bonds payable			
Of which: preferred stock			
perpetual bond			
lease liability		80,662.08	80,662.08
Long-term payables			
Long-term employee compensation payable			
Estimated liabilities			
Deferred income	10,422,365.13	10,422,365.13	
Deferred tax liabilities	47,919,180.10	47,919,180.10	
Other non-current liabilities			
Total non-current liabilities	58,341,545.23	58,422,207.31	80,662.08

Total Liabilities	4,620,126,176.03	4,620,206,838.11	80,662.08
Owners' equity:			
share capital	1,250,463,090.00	1,250,463,090.00	
Other equity instruments			
Of which: preferred stock			
perpetual bond			
capital reserve	1,626,465,192.66	1,626,465,192.66	
Less: treasury stocks	76,001,900.54	76,001,900.54	
Other comprehensive income			
Special reserves			
surplus reserve	193,508,394.20	193,508,394.20	
undistributed profit	-427,275,042.31	-427,275,042.31	
Total owner's equity	2,567,159,734.01	2,567,159,734.01	
Total Liabilities and Owner's Equity	7,187,285,910.04	7,188,556,794.54	1,270,884.50

(4) Explanation on retrospective adjustment of previous comparative data when the new lease standards are implemented for the first time from 2021

ÿ Applicable ÿ Not applicable

45. Other

6. Tax

1. Main taxes and tax rates

tax	Tax basis	tax rate
VAT	VAT taxable sales	16%, 13%, 10%, 9%, 6%, 5%, product Export income is exempt from VAT
Urban maintenance and construction tax	Actual turnover tax paid	Subsidiary Shanghai Weiye Chuangxing Electromechanical Equipment Co., Ltd. 1%, Tonghao Cayman Co., Ltd. 0%, other companies 5%-7%
corporate income tax	Taxable income	Parent company and subsidiary Jiangsu Tongding Optoelectronics Technology Co., Ltd. Company, Subsidiary Suzhou Ruiyi Information Technology Co., Ltd. Company, Subsidiary Jiangsu Tongding Broadband Co., Ltd., Subsidiary 15% of the company's Beijing Baizhuo Network Technology Co., Ltd.; Subsidiary Jiangsu Tongding Light Bar Co., Ltd., Subsidiary Shanghai Weiye Chuangxing Electromechanical Equipment Co., Ltd. Applicable Office The income tax rate is 25%, Beijing Baizhuo Network Technology Co., Ltd. A subsidiary of the company, Horgos Byro Network Technology Co., Ltd.

		Applicable income tax rate for the company and Tonghao Cayman Co., Ltd. 0%, Shenzhen Huazhen Information Technology Co., Ltd., Suzhou Dingyu Materials Technology Co., Ltd. Applicable Income Tax Rate 20%
Education fee surcharge	Actual turnover tax paid	Tonghao Cayman Co., Ltd. 0%, other companies 5%
property tax	Real estate tax residual value	1.2% of the property tax residual value or 12% of rental income
land holding tax	actual land area	By local actual unit tax

2. Tax incentives

(1) VAT:

According to the "Notice of the Ministry of Finance and the State Administration of Taxation on the Value-Added Tax Policies for Software Products" in "Cai Shui [2011] No. 100", the company sells self-developed and manufactured products.

For software products, after the VAT is levied at the statutory rate, the policy of immediate refund will be implemented for the part of the actual VAT burden exceeding 3%.

(2) Corporate income tax:

The company, its subsidiary Jiangsu Tongding Optoelectronics Technology Co., Ltd., its subsidiary Suzhou Ruiyi Information Technology Co., Ltd., its subsidiary Jiangsu Tongding Broadband Co., Ltd., and its subsidiary Beijing Baizhuo Network Technology Co., Ltd. are high-tech enterprises. According to the relevant provisions of the Enterprise Income Tax Law, the high-tech enterprises that need key support from the state will be levied at a reduced rate of 15% corporate income tax; the subsidiary Jiangsu Tongding Light Bar Co., Ltd., and the subsidiary Shanghai Weiye Chuangxing Electromechanical Equipment Co., Ltd. 2021

The annual income tax rate is 25%; Horgos Baizhuo Network Technology Co., Ltd., a subsidiary of Beijing Baizhuo Network Technology Co., Ltd., is regularly exempted from corporate income tax; Tonghao Cayman

Co., Ltd. is exempt from corporate income tax; its subsidiaries Shenzhen Huazhen Information Technology Co., Ltd. and Suzhou Dingyu Material Technology Co., Ltd. are small and low-profit enterprises, and the income tax rate is 20%. details as follows:

On December 2, 2020, the company obtained the joint issuance of the Jiangsu Provincial Department of Science and Technology, the Jiangsu Provincial Department of Finance, the Jiangsu Provincial State Taxation Bureau and the Jiangsu Provincial Local Taxation Bureau.

The high-tech enterprise qualification certificate is valid for three years.

On November 30, 2018, the subsidiary Jiangsu Tongding Optoelectronics Technology Co., Ltd. obtained the Jiangsu Provincial Department of Science and Technology, the Jiangsu Provincial Department of Finance and the State Administration of Taxation Jiangsu Province

The high-tech enterprise qualification certificate jointly issued by the tax bureau is valid for three years. The company's high-tech review in 2021 will be announced online on November 30, 2021.

On October 24, 2018, the subsidiary Suzhou Ruiyi Information Technology Co., Ltd. obtained the Jiangsu Provincial Department of Science and Technology, the Jiangsu Provincial Department of Finance and the State Administration of Taxation Jiangsu Province

The high-tech enterprise qualification certificate jointly issued by the tax bureau is valid for three years. The company's high-tech review in 2021 will be announced online on November 3, 2021.

On November 27, 2018, the subsidiary Shanghai Weiye Chuangxing Electromechanical Equipment Co., Ltd. obtained the Shanghai Science and Technology Commission, the Shanghai Municipal Bureau of Finance and the State Administration of Taxation.

The high-tech enterprise qualification certificate jointly issued by the Shanghai Municipal Taxation Bureau is valid for three years. No high-tech review will be conducted in 2021, and no high-tech enterprise qualification.

Therefore, the corporate income tax rate in 2021 will be 25%.

On November 7, 2019, the subsidiary Jiangsu Tongding Broadband Co., Ltd. obtained the Jiangsu Provincial Department of Science and Technology, the Jiangsu Provincial Department of Finance and the State Administration of Taxation Jiangsu Provincial Taxation

The high-tech enterprise qualification certificate jointly issued by the bureau is valid for three years.

On October 15, 2019, the subsidiary Beijing Baizhuo Network Technology Co., Ltd. obtained the Beijing Science and Technology Commission, the Beijing Municipal Bureau of Finance, and the Beijing State Taxation Bureau.

The high-tech enterprise qualification certificate jointly issued by the Bureau and the Beijing Municipal Local Taxation Bureau is valid for three years.

On November 30, 2018, the subsidiary Jiangsu Tongding Light Bar Co., Ltd. obtained the Jiangsu Provincial Department of Science and Technology, the Jiangsu Provincial Department of Finance and the State Administration of Taxation Jiangsu Provincial Taxation

The high-tech enterprise qualification certificate jointly issued by the bureau is valid for three years. In 2021, the government signed a repurchase agreement with the light stick company to repurchase the light stick company's houses and buildings, Equipment, etc., the follow-up business direction of Guangbang Company has not yet been clarified, so no high-tech review will be conducted in 2021.

Khorgos Baizhuo Network Technology Co., Ltd., a subsidiary of Beijing Baizhuo Network Technology Co., Ltd., according to the notice of the Ministry of Finance and the State Administration of Taxation on the preferential corporate income tax policies for the two special economic development zones in Kashgar, Xinjiang (Cai Shui [2011] No. 112) Article 1, from January 1, 2010 to December 31, 2020, the newly established enterprises in the two special economic development zones of Kashgar and Khorgos, which belong to the "Key Encouraged Development of Industries in Xinjiang Difficult Areas" Enterprises within the scope of the "Preferential Catalogue" shall be exempted from corporate income tax for five years from the tax year in which the first production and operation income is obtained.

Shenzhen Huazhen Information Technology Co., Ltd. and Suzhou Dingyu Material Technology Co., Ltd., in accordance with the "Ministry of Finance and the State Administration of Taxation on the Implementation of Inclusive Tax Reduction and Exemption for Small and Micro Enterprises"

From January 1, 2019 to December 31, 2021, the annual taxable income of small and low-profit enterprises shall not exceed 1 million

The part of RMB 25% shall be included in the taxable income, and the enterprise income tax shall be paid at the tax rate of 20%; for those whose annual taxable income exceeds 1 million yuan but not more than 3 million yuan Part of the taxable income is reduced by 50%, and the enterprise income tax is paid at the tax rate of 20%.

3. Other

7. Notes to Items in Consolidated Financial Statements

1. Monetary funds

unit: yuan

project	Ending balance	Opening Balance
cash in stock	3,211.41	95,992.69
Bank savings	165,852,816.91	594,205,634.24
Other monetary fund	724,692,105.73	747,412,390.74
total	890,548,134.05	1,341,714,017.67

other instructions

(1) Other detailed items of monetary funds:

project	Ending balance	Opening Balance
bank acceptance bill deposit	243,363,278.95	106,874,959.84
bank guarantee deposit	294,868,165.75	309,485,748.54
bank letter of credit deposit	7,364,270.38	8,989,950.68
Futures Investment Margin	4,711,119.00	319,055.00
Loan Pledge Margin Other	154,365,000.00	228,515,000.00
Margin Deposits Deposited	1,500,600.00	1,503,263.56
Investment Funds Land	10,519,671.65	8,522,063.28
Transfer Margin Frozen		64,000,000.00
Funds [Note]	8,000,000.00	19,202,349.84
total	724,692,105.73	747,412,390.74

[Note] In September 2021, Delta applied for property preservation in litigation, and the Suzhou Branch of Yongcheng Property Insurance Co., Ltd. issued the "Liability for Property Preservation in Litigation". Insurance Policy Letter of Guarantee", the court froze 8 million yuan of the company's subsidiary Optoelectronics Technology.

(2) In the closing balance of monetary funds, except for various types of margin deposits and frozen funds of 714,172,434.08 yuan in other monetary funds, there is no mortgage, pledge or freeze. Existing restrictions and monies deposited overseas or potentially at risk of recovery.

2. Trading financial assets

unit: yuan

project	Ending balance	Opening Balance
Measured at fair value through profit or loss of financial assets	457,085,068.88	589,885,210.45
in:		

Equity instrument investment	456,895,918.88	589,728,060.45
Derivative financial assets	189,150.00	157,150.00
in:		
total	457,085,068.88	589,885,210.45

3. Derivative financial assets

4. Notes receivable

(1) Classification and listing of notes receivable

unit: yuan

project	Ending balance	Opening Balance
Commercial Acceptance Notes	121,885,264.09	97,278,701.52
total	121,885,264.09	97,278,701.52

unit: yuan

category	Ending balance					Opening Balance				
	Book balance		bad debt provision		Book value	Book balance		bad debt provision		Proportion of
	Amount	Proportion	Amount	accrual ratio		book value	amount	Amount	accrued ratio	
in:										
Provision for bad debts by portfolio	127,083,350.89	100.00%	5,198,086.80	4.09%	121,885,264.09	97,278,701.52	100.00%	3,367,043.36	3.35%	97,278,701.52
prepared notes receivable										
in:										
Provision for bad debts according to portfolio 3	23,121,614.93	18.19%			23,121,614.93	33,304,877.68	33.09%			33,304,877.68
prepare										
Provision for bad debts according to portfolio 4	103,961,735.96	81.81%	5,198,086.80		98,763,646.73	63,973,823.40	66.91%	3,367,043.36	5.00%	63,973,823.40
prepare										
total	127,083,350.89	100.00%	5,198,086.80		121,885,264.09	97,278,701.52	100.00%	3,367,043.36	3.35%	97,278,701.52

Provision for bad debts by individual item: none

Provision for bad debts by portfolio: Portfolio 4

unit: yuan

name	Ending balance		
	Book balance	bad debt provision	Provision ratio
trade acceptance draft	103,961,735.96	5,198,086.80	5.00%
total	103,961,735.96	5,198,086.80	-

Instructions for determining the basis for this combination:

Provision for bad debts is made according to the principle of continuous aging of accounts receivable when accounts receivable are converted into commercial acceptance bills

Instructions for determining the basis for this combination:

If the bad debt provision for bills receivable is accrued according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information of bad debt provision:

☐ Applicable ☐ Not applicable

(2) Provisions for bad debts accrued, recovered or reversed in the current period

Provision for bad debts in the current period:

unit: yuan

category	Opening Balance	Amount of change in the current period				Ending balance
		accrual	take back or turn back	write off	other	
Bad Debt Standard for Notes Receivable <small>prepare</small>	3,367,043.36	1,831,043.44				5,198,086.80
total	3,367,043.36	1,831,043.44				5,198,086.80

Among them, the amount of bad debt provision recovered or reversed in the current period is important:

☐ Applicable ☐ Not applicable

(3) Notes receivable pledged by the company at the end of the period

(4) Bills receivable that have been endorsed or discounted by the company at the end of the period and are not yet due on the balance sheet date

unit: yuan

project	End-of-period derecognition amount	Amount not terminated at the end of the period
Commercial Acceptance Notes	51,439,996.29	86,900,095.21
total	51,439,996.29	86,900,095.21

(5) At the end of the period, the company transferred the bills to accounts receivable due to the failure of the drawer to perform the contract

At the end of the period, the company did not transfer the bills to accounts receivable due to the failure of the drawer to perform the contract.

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

There was no actual written-off notes receivable during the reporting period.

5. Accounts receivable

(1) Classified disclosure of accounts receivable

unit: yuan

category	Ending balance			Opening Balance		
	Book balance	Book value of bad debt provision	Book balance	Book value of bad debt provision		

	Amount	Proportion	Amount	accrual ratio		Amount	Proportion	Amount	Withdrawal	Proportion	
				example							
Accounts receivable for which bad debt provision is made on a single item basis	289,451,715.87	21.06%	289,451,715.87	100.00%		246,861,600.00	14.78%	226,060,420.40	91.57%		20,801,256.60
in:											
Accounts receivable with provision for bad debts by combination	1,085,219,022.99	78.94%	124,852,179.99		960,366,814,230.80	11.50%	85.22%	174,234,446.67	12.24%		1,249,566,743.92
in:											
Provision for bad debts according to portfolio 1 prepare	1,085,219,022.99	78.94%	124,852,179.99		960,366,814,230.80	11.50%	85.22%	174,234,446.67	12.24%		1,249,566,743.92
total	1,374,670,738.86	100.00%	414,303,895.86		960,366,816,700.66	30.14%	100.00%	400,294,867.07	23.96%		1,270,368,000.52

Provision for bad debts is made on a single item basis:

unit: yuan

name	Ending balance			
	Book balance	bad debt provision	Provision ratio	Reason for accrual
Beijing Rongtian Huihai Technology Co., Ltd.	35,485,250.00	35,485,250.00	100.00%	Overdue and expected to be difficult to recover
Shenzhen Navigator Hengda Navigation Technology Co., Ltd	25,968,060.00	25,968,060.00	100.00%	Overdue, cancellation, and it is expected to be difficult to recover
Life Lake Health Management Group has limited company	22,560,000.00	22,560,000.00	100.00%	Overdue and expected to be difficult to recover
Shenzhen Yichengming Technology Co., Ltd.	20,440,000.00	20,440,000.00	100.00%	Overdue, Cancellation, Expected Difficulty take back
Shenzhen Xinhaoxiang Technology Co., Ltd. company	19,598,500.00	19,598,500.00	100.00%	Overdue and expected to be difficult to recover
Shenzhen Yonghui Weiye Technology Co., Ltd. limited company	15,841,500.00	15,841,500.00	100.00%	Overdue, cancellation, and it is expected to be difficult to recover
Shenzhen Wojia Information Technology Co., Ltd. limited company	15,263,790.00	15,263,790.00	100.00%	Overdue, cancellation, estimated to be difficult 100.00% take back
Shenzhen Junsheng Internet of Vehicles Electronics Division Technology Co., Ltd.	13,387,500.00	13,387,500.00	100.00%	Overdue, Cancellation, Expected Difficulty recovery
Shenzhen Aisindi Automotive Electronics Technology Co., Ltd	13,040,000.00	13,040,000.00	100.00%	Overdue, cancellation, and it is expected to be difficult to recover
Shenzhen Yixin Yingxing Automotive Intelligence Energy Technology Development Co., Ltd.	12,830,000.00	12,830,000.00	100.00%	Overdue, cancellation, estimated to be difficult 100.00% take back
Shanxi Gongxiang Technology Co., Ltd.	10,007,000.00	10,007,000.00	100.00%	Overdue and expected to be difficult to recover
Shenzhen Chuangxinjie Electronic Technology	9,505,000.00	9,505,000.00	100.00%	Overdue, cancellation, estimated to be difficult

limited company				take back
Guangzhou Xinge Computer Technology Co., Ltd. limited company	8,445,000.00	8,445,000.00	100.00%	Overdue, Cancellation, Expected Difficulty take back
Shanxi Economic Control Technology Co., Ltd.	6,700,000.00	6,700,000.00	100.00%	Overdue and expected to be difficult to recover
Shenzhen Blue Sword Technology Co., Ltd.	6,510,000.00	6,510,000.00	100.00%	Overdue, Cancellation, Expected Difficulty take back
Shenzhen Jinzhicheng Technology Co., Ltd. company	5,435,000.00	5,435,000.00	100.00%	Overdue, Cancellation, Expected Difficulty take back
Sichuan Superstring Electronic Technology Co., Ltd. company	4,059,600.00	4,059,600.00	100.00%	Overdue and expected to be difficult to recover
Yunnan Baoer Technology Co., Ltd.	3,900,000.00	3,900,000.00	100.00%	Overdue and expected to be difficult to recover
Shanghai Hengdi Computer Technology Co., Ltd. limited company	3,900,000.00	3,900,000.00	100.00%	Overdue and expected to be difficult to recover
Shanghai Jiejing Network Technology Co., Ltd. company	3,809,000.00	3,809,000.00	100.00%	Overdue and expected to be difficult to recover
Liaocheng Shengshi Yunmeng Information Security Technology Co., Ltd	3,694,115.87	3,694,115.87	100.00%	Overdue and expected to be difficult to recover
Shenzhen Jiazi Information Technology Co., Ltd. limited company	3,090,500.00	3,090,500.00	100.00%	Overdue and expected to be difficult to recover
Guangzhou Tehui Electronic Technology Co., Ltd. limited company	3,005,000.00	3,005,000.00	100.00%	Overdue, Cancellation, Expected Difficulty take back
Guangzhou Yiwang Computer Co., Ltd. company	2,787,500.00	2,787,500.00	100.00%	Overdue and expected to be difficult to recover
Chengdu Wanchen New Inkstone Technology Co., Ltd. company	2,768,600.00	2,768,600.00	100.00%	Overdue and expected to be difficult to recover
Shenzhen Yixinlin Technology Co., Ltd. company	2,710,000.00	2,710,000.00	100.00%	Overdue, Cancellation, Expected Difficulty take back
Beijing Qifeng Technology Co., Ltd.	2,400,000.00	2,400,000.00	100.00%	Overdue and expected to be difficult to recover
Shenzhen Youdayuan Technology Co., Ltd. company	1,983,800.00	1,983,800.00	100.00%	Overdue, Cancellation, Expected Difficulty take back
Xi'an Clover Information Technology Co., Ltd. limited company	1,760,000.00	1,760,000.00	100.00%	Overdue and expected to be difficult to recover
Beijing Yingfu Times Digital Technology limited company	1,588,000.00	1,588,000.00	100.00%	Overdue and expected to be difficult to recover
Beijing Ruiyuan Xinda Technology Development limited company	1,150,000.00	1,150,000.00	100.00%	Overdue and expected to be difficult to recover
Shenzhen Xiangyuanshun Technology Co., Ltd. company	1,020,000.00	1,020,000.00	100.00%	Overdue, Cancellation, Expected Difficulty take back

Jiangsu Yunyong Electronic Technology Co., Ltd. limited company	993,000.00	993,000.00	100.00% Overdue and expected to be difficult to recover
Beijing Hongshi Huasai Technology Co., Ltd. company	921,200.00	921,200.00	100.00% Overdue and expected to be difficult to recover
Chengdu Kailong Electromechanical Equipment Co., Ltd. company	725,000.00	725,000.00	100.00% Overdue and expected to be difficult to recover
Beijing Hongyuan Huitong Technology Co., Ltd. company	712,000.00	712,000.00	100.00% Overdue and expected to be difficult to recover
Beijing Mingxin Jiaye Technology Co., Ltd. company	624,080.00	624,080.00	100.00% Overdue and expected to be difficult to recover
Shenzhen Yinxing Technology Development Co., Ltd. company	600,000.00	600,000.00	100.00% Overdue and expected to be difficult to recover
Shanghai Feixun Data Communication Technology limited company	164,000.00	164,000.00	100.00% Overdue and expected to be difficult to recover
Shanghai Feixun Electric Co., Ltd. company	69,720.00	69,720.00	100.00% Overdue and expected to be difficult to recover
total	289,451,715.87	289,451,715.87	

Provision for bad debts by combination: combination 1

unit: yuan

name	Ending balance		
	Book balance	bad debt provision	Provision ratio
Within a year	821,059,721.06	41,052,986.05	5.00%
One to two years	137,757,672.06	13,775,767.21	10.00%
two to three years	34,868,010.08	10,460,403.03	30.00%
Three to four years	57,373,583.19	28,686,791.60	50.00%
Four to five years	16,419,022.51	13,135,218.01	80.00%
five years and above	17,741,014.09	17,741,014.09	100.00%
total	1,085,219,022.99	124,852,179.99	

Instructions for determining the basis for this combination:

Recognition standard and description of bad debt provision according to portfolio 1: Receivables with the same age have similar credit risk characteristics.

If the bad debt provision for accounts receivable is accrued according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information of bad debt provision:

☐ Applicable ☐ Not applicable

Disclosure by age

unit: yuan

aging	Book balance
-------	--------------

Within 1 year (including 1 year)	821,059,721.06
1 to 2 years	137,757,672.06
2 to 3 years	43,481,038.08
over 3 years	372,372,307.66
3 to 4 years	240,412,046.06
4 to 5 years	87,093,272.51
5+ years	44,866,989.09
total	1,374,670,738.86

(2) Provisions for bad debts accrued, recovered or reversed in the current period

Provision for bad debts in the current period:

unit: yuan

category	Opening Balance	Amount of change in the current period				Ending balance
		accrual	take back or turn back	write off	other	
Accounts Receivable Bad Debt Standard prepare	400,294,867.07	86,049,945.02		640,046.15	71,400,870.08 414,303,895.86	
total	400,294,867.07	86,049,945.02		640,046.15	71,400,870.08 414,303,895.86	

Note: In 2021, the subsidiaries Shanghai Weiye, Suzhou Ruiyi and Shenzhen Huazhen will be disposed of, and the ending balance of bad debt provision for accounts receivable of the company will be RMB 71,400,870.08 on the date of issuance.

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

unit: yuan

project	Write-off amount
Accounts receivable actually written off	640,046.15

Accounts receivable write-off instructions:

The amount of accounts receivable written off in the current period was RMB 640,046.15, which was due to uncollectible accounts receivable.

(4) Accounts receivable with top five ending balances collected by debtors

unit: yuan

company name	Closing balance of accounts receivable	% of the total ending balance of accounts receivable Proportion	Ending balance of bad debt provision
first place	364,925,678.84	26.55%	20,282,741.21
2nd place	155,326,975.37	11.30%	11,843,236.16
3rd place	97,043,391.78	7.06%	10,584,841.30
fourth place	41,734,665.78	3.04%	2,086,733.29
the fifth place	35,485,250.00	2.58%	35,485,250.00

total	694,515,961.77	50.53%	
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(5) Amount of assets and liabilities formed by transferring accounts receivable and continuing to be involved

At the end of the period, the company did not transfer receivables and continued to be involved.

(6) Accounts receivable derecognized due to transfer of financial assets

At the end of the period, the company has no receivables derecognized due to the transfer of financial assets.

6. Receivables financing

unit: yuan

project	Ending balance	Opening Balance
bank acceptance bill	3,496,049.14	39,409,835.80
total	3,496,049.14	39,409,835.80

Increase/decrease changes and fair value changes of receivables financing in the current period

☑ Applicable ☐ Not applicable

Increase/decrease of receivables financing and changes in fair value in the current period: they are all bank acceptance bills with short remaining term and book balance close to fair value.

If the provision for impairment of receivable financing is accrued according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information of impairment provision:

☑ Applicable ☐ Not applicable

other instructions:

(1) Classification by bad debt provision method:

category	Ending balance				
	Book balance		bad debt provision		Book value
	Amount ratio (%)	Amount accrual ratio (%)			
Provision for bad debts is made on a single item basis					
Provision for bad debts by portfolio	3,496,049.14	100.00			3,496,049.14
Including: Total provision for bad debts					
based on portfolio 3	3,496,049.14	100.00			3,496,049.14
	3,496,049.14	100.00			3,496,049.14

(continued)

category	Opening Balance				
	Book balance		bad debt provision		Book value
	Amount ratio (%)	Amount accrual ratio (%)			
Provision for bad debts is made on a single item basis					
Provision for bad debts is made on a portfolio basis,	39,409,835.80	100.00			39,409,835.80
among which:					
Total provision for bad debts according to	39,409,835.80	100.00			39,409,835.80
portfolio 3	39,409,835.80	100.00			39,409,835.80

(2) At the end of the period, the company had no pledged receivables financing.

(3) Receivable financing that has been endorsed or discounted at the end of the period and is not yet due on the balance sheet date:

Total	End-of-period derecognition amount	Amount not terminated at the end of the period
types of bank	369,014,508.38	-
acceptance bills	369,014,508.38	-

(4) At the end of the period, the company had no receivables financing that was transferred to accounts receivable due to the drawer's failure to perform the contract.

7. Advance payment

(1) Prepayments are listed by aging

unit: yuan

aging	Ending balance		Opening Balance	
	amount	Proportion	amount	Proportion
Within 1 year	17,810,243.18	82.99%	21,739,263.84	24.15%
1 to 2 years	473,808.64	2.21%	60,280,322.98	66.96%
2 to 3 years	1,332,154.62	6.21%	709,768.94	0.79%
over 3 years	1,843,842.59	8.59%	7,290,973.74	8.10%
total	21,460,049.03	-	90,020,329.50	-

Explanation of the reasons for not timely settlement of prepayments with an age of more than 1 year and an important amount:

During the reporting period, there was no prepayment with an age of more than one year and a significant amount.

(2) Prepayments of the top five ending balances collected by prepayment objects

The total amount of the top five prepayments in the year-end balance collected by the company according to the prepayment objects is 15,997,479.54 yuan, accounting for the total amount of the prepayments at the end of the year.
The proportion is 74.55%.

8. Other receivables

unit: yuan

project	Ending balance	Opening Balance
Other receivables	133,019,747.95	94,257,253.33
total	133,019,747.95	94,257,253.33

(1) Interest receivable

1) Classification of interest receivable

2) Important overdue interest

3) Provision for bad debts

(2) Dividends receivable

1) Classification of dividends receivable

2) Important dividends receivable aged over 1 year

3) Provision for bad debts

(3) Other receivables

1) Classification of other receivables according to the nature of the payment

unit: yuan

nature of payment	Closing book balance	Opening book balance
Security deposit and deposit	36,891,030.94	38,948,761.73
reserve	9,465,671.76	9,197,139.39
Repurchase of houses and land	80,000,000.00	
Deposits and Current Payments	80,113,120.73	53,909,608.09
total	206,469,823.43	102,055,509.21

2) Provision for bad debts

unit: yuan

bad debt provision	The first stage	second stage	The third phase	total
	Letter of Expectation for the Next 12 Months with loss	lifetime expected credit losses (No credit impairment occurred)	lifetime expected credit losses (credit-impaired)	
January 1, 2021 Balance	7,798,255.88			7,798,255.88
January 1, 2021 balance at This period				
Provision for this period	5,671,575.12		61,245,475.86	66,917,050.98
other changes	1,265,231.38			1,265,231.38
Balance on December 31, 2021 12,204	599.62		61,245,475.86	73,450,075.48

Changes in book balances with significant changes in loss provisions in the current period

☐ Applicable
 ☒ Not applicable

[Note]: In 2021, the subsidiaries Shanghai Weiye, Ruiyi Information and Shenzhen Huazhen will be disposed of, and the ending balance of the bad debt provision for other receivables of the company will be RMB 1,265,231.38 on the date of issuance.

[Note]: The third stage of provision in this period is other receivables transferred from prepayments, among which other receivables-Shenzhen Anding Information Technology Co., Ltd. book balance

42,151,150.94 yuan, the company's financial status is poor, the industrial and commercial inquiry shows that it has been dishonest, there is information about execution, and the current money is not expected to be recovered, so the full amount of bad debt provision is made;

Other receivables - Beijing Weixin Wireless Technology Co., Ltd. has a book balance of 19,094,324.92 yuan. The company's financial status is poor, and the current account is not expected to be recovered, so the full amount is accrued.

Provision for bad debts.

Disclosure by age

unit: yuan

aging	Book balance
Within 1 year (including 1 year)	171,482,762.92
1 to 2 years	10,169,748.17
2 to 3 years	10,156,981.91
over 3 years	14,660,330.43
3 to 4 years	6,227,899.03
4 to 5 years	2,585,212.35
5+ years	5,847,219.05
total	206,469,823.43

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

Provision for bad debts in the current period:

unit: yuan

category	Opening Balance	Amount of change in the current period				Ending balance
		Withdrawal or reversal of write-off		other		
Bad debts of other receivables	7,798,255.88	66,917,050.98		1,265,231.38		73,450,075.48
Prepare						
total	7,798,255.88	66,917,050.98		1,265,231.38		73,450,075.48

Among them, the amount of bad debt provision reversed or recovered in the current period is important: none

4) Other receivables actually written off in the current period

Other receivables actually written off during the current period: none

5) Other receivables with top five ending balances collected by debtors

unit: yuan

company name	nature of payment	Ending balance	aging	Account for other receivables at the end of the period Proportion of total balance	Ending balance of bad debt provision
Wujiang Economic and Technological Development District Finance and Asset Management Bureau Finance Zero Balance Fund special account	Repurchase of house and land	80,000,000.00	Within 1 year	38.75%	8,000,000.00

Shenzhen Anding Information Technology Co., Ltd.	Deposits and Current Payments	61,245,475.86	Within 1 year	29.66%	61,245,475.86
Beijing Weixin Wireless Technology limited company	Deposits and Current Payments	19,094,324.92	Within 1 year	9.25%	19,094,324.92
China Mobile Communications Group limited company	Security deposit and deposit	12,085,642.34	1-5 years	5.85%	604,282.12
Coming (Hainan) Optical Communications limited company	other	4,695,156.26	Within 1 year	2.27%	469,515.63
total	-	177,120,599.38	-	85.78%	89,413,598.53

6) Receivables involving government subsidies

At the end of the period, the company has no receivables related to government subsidies.

7) Other receivables derecognized due to transfer of financial assets

At the end of the period, the company has no other receivables derecognized due to the transfer of financial assets.

8) Amount of assets and liabilities formed by transferring other receivables and continuing to be involved

At the end of the period, the company did not transfer other receivables and continued to be involved.

9. Inventory

Whether the company needs to comply with the disclosure requirements of the real estate industry

no

(1) Inventory classification

unit: yuan

project	Ending balance			Opening Balance		
	Book balance	Inventory depreciation reserve or Contract performance cost reduction value preparation	book value book balance		Inventory depreciation reserve or Contract performance cost reduction value preparation	Book value
raw materials	179,339,622.66	9,468,525.04	169,871,097.62	173,908,922.38	16,553,800.56	157,355,121.82
in product	117,924,723.15	17,157,502.68	100,767,220.47	68,830,078.20	10,197,944.31	58,632,133.89
stock item	876,799,910.53	233,314,339.00	643,485,571.53	966,239,800.67	242,995,568.62	723,244,232.05
Contract performance costs	8,702,753.30		8,702,753.30	5,718,066.16		5,718,066.16
total	1,182,767,009.64	259,940,866.72	922,826,642.92	1,214,696,867.41	269,747,313.49	944,949,553.92

(2) Provision for depreciation of inventories and provision for impairment of contract performance costs

unit: yuan

project	Opening Balance	Increase in this period		Amount reduced for this period		Ending balance
		accrual	other	reversal or resell	other	
raw materials	16,553,800.56	4,541,781.68		11,566,107.05	60,950.15	9,468,525.04
in product	10,197,944.31	15,341,957.61		8,382,399.24		17,157,502.68
stock item	242,995,568.62	65,994,097.93		75,675,327.55		233,314,339.00
total	269,747,313.49	85,877,837.22		95,623,833.84	60,950.15	259,940,366.72

Note: The subsidiary Shenzhen Huazhen will be disposed of in 2021, and the ending balance of the company's inventory depreciation reserve on the day of the statement is 60,950.15 yuan.

The basis for accrual of the provision for inventory depreciation is: according to the inventory that is actually on the book at the end of the period, the cost and realizable inventory at the end of each period shall be calculated using the single-item comparison method.

The net value is compared, and the difference between the net realizable value and the cost is accrued; the basis for determining the net realizable value is: in the normal production and operation process,

It is determined by the net value of the estimated selling price less the estimated cost of completion and estimated taxes necessary for the sale.

(3) Explanation that the ending balance of inventory includes the capitalized amount of borrowing costs

The closing balance of inventories does not include the capitalization of borrowing costs.

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

At the end of the period, the company has no completed but unsettled assets formed by construction contracts.

10. Contract assets

unit: yuan

project	Ending balance			Opening Balance		
	Provision for impairment	of book balance Book value of provision for impairment	of book balance Book value of provision for impairment	of book balance Book value of provision for impairment	of book balance	
contract assets	40,488,736.80	4,389,453.07	36,099,283.73	48,802,527.48	4,191,493.17	44,611,034.31
total	40,488,736.80	4,389,453.07	36,099,283.73	48,802,527.48	4,191,493.17	44,611,034.31

Amount and reasons for significant changes in the book value of contract assets during the current period: None

unit: yuan

project	Changed amount	Reason for change
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If the bad debt provision for contract assets is accrued according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information of bad debt provision:

☐ Applicable ☐ Not applicable

Provision for impairment of contract assets in the current period

unit: yuan

project	Provision for this period	Turn back in this period	Write-off/write-off in the current period	reason
Provision for impairment of contract assets	450,828.53			
total	450,828.53			

Other explanations: The subsidiary Shanghai Weiye will be disposed of in 2021, and the closing balance of the provision for impairment of contract assets of the company on the date of the statement is 252,868.63 yuan.

11. Assets held for sale

unit: yuan

Project-end book balance impairment provision						
Houses and buildings	79,849,248.35	0.00	79,849,248.35	208,797,104.00		March 31, 2022
						Day
total	79,849,248.35	0.00	79,849,248.35	208,797,104.00		

other instructions:

Note: On December 10, 2021, the company signed a contract with the Wujiang Economic and Technological Development Zone Management Committee, and the Wujiang Economic and Technological Development Zone Management Committee

200,000,000 yuan to recover the land use rights, houses, assets and other attachments of Su (2021) Wujiang District, Suzhou City Real Estate Property No. 9025224.

The aforementioned assets were issued an appraisal report by Jiangsu Wanlong Yongding Real Estate Land Assets Appraisal Co., Ltd. on December 2, 2021. Appraisal report number: Jiang

Suwanlong Yongdingfang (demolition) 2021 word No. 0374, Su Wanlong Pingbao word [2021] No. 1-114-1.

12. Non-current assets due within one year

13. Other current assets

unit: yuan

project	Ending balance	Opening Balance
Input VAT to be deducted	56,409,353.11	100,561,433.77
Prepaid VAT	40,521,274.75	47,267,275.62
Amortized loan interest	556,000.00	
Financial product	529,159.20	529,159.20
advance income tax	1,441,496.50	27,381.64
total	99,457,283.56	148,385,250.23

14. Debt investment

15. Other debt investments

16. Long-term receivables

(1) Long-term receivables

unit: yuan

project	Ending balance			Opening Balance			Discount rate range
	Book Balance	Bad Debt Provision	Book Value	Book Balance	Bad Debt Provision	Book Value	

Cooperation project fund	37,007,665.97		37,007,665.97	33,889,804.00		33,889,804.00	4.60%
Disposal of subsidiary receivables	223,376,418.6		223,376,418.6				4.60%
total	260,384,084.6		260,384,084.6	33,889,804.00		33,889,804.00	

Changes in book balances with significant changes in loss provisions in the current period

ÿ Applicable ÿ Not applicable

(2) Long-term receivables derecognized due to transfer of financial assets

(3) Amount of assets and liabilities formed by transferring long-term receivables and continuing to be involved

17. Long-term equity investment

unit: yuan

investee	Opening balance	Changes in this period								Ending balance	impairment provision ending balance
	Amount	additional	reduce the	Provision for changes in cash dividends announced under the equity method to	Provision for impairment losses	capital gains and losses	other comprehensive income	other equity and investment income	other	(Book price	
	(book value)	investment		Capital gains and losses				or profit		value)	
1. Joint ventures											
2. Joint ventures											
Jiangsu Histar Power Co., Ltd.	183,775,498.17			14,439,282.02			-227,421.61			197,987,358.58	
Nanjing Diweipu Optoelectronics Technology Co., Ltd	89,915,713.74			4,479,093.62						94,394,807.36	
Nanjing Anxun Technology Co., Ltd. LLC	49,590,632.97			-2,105,452.46						47,485,180.51	
Beijing Guotong United Media Technology Co., Ltd.	10,327,969.28			-2,834.65						10,325,134.63	
Jiangsu Baowangda Software Technology Co., Ltd	160,577,320.42			2,313,880.38						162,891,200.80	
Shenzhen Huazhen Information Technology Co., Ltd. [Note 1]				-193,144.81					35,000,000.00	34,806.85	
UTStarcom Holdings Corp. [Note 2]	404,221,412.43			-13,224,367.62	-15,189,075.99	1,129,527.47		213,247,136.92		163,690,321359.37	247,136.92
Subtotal	898,408,547.01			5,706,456.48	-15,189,075.99	89,090,2105.86		213,247,135,000.00	711,580,806.85	213,247,196.44	36.92
total	898,408,547.01			5,706,456.48	-15,189,075.99	89,090,2105.86		213,247,135,000.00	711,580,806.85	213,247,196.44	36.92

	547.01			.48	75.99	6		36.92	0.00	96.44	36.92
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other instructions

[Note 1] In April 2021, Tongding Internet Information Co., Ltd., Zhuhai Jinjuzhuo Equity Investment Enterprise (Limited Partnership), Shenzhen Zhiqin No. 1 Investment Partnership (Limited Partnership)

Company) and Yan Liang signed an equity transfer agreement. The agreement stipulated that the company would transfer its 16% equity in Shenzhen Huazhen Information Technology Co., Ltd., and the company would lose control after the transfer.

No longer included in the scope of consolidation since the transfer. The fair value of Shenzhen Huazhen at the time of disposal was 100 million yuan, so the book value of the long-term equity investment at the time of disposal was 35 million yuan.

[Note 2] Situation of provision for impairment of long-term equity investment of the company:

On April 26, 2022, Shanghai Dongzhou Assets Appraisal Co., Ltd. issued "Tongding Internet Information Co., Ltd. intends to understand the UTSTARCOM HOLDINGS held by

CORP.35.17% Equity Fair Value Valuation Report" Dongzhou Zi Bao Zi [2022] No. 0853; after valuation, the fair value of UTStarcom Holdings Corp. 35.17% equity held by Tongding Internet Information Co., Ltd. is

25.6741 million Dollar. At the end of December 31, 2021, the US dollar exchange rate was 6.3757, and the fair value of the equity was converted into RMB

163,690,359.37 yuan, the book value of long-term equity investment is higher than the fair value of the provision for impairment of long-term equity investment of 213,247,136.92 yuan.

18. Investment in other equity instruments

19. Other non-current financial assets

20. Investment real estate

(1) Investment real estate using the cost measurement model

√ Applicable √ Not applicable

unit: yuan

project	building	Land use rights	Construction in progress	total
1. Original book value				
1. Opening balance	31,278,617.92			31,278,617.92
2. The increase in the current period				
(1) Outsourcing				
(2) Inventory/fixed assets				
Construction in progress transfer				
(3) Increase in business combination				
3. The amount reduced in the current period				
(1) Disposal				
(2) Other transfer out				
4. Closing balance	31,278,617.92			31,278,617.92
2. Accumulated depreciation and accumulated amortization				
pin				
1. Opening balance	1,361,923.16			1,361,923.16
2. The increase in the current period	1,485,734.35			1,485,734.35

(1) Accrual or amortization	1,485,734.35			1,485,734.35
3. The amount reduced in the current period				
(1) Disposal				
(2) Other transfer out				
4. Closing balance	2,847,657.51			2,847,657.51
3. Provision for impairment				
1. Opening balance				
2. The increase in the current period				
(1) Provision				
3. The amount reduced in the current period				
(1) Disposal				
(2) Other transfer out				
4. Closing balance				
4. Book value				
1. Book value at the end of the period	28,430,960.41			28,430,960.41
2. Book value at the beginning of the period	29,916,694.76			29,916,694.76

(2) Investment real estate measured by fair value

☐ Applicable
 ☐ Not applicable

(3) Investment real estate for which the certificate of title has not been obtained

21. Fixed assets

unit: yuan

project	Ending balance	Opening Balance
fixed assets	694,432,424.60	1,358,166,829.23
total	694,432,424.60	1,358,166,829.23

(1) Fixed assets

unit: yuan

project	Housing and Building Machinery Equipment	Office Electronic Equipment	Transportation Equipment	total	
1. Original book value:					
1. Opening balance	1,139,329,587.47	1,717,857,025.13	150,976,180.16	21,072,673.75	3,029,235,466.51
2. The increase in the current period	20,926,761.74	18,344,611.33	3,011,869.43	630,826.08	42,914,068.58
(1) Purchase	20,491,048.23	2,356,841.32	2,359,982.43	484,274.36	25,692,146.34
(2) Transfer of construction in progress	435,713.51	15,987,770.01	651,887.00	146,551.72	17,221,922.24
(3) Increase in business combination					
3. The amount reduced in the current period	668,443,786.62	495,729,686.00	25,861,981.67	4,272,218.21	1,194,307,672.50
(1) Disposal or scrap	668,443,786.62	494,765,062.59	11,804,934.54	382,176.96	1,175,395,960.71
(2) Disposal of subsidiaries		964,623.41	14,057,047.13	3,890,041.25	18,911,711.79
4. Closing balance	491,812,562.59	1,240,471,950.46	128,126,067.92	17,431,281.62	1,877,841,862.59
2. Accumulated depreciation					
1. Opening balance	304,734,320.60	796,532,066.31	118,494,114.72	18,011,170.75	1,237,771,672.38
2. The increase in the current period	42,896,081.81	97,530,435.71	9,071,786.02	1,066,023.78	150,564,327.32
(1) Provision	42,896,081.81	97,530,435.71	9,071,786.02	1,066,023.78	150,564,327.32
(2) Increase in business combination					
3. The amount reduced in the current period	176,592,161.46	244,460,088.41	19,315,047.49	3,881,439.02	444,248,736.38
(1) Disposal or scrap	176,592,161.46	243,583,977.61	10,915,931.36	393,218.44	431,485,288.87
(2) Disposal of subsidiaries		876,110.80	8,399,116.13	3,488,220.58	12,763,447.51
4. Closing balance	171,038,240.95	649,602,413.61	108,250,853.25	15,195,755.51	944,087,263.32
3. Provision for impairment					
1. Opening balance	122,663,144.01	308,925,397.14	1,705,005.80	3,417.95	433,296,964.90
2. The increase in the current period		41,607,412.36	63,057.84	55,346.88	41,725,817.08
(1) Provision		41,607,412.36	63,057.84	55,346.88	41,725,817.08
3. The amount reduced in the current period	122,663,144.01	112,949,419.74	77,325.14	10,718.42	235,700,607.31
(1) Disposal or scrap	122,663,144.01	112,949,419.74	77,325.14	10,718.42	235,700,607.31
4. Closing balance		237,583,389.76	1,690,738.50	48,046.41	239,322,174.67
4. Book value					
1. Book value at the end of the period	320,774,321.64	353,286,147.09	18,184,476.17	2,187,479.70	694,432,424.60
2. Book value at the beginning of the period	711,932,122.86	612,399,561.68	30,777,059.64	3,058,085.05	1,358,166,829.23

(2) Temporarily idle fixed assets

unit: yuan

project	original book value	Accumulated depreciation	Impairment provision	Book value	Remark
houses and buildings	75,361,231.48	39,136,234.36		36,224,997.12	
mechanical equipment	650,206,680.06	220,690,485.69	234,026,642.43	195,489,551.94	
Office electronic equipment	171,462,577.97	119,836,286.90	1,453,943.05	50,172,348.02	
Transportation Equipment	239,041.34	112,376.08	44,628.46	82,036.80	
total	897,269,530.85	379,775,383.03	235,525,213.94	281,968,933.88	

(3) Fixed assets leased out through operating leases

(4) Fixed assets for which the certificate of title has not been obtained

unit: yuan

project	Book value	Reasons for not completing the title certificate
RF Workshop West Scrap Workshop	998,851.72	in the process of processing
total	998,851.72	

(5) Liquidation of fixed assets

22. Construction in progress

unit: yuan

project	Ending balance	Opening Balance
Construction in progress	80,263,211.39	219,885,972.76
total	80,263,211.39	219,885,972.76

(1) Construction in progress

unit: yuan

project	Ending balance			Opening Balance		
	Provision for impairment of book balance	Book value	Provision for impairment of book balance	Book value	Provision for impairment of book balance	Book value
Fiber optic project	53,398,835.18	45,549,050.30	7,849,784.88	180,771,273.87	49,535,926.42	131,235,347.45
Optical cable car room intelligent modification build project	11,375,719.74	8,597,386.77	2,778,332.97	15,719,795.68		15,719,795.68
Flexible cable project	11,130,124.03		11,130,124.03	7,910,229.02		7,910,229.02
Other sporadic projects	59,488,348.51	5,001,416.39	54,486,932.12	58,265,144.47		58,265,144.47

light stick project	10,233,237.43	6,215,200.04	4,018,037.39	11,606,168.05	4,850,711.91	6,755,456.14
total	145,626,264.89	65,363,053.50	80,263,211.39	274,272,611.09	54,386,638.33	219,885,972.76

(2) Changes in the current period of important projects under construction

unit: yuan

project name	Budget number	Opening Balance	Increase in this period	Turn this time around fixed Asset gold Footnote	In this issue its he reduced amount	Ending balance	Engineering fired count investment account for the budget Proportion	project progress	interest payment localization Calculate the amount	Of which: interest Capitalization amount	current profit interest capital conversion rate	funds come source
Fiber Items eye	293,471,000.00	180,771,273.87	-5,789,665.02		121,582,533,773.67	398,835.18	99.32% 90%					other
light cable car Smart Retrofit eye	84,170,000.00	15,719,738,95.68	889.47	4,732,965.41		11,375,719.74	75.54% 75%					other
flexible cable project	70,210,000.00	7,910,229.02	5,398,648.85	306,874.14	1,871,879.70	11,130,124.03	91.22% 90%					other
other zero star project	0.00	58,265,144.47	23,213,165.13	21,457,253,25.54	735.59,488,355	48.51						other
light bar item eye	505,000,000.00	11,606,168.05	4,702,847.25		6,075,777.87	10,233,237.43	84.43% 95%		7,506,701,612	101,418.68	4.95%	other
total	952,851,274,000.00	272,27,913,861,611.09	26,497,0130,068,85.68			145,626,264.89			7,506,701,612	101,418.68		

(3) Provision for impairment of construction in progress in the current period

unit: yuan

project	Amount accrued in the current period	Reason for accrual
Fiber optic project	29,478,288.70	Idle equipment and asset value lower than book value
Intelligent renovation project between optical cable cars	8,597,386.77	Idle equipment and asset value lower than book value
Other sporadic projects	5,001,416.39	Idle equipment and asset value lower than book value
light stick project	1,364,488.13	Idle equipment and asset value lower than book value
total	44,441,579.99	

(4) Engineering materials

23. Productive biological assets

(1) Productive biological assets using the cost measurement model

ÿ Applicable ÿ Not applicable

(2) Productive biological assets measured at fair value

ÿ Applicable ÿ Not applicable

24. Oil and gas assets

ÿ Applicable ÿ Not applicable

25. Right-of-use assets

unit: yuan

project	houses and buildings	total
1. Original book value:		
1. Opening balance	1,270,884.50	1,270,884.50
2. The increase in the current period	34,976,005.41	34,976,005.41
(1) Lease in	34,976,005.41	34,976,005.41
3. The amount reduced in the current period	2,009,817.72	2,009,817.72
(1) Disposal or scrap		
(2) Disposal of subsidiaries [Note 2]	2,009,817.72	2,009,817.72
4. Closing balance	34,237,072.19	34,237,072.19
2. Accumulated depreciation		
1. Opening balance		
2. The increase in the current period	10,658,227.02	10,658,227.02
(1) Provision	10,658,227.02	10,658,227.02
3. The amount reduced in the current period	718,412.60	718,412.60
(1) Disposal		
(2) Disposal of subsidiaries [Note 2]	718,412.60	718,412.60
4. Closing balance	9,939,814.42	9,939,814.42
3. Provision for impairment		
1. Opening balance		

2. The increase in the current period		
(1) Provision		
3. The amount reduced in the current period		
(1) Disposal		
4. Closing balance		
4. Book value		
1. Book value at the end of the period	24,297,257.77	24,297,257.77
2. Book value at the beginning of the period	1,270,884.50	1,270,884.50

other instructions:

Note 1: Please refer to Note V. 44(1) for the difference between the opening balance and the closing balance of the previous year (December 31, 2020).

Note 2: It refers to the disposal of subsidiaries Shenzhen Huazhen and Suzhou Ruiyi in 2021, and the book value of the company on the date of issuance.

26. Intangible assets

(1) Intangible assets

unit: yuan

project	Land use rights	Patent rights	Non-patent technology	software	Copyright	total
1. Original book value						
1. Opening balance	230,882,255.83	1,167,384.04	2,530,000.00	15,878,802.12	148,655,034.39	399,113,476.38
2. The increase in the current period	4,475.91	11,811,981.56			10,064,887.05	4,927,304.30
(1) Purchase	4,475.91	11,811,981.56			789,744.20	12,606,201.67
(2) Internal R&D					4,927,304.30	4,927,304.30
(3) Increase in business combination						
(4) Transfer of construction in progress					9,275,142.85	9,275,142.85
3. The amount reduced in the current period	106,088,957.10				12,192.83	10,326,061.95
(1) Disposal	106,088,957.10					106,088,957.10
(2) Disposal of subsidiaries					12,192.83	10,326,061.95
4. Closing balance	124,797,774.64	12,979,365.60	2,530,000.00	25,931,496.34	143,256,276.74	309,494,913.32
2. Cumulative amortization						
1. Opening balance	34,968,488.80	654,600.28	2,513,333.20	7,873,331.50	76,808,302.07	122,818,055.85
2. The increase in the current period	4,158,837.17	2,549,329.95		9,999.96	3,259,335.44	22,229,331.68
(1) Provision	4,158,837.17	2,549,329.95		9,999.96	3,259,335.44	22,229,331.68

3. The amount reduced in the current period	19,507,095.22			12,192.83 10,326,061.95 29,845,350.00		
(1) Disposal	19,507,095.22					19,507,095.22
(2) Disposal of subsidiaries				12,192.83 10,326,061.95 10,338,254.78		
4. Closing balance	19,620,230.75 3,203,930.23 2,523,333.16 11,120,474.11 88,711,571.80 125,179,540.05					
3. Provision for impairment						
1. Opening balance		112,044.56			5,964,204.58	6,076,249.14
2. The increase in the current period		7,813,951.52		10,433.49 39,042,688.01 46,867,073.02		
(1) Provision		7,813,951.52		10,433.49 39,042,688.01 46,867,073.02		
3. The amount reduced in the current period						
(1) Disposal						
4. Closing balance		7,925,996.08		10,433.49 45,006,892.59 52,943,322.16		
4. Book value						
1. Book value at the end of the period	105,177,543.89 1,849,499.29		6,666.84 14,800,588.74		9,537,812.35 131,372,051.11	
2. Book value at the beginning of the period	195,913,767.03	400,739.20	16,666.80 8,005,470.62 65,882,527.74 270,219,171.39			

At the end of the current period, the intangible assets formed through the company's internal research and development accounted for 18.38% of the balance of intangible assets.

(2) Status of land use rights for which the certificate of title has not been obtained

27. Development expenditure

unit: yuan

Project opening balance		Increase in this period			Amount reduced for this period			Ending balance
		Internal development support out	other	total	Confirmed as invisible assets	Transfer to current loss beneficial	total	
Number of mobile networks product collection	7,817,176.99				7,817,176.99		7,817,176.99	
mobile network XDR synthetic stay Storage system V1.0	3,994,804.57				3,994,804.57		3,994,804.57	
mobile network capability force open platform	3,639,559.12 1,287,745.18			1,287,745.18 4,927,304.30			4,927,304.30	
Mobile Internet Convergence and diversion product	5,163,569.15 9,118,069.76			9,118,069.76				14,281,638.91

total	20,615,109.8	10,405,814.9		10,405,814.9	16,739,285.8		16,739,285.8	14,281,638.9
	3	4		4	6		6	1

other instructions

The start time of the capitalization of the company's R&D projects, the specific basis and the R&D progress as of the end of the period are as follows:

project	time of capitalization	Specific basis for capitalization	Research and development progress as of 2021.12.31
Mobile network data collection products	On October 8, 2019, the project was approved in the development stage, and the final acceptance of the project was completed.		
The mobile network XDR synthesis and retention system V1.0	was approved in the development stage on October 8, 2019, and the final acceptance of the project was completed.		
On June 1, 2020, the mobile network capability open platform	was approved in the development stage, and the final acceptance of the project report was completed.		
Mobile Internet Convergence and Diversion Special Products Project	Project was approved in the development stage on October 9, 2020, project approval report		The project has completed software and hardware development and testing is about to enter the mass production stage.

28. Goodwill

(1) Original book value of goodwill

unit: yuan

Investee name or the formation of goodwill item	Opening Balance	Increase in this period		Decrease in this period		Ending balance
		business combination		dispose of		
Suzhou Ruiyi Information Technology technology co., ltd. [Note 1]	93,215,134.86			93,215,134.86		
Beijing Baizhuo Network Technology Technology Co., Ltd. [Note 2]	857,217,523.52					857,217,523.52
Shenzhen Huazhen Information Technology Technology Co., Ltd. [Note 3]	23,992,783.80			23,992,783.80		
total	974,425,442.18			117,207,918.66		857,217,523.52

(2) Provision for impairment of goodwill

unit: yuan

Investee name or the formation of goodwill item	Opening Balance	Increase in this period		Decrease in this period		Ending balance
		accrual	other	dispose of	other	
Suzhou Ruiyi Information Technology technology co., ltd.	61,544,704.82			61,544,704.82		
Beijing Baizhuo Network Technology Technology Co., Ltd.	857,217,523.52					857,217,523.52
Shenzhen Huazhen Information Technology Technology Co., Ltd.						

total	918,762,228.34			61,544,704.82		857,217,523.52
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Information about the asset group or combination of asset groups in which the goodwill belongs

[Note 1] According to the resolution of the first extraordinary general meeting of shareholders in 2014, and approved by China Securities Regulatory Commission Zheng Jian Xu Ke [2014] No. 742

"Approval of Jiangsu Tongding Optoelectronics Co., Ltd. to issue shares to Huang Jian and others to purchase assets" Approved, the company issued 9,647,651.00 RMB ordinary shares (A shares) to 10 natural persons, including Huang Jian, Zhang Yu, Chen Bin, Liu Wenbin, Sheng Sen, Huang Ji, Zhang Yongmei, Zhu Jianyan, Chen Liang, and Fang Xiaoliang, at an issue price of 11.92 RMB/share to purchase 51% equity of Suzhou Ruiyi Information Technology Co., Ltd. (hereinafter referred to as "Ruiyi Information"), and the transaction price is based on the asset evaluation value of Ruiyi Information as of December 31, 2013. . According to the appraisal report issued by Hubei Zhonglian Assets Appraisal Co., Ltd. (E Zhonglian Ping Bao Zi [2014] No. 1036), the appraised value of the 51% equity interest in Ruiyi Information as of December 31, 2013 was RMB 115.1592 million. The transaction price was determined to be 115,000,000 yuan, and the difference of 93,215,134.86 yuan from the company's share of the fair value of Ruiyi Information's net assets of 21,784,865.14 yuan on October 31, 2014 was recognized as goodwill. At the end of October 2014, Ruiyi Information went through the industrial and commercial change registration procedures.

In December 2021, the company signed an equity transfer agreement with Suzhou Yunchetong Information Technology Co., Ltd. (hereinafter referred to as "Party A"). % equity, the two parties have negotiated and determined that the total transaction price of 100% equity of Ruiyi Information is 270.1 million yuan. Both parties confirmed that the total price of this acquisition will be paid by Party A to Party B in five installments. The details are as follows: Pay Party B the first phase of the purchase price before December 25. The first phase of the purchase price is RMB 40 million. Party B shall change Party A's shareholders in Ruiyi Information within five days from the date of receipt of the first phase of purchase price paid by Party A. For the information such as the capital contribution and shareholding ratio in the register, Party A holds 100% of the shares of Ruiyi Information, and has completed the amendments to the articles of association of Ruiyi Information and the relevant industrial and commercial change registration and filing procedures. Tongding Internet Information Co., Ltd. obtained the first purchase price on December 24, 2021. Suzhou Ruiyi Information Technology Co., Ltd. completed the industrial and commercial change on December 30, 2021, and will not be included in the merger since the date of completing the industrial and commercial change. scope. The book goodwill is all disposed of at the time of transfer.

[Note 2] According to the resolution of the company's third extraordinary general meeting in 2016, and approved by the China Securities Regulatory Commission Zheng Jian Xu Ke [2017] No. 244 "On

Approval of Tongding Internet Information Co., Ltd. to issue shares to Chen Haibin to purchase assets and raise supporting facilities Approval of Funds", the company issued 69,866,421.00 RMB ordinary shares to purchase 100% equity of Beijing Byzoo Network Technology Co., Ltd. (hereinafter referred to as "Byzoo Network"). The asset valuation value on the valuation base date is the basis for valuation. According to the appraisal report issued by Zhonglian Assets Appraisal Group Co., Ltd. (Zhonglian Ping Bao Zi [2016] No. 1601), the appraised value of 100% equity of Byzoo Networks as of August 31, 2016 was RMB 1,080,266,000. The transaction price was determined to be RMB 1,080,000,000, and the difference of RMB 857,217,523.52 from the company's share of the fair value of Byzoo Networks' net assets of RMB 222,782,476.48 on February 28, 2017 was recognized as goodwill. Byzoo Networks went through the industrial and commercial change registration procedures in March 2017.

[Note 3] According to the capital increase contract and the changed articles of association of Shenzhen Huazhen Information Technology Co., Ltd. (hereinafter referred to as "Huazhen Information"),

the company holds 51% equity of Huazhen Information. As of August 31, 2019, the company paid The investment amount of RMB 43,710,000, and the difference of RMB 23,992,783.80 from the company's share of Huazhen Information's net assets of RMB 19,717,216.20 on August 31, 2019 was recognized as goodwill. Huazhen Information went through the industrial and commercial change procedures in August 2019.

In April 2021, Tongding Internet Information Co., Ltd., Zhuhai Jinjuzhuo Equity Investment Enterprise (Limited Partnership), Shenzhen Zhiqin No. 1 Investment Partnership (Co., Ltd.), and Yan Liang signed an equity transfer agreement. The 16% equity of Shenzhen Huazhen Information Technology Co., Ltd. held by the company lost control after the transfer, and was no longer included in the scope of consolidation after the transfer, and the book goodwill was all disposed of at the time of transfer.

29. Long-term deferred expenses

unit: yuan

project	Beginning balance	Increase in current period	Amortization amount in current period	Other decrease amount	Closing balance
Decoration fee and others	713,898.57	1,900,735.28	640,466.60	397,802.80	1,576,364.45

priority purchasing rights	394,761,978.34		16,925,743.32		377,836,235.02
total	395,475,876.91	1,900,735.28	17,566,209.92	397,802.80	379,412,599.47

other instructions

Note: In 2021, the subsidiaries Suzhou Ruiyi and Shenzhen Huazhen will be disposed of, and the ending balance of the company's long-term deferred expenses on the date of issuance will be RMB 218,177.64;

Byzoo's book long-term deferred expense disposal was transferred to asset disposal income, amounting to RMB 179,625.16.

30. Deferred tax assets/deferred tax liabilities

(1) Deferred income tax assets that have not been offset

unit: yuan

project	Ending balance		Opening Balance	
	Deferred tax assets for deductible temporary differences	Deferred tax assets for deductible temporary differences	Deferred tax assets for deductible temporary differences	Deferred tax assets for deductible temporary differences
Impairment of assets	200,243,425.67	30,036,513.85	270,743,724.39	40,617,653.69
Unrealized profit from insider transactions	18,032,835.47	2,203,333.05	19,092,702.09	2,863,905.31
deductible loss	473,940,762.77	71,091,114.42	700,035,755.05	108,648,060.76
Amortization of intangible assets	21,247,185.79	3,187,077.87	21,247,185.79	3,187,077.87
withholding fees, etc.	36,459,644.97	5,468,946.75	34,781,989.87	5,217,298.49
Deferred income	33,531,280.98	5,029,692.15	66,848,998.21	10,027,349.73
credit impairment loss	132,627,192.79	19,912,995.74	295,152,378.28	44,491,574.66
total	916,082,328.44	136,929,673.83	1,407,902,733.68	215,052,920.51

(2) Deferred tax liabilities that have not been offset

unit: yuan

project	Ending balance		Opening Balance	
	Deferred tax liabilities for taxable temporary differences	Deferred tax liabilities for taxable temporary differences	Deferred tax liabilities for taxable temporary differences	Deferred tax liabilities for taxable temporary differences
Business combination not under common control Value-added product evaluation	59,773.87	8,966.08	3,250,796.20	487,619.43
Fair value of held-for-trading financial assets value change	260,222,037.93	39,033,305.69	300,317,907.42	45,047,686.11
Asset depreciation and amortization accounting and tax legal differences	15,156,896.13	2,273,534.42	20,386,187.71	3,057,928.16
total	275,438,707.93	41,315,806.19	323,954,891.33	48,593,233.70

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

unit: yuan

project	Deferred tax assets and liabilities Ending offset amount	Deferred tax assets after offset or liability ending balance	Deferred tax assets and liabilities Beginning offset amount	Deferred tax assets after offset or opening balance of liabilities
Deferred tax assets		136,929,673.83		215,052,920.51
Deferred tax liabilities		41,315,806.19		48,593,233.70

(4) Details of unrecognized deferred tax assets

unit: yuan

project	Ending balance	Opening Balance
deductible loss	796,569,195.16	137,712,516.48
Impairment of assets	1,639,257,333.32	1,532,024,951.02
Deferred income	47,142,491.28	
total	2,482,969,019.76	1,669,737,467.50

(5) The deductible losses of unrecognized deferred tax assets will expire in the following years

unit: yuan

years	Closing amount	Beginning amount	Remark
2022			
2023	1,120,331.84	1,120,331.84	
2024	36,140,321.01	36,140,321.01	
2025	100,451,863.63	100,451,863.63	
2026 and beyond	722,198,552.89		
total	859,911,069.37	137,712,516.48	

other instructions:

[Note] y Subsidiary Beijing Baizhuo Network Technology Co., Ltd. is a high-tech enterprise, with a loss in 2021, which is not recognized as a deductible temporary deferred income tax asset

The difference is the difference between the deductible temporary difference as of December 31, 2021 and the expected profit for the next 10 years, including: bad debt provision for accounts receivable, bad debt provision for other receivables,

483,062,251.82 yuan of inventory depreciation reserves, intangible assets impairment reserves, deductible losses of 227,370,286.68 yuan by the end of 2021 and deferred income

17,285,000.00 yuan.

y Jiangsu Tongding Light Bar Co., Ltd., a subsidiary of the company, will make a loss in 2021. In November 2021, Jiangsu Tongding Light Bar Co., Ltd. (Party B) will cooperate with Wujiang District Economic and Technological Development

The Development Zone Management Committee (Party A) signed an agreement to repurchase Party B's real estate and other assets located at No. 555 Caizi Road, Wujiang Economic and Technological Development Zone. light after disposal

The company only has some production lines left, and it is expected that the deductible temporary differences and deductible losses at the end of 2021 will not be able to be recovered in the future, so they have not been deferred. Not recognized as deferred

Deductible temporary differences of tax assets include provision for bad debts of accounts receivable, provision for bad debts of other receivables, provision for depreciation of inventories, provision for impairment of fixed assets, construction in progress

The total amount of impairment provision is 327,743,734.68 yuan, the deductible loss by the end of 2021 is 567,991,092.83 yuan and the deferred income is 29,857,491.28 yuan.

yThe company's goodwill impairment provision of RMB 857,217,523.52 has not been recognized as deferred income tax assets.

yHorgos Baizhuo Network Technology Co., Ltd. has deductible temporary difference accounts receivable bad debt provision of RMB 1,600,000.00 and deductible loss of RMB 1,207,815.65.

Recognize deferred tax assets.

31. Other non-current assets

unit: yuan

project	Ending balance			Opening Balance		
	Provision for impairment of book balance	Book value of provision for impairment of book balance	Book value of provision for impairment of book balance	Provision for impairment of book balance	Book value of provision for impairment of book balance	Book value of provision for impairment of book balance
Prepayment for the purchase of long-term assets	21,176,549.98		21,176,549.98	19,701,156.18		19,701,156.18
total	21,176,549.98		21,176,549.98	19,701,156.18		19,701,156.18

32. Short-term loans

(1) Classification of short-term loans

unit: yuan

project	Ending balance	Opening Balance
mortgage loan	257,000,000.00	
loan for sure	2,420,870,000.00	1,388,400,000.00
Credit loan		362,560,000.00
Certificate of Deposit Pledged Loan	135,000.00	100,803,472.00
Mortgage Plus Guaranteed Loan	130,000,000.00	920,987,261.03
Guaranteed Plus Pledged Loans	5,000,000.00	5,000,000.00
Discounted bills and pledged loans	86,900,095.21	50,012,629.07
short-term loan interest	2,952,342.20	
total	2,902,857,437.41	2,827,763,362.10

(2) Short-term borrowings that have been overdue but not repaid

At the end of the period, there were no short-term borrowings that were due but not repaid.

33. Trading financial liabilities

34. Derivative financial liabilities

35. Notes payable

unit: yuan

type	Ending balance	Opening Balance
bank acceptance bill	123,948,645.65	433,340,546.71

total	123,948,645.65	433,340,546.71
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At the end of the period, the total amount of bills payable that has not been paid is RMB 0.00.

36. Accounts Payable

(1) List of accounts payable

unit: yuan

project	Ending balance	Opening Balance
Purchasing goods and receiving services	465,800,026.79	517,163,743.38
total	465,800,026.79	517,163,743.38

(2) Important accounts payable aged over 1 year

unit: yuan

project	Ending balance	Reasons for Outstanding or Carry-over
AaronCo.,Ltd	29,351,869.57 Equipment	payment has not been settled
total	29,351,869.57	-

37. Advance receipts

(1) List of advance receipts

(2) Important advance receipts aged over 1 year

38. Contract liabilities

unit: yuan

project	Ending balance	Opening Balance
Advance payment	20,082,479.92	32,164,543.88
total	20,082,479.92	32,164,543.88

39. Employee benefits payable

(1) List of salaries payable to employees

unit: yuan

project	Opening Balance	Increase in this period	Decrease in this period	Ending balance
1. Short-term compensation	64,480,611.11	284,475,904.26	299,689,324.16	49,267,191.21
2. Post-employment benefits - set contribution plan	126,898.57	17,756,939.09	17,592,388.61	291,449.05

3. Dismissal benefits	60,000.00	1,740,394.83	1,800,394.83	
total	64,667,509.68	303,973,238.18	319,082,107.60	49,558,640.26

(2) List of short-term remuneration

unit: yuan

project	Opening Balance	Increase in this period	Decrease in this period	Ending balance
1. Wages, bonuses, allowances and subsidies	40,745,963.99	256,765,196.90	270,352,138.24	27,159,022.65
2. Employee benefits		6,628,578.57	6,628,578.57	
3. Social insurance premiums	113,314.41	10,208,537.98	10,144,119.26	177,733.13
Of which: medical insurance premiums	110,406.24	9,034,484.83	8,974,127.81	170,763.26
Work injury insurance premium	2,908.17	401,734.28	397,672.58	6,969.87
maternity insurance premium		772,318.87	772,318.87	
4. Housing provident fund	1,324.00	10,558,467.29	10,558,467.29	1,324.00
5. Trade union funds and employee education funds	23,620,008.71	315,123.52	2,006,020.80	21,929,111.43
total	64,480,611.11	284,475,904.26	299,689,324.16	49,267,191.21

(3) List of set withdrawal plans

unit: yuan

project	Opening Balance	Increase in this period	Decrease in this period	Ending balance
1. Basic pension insurance	121,043.44	17,165,750.49	17,004,057.53	282,736.40
2. Unemployment insurance premiums	5,855.13	591,188.60	588,331.08	8,712.65
total	126,898.57	17,756,939.09	17,592,388.61	291,449.05

40. Taxes payable

unit: yuan

project	Ending balance	Opening Balance
VAT	1,689,470.09	10,853,012.64
corporate income tax	808,282.19	14,269,953.90
Personal Income Tax	336,224.67	907,064.10
Urban maintenance and construction tax	73,723.39	712,751.85
stamp duty	252,752.30	357,785.10
property tax	2,300,940.58	2,294,306.04
land holding tax	245,184.41	334,171.81
Education fee surcharge	73,723.40	548,836.31

local fund	40.59	
total	5,780,341.62	30,277,881.75

41. Other payables

unit: yuan

project	Ending balance	Opening Balance
Interest payable		13,364,320.60
Other payables	143,628,212.99	71,630,683.00
total	143,628,212.99	84,995,003.60

(1) Interest payable

unit: yuan

project	Ending balance	Opening Balance
Interest on long-term borrowings with instalments due and principal repayment		974,949.00
Interest payable on short-term borrowings		3,760,814.35
long-term interest payable		8,628,557.25
total		13,364,320.60

Important Overdue Interest Scenarios:

The company has no significant overdue interest.

(2) Dividends payable

(3) Other payables

1) List other payables according to the nature of the payment

unit: yuan

project	Ending balance	Opening Balance
freight payable	15,726,921.11	37,456,839.88
The government buys back houses and land	100,000,000.00	
Security deposit and deposit	2,704,600.00	5,287,699.80
other	25,196,691.88	28,886,143.32
total	143,628,212.99	71,630,683.00

2) Important other payables aged over 1 year

unit: yuan

project	Ending balance	Reasons for Outstanding or Carry-over
Jiangsu Delta Logistics Co., Ltd.	2,204,524.08 in litigation	
total	2,204,524.08	-

42. Liabilities held for sale

43. Non-current liabilities due within one year

unit: yuan

project	Ending balance	Opening Balance
Long-term borrowings due within one year	94,000,000.00	474,080,000.00
Long-term payables due within one year	91,640,000.00	188,823,890.70
Lease liabilities due within one year	7,675,980.20	1,190,222.42
Interest on long-term borrowings due within one year	8,360,000.00	
Long-term interest payable due within one year	133,166.67	
total	201,809,146.87	664,094,113.12

other instructions:

Note: Please refer to Note V. 44(1) for the difference between the opening balance and the closing balance of the previous year (December 31, 2020).

44. Other current liabilities

unit: yuan

project	Ending balance	Opening Balance
output tax to be transferred	2,423,822.21	2,973,517.60
total	2,423,822.21	2,973,517.60

Changes in short-term bonds payable:

none

45. Long-term loans

(1) Classification of long-term loans

unit: yuan

project	Ending balance	Opening Balance
Mortgage Plus Guaranteed Loan		114,920,000.00
total		114,920,000.00

46. Bonds payable

- (1) Bonds payable
- (2) Increase or decrease in bonds payable (excluding preferred shares, perpetual bonds and other financial instruments classified as financial liabilities)
- (3) Explanation of conversion conditions and conversion time of convertible corporate bonds
- (4) Description of other financial instruments classified as financial liabilities

47. Lease liabilities

unit: yuan

project	Ending balance	Opening Balance
lease liability	18,647,534.64	80,662.08
total	18,647,534.64	80,662.08

other instructions

Note: Please refer to Note V. 44(1) for the difference between the opening balance and the closing balance of the previous year (December 31, 2020).

48. Long-term payables

- (1) Long-term payables are listed according to the nature of the payment
- (2) Special payables

49. Long-term employee compensation payable

- (1) Long-term payroll table
- (2) Changes in the defined benefit plan

50. Estimated liabilities

51. Deferred income

unit: yuan

project	Opening Balance	Increase in this period	Decrease in this period	Ending balance	Cause of formation
government subsidy	66,848,998.21	69,877,776.00	56,053,001.95	80,673,772.26	related to assets
total	66,848,998.21	69,877,776.00	56,053,001.95	80,673,772.26	-

Projects involving government subsidies:

unit: yuan

The opening balance of liability items	The new subsidy in the current period is included in the current period	and is included in other income in the current period. Offset	other changes in the current period	The ending balance is related to assets
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		Amount of non-industry income		Benefit amount cost	amount			Off/Related to Earnings
Infrastructure compensation [Note 1]	21,282,233.76			21,132,233.76		150,000.00		related to assets
land transfer fee Rebate [Note 2]	6,942,374.23			5,271,428.10		1,603,182.92	related to assets	67,763.21
Relocation payment [Note 3]		50,802,776.00		4,370,946.40			related to assets	46,431,829.60
Equipment compensation [Note 4]	18,270,000.00			15,690,141.86			related to assets	2,579,858.14
Economic Development Bureau Transformation and Upgrade Award [Note 5]		354,390.22 19,075,000.00		4,168,402.24		assets 3,666,666.67	31,594,321.31	Related to
total	66,848,998.21 69,877,776.00			50,633,152.36		assets 5,419,849.59	80,673,772.26	Related to

other instructions:

[Note 1] Infrastructure compensation:

On July 3, 2012, the company received a subsidy of RMB 8,767,102.50 for land infrastructure projects from Wujiang Economic and Technological Development Zone Investment and Construction Co., Ltd.; on December 17, 2012, it received Wujiang Economic and Technological Development District Investment and Construction Co., Ltd. received a subsidy of 4,049,775.00 yuan for land infrastructure projects; on August 27, 2014, it received a subsidy of 10,509,940.35 yuan from Wujiang Economic and Technological Development Zone Investment and Construction Co., Ltd. for land infrastructure projects, and the company received it on August 27, 2014. Go to Wujiang Economic and Technological Development Zone Investment and Construction Co., Ltd. to subsidize 2,819,863.80 yuan for land infrastructure projects. According to the estimated useful life of the formed assets, the company apportions the project subsidy and transfers it to the current profit and loss. [Note 2] Land transfer fee rebate: The company received a rebate of RMB 3,294,144.00 for land purchase from Wujiang Zhenze Town Collective Asset Management Company on June 15, 2012, and obtained the land in January 2013; On April 30, I received a refund of RMB 4,231,761.15 from the Investment Promotion Bureau of Wujiang Economic and Technological Development Zone for the purchase of land, and the land was acquired in August 2017. According to the estimated useful life of the formed assets, the project subsidy is apportioned and transferred to the current profit and loss.

[Note 3] Relocation

funds: In June 2021, Tongding Internet Information Co., Ltd. (Party B) and the People's Government of Zhenze Town, Wujiang District, Suzhou City (Party A), Suzhou Wujiang Area New Urbanization Construction Development Co., Ltd. (Party B) Party C) signed an agreement, stipulating that Party A entrusts Party C to repurchase Party B's real estate located on the west side of Xiaoping Avenue and the north side of Tongding Road in Badu Community, Zhenze Town, Wujiang District; by Jiangsu Wanlong Yongding Real Estate Land Asset Evaluation Co., Ltd. The company issued the "Real Estate Appraisal Report" and "Relocation Compensation Value Assets Appraisal Report". The total repurchase price was 343 million yuan, including 86.4698 million yuan for the repurchase of state-owned land use rights, 222,721,000 yuan for the repurchase of houses and attachments, and 18,718,800 yuan for suspension of production and business losses. 2. In November 2021, Jiangsu Tongding Light Bar Co., Ltd. (Party B) signed an agreement with the Management Committee of Wujiang Economic and Technological Development Zone (Party A), stipulating that Party A repurchases Party B's location in Wujiang Real estate and other assets at No. 555 Caizi Road, Economic and Technological Development Zone; the appraisal report "Jiangsu Wanlong Yongding Fang (Demolition) Zi (2021) No. 0357", "Su Wanlong Evaluation Paper" issued by Jiangsu Wanlong Yongding Real Estate Land Assets Appraisal Co., Ltd. (2021) No. 1-096", the total repurchase price is 485 million yuan; the repurchase of houses and attachments is 142,963,000 yuan, the land use right is 96,967,200 yuan, machinery and equipment (including greening) is 228,076,200 yuan, and the relocation fee is 16,993,600 yuan. [Note 4] Equipment compensation: According to Wu Caijian Zi [2014] No. 86-Notice on the issuance of 2013 provincial-level strategic emerging industry development guidance funds (the first batch), the company received the imported equipment on April 15, 2014 The subsidy for the laser diffraction caliper is 310,000.00 yuan; according to the "Notice on the Release of the Second Batch of Central Infrastructure Investment Budgets (Appropriations) for the 2015 Independent Innovation and High-Tech Industrialization Projects" (Wu Caijian Zi [2015] 211) No.), the company received a special support fund of 6,000,000.00 yuan from the government for the purchase of optical fiber drawing towers on October 29, 2015;

According to the relevant provisions of the "Notice on the issuance of the 2014 Suzhou Municipal Industrial Economic Upgrade Edition Special Fund Support Project Funds" (Wu Cai Qi Zi [2014] No. 295), the company received the Wujiang Economic and Technological Development Zone on February 13, 2015. The subsidy allocated by the Finance Bureau for the purchase of productive equipment is 900,000.00 yuan. According to Wu Caiqi [2019] No. 18 - Notice on the 2019 Suzhou Municipal Special Fund for Building Advanced Manufacturing Bases, the company received the support fund allocated by the Economic Development Bureau for the purchase of warehousing and logistics equipment on June 30, 2019 3,000,000.00 yuan; according to the notice of Wu Caijian Zi [2019] No. 6 - Suzhou Wujiang District Finance Bureau on the issuance of special funds for the development of strategic emerging industries for auditing in 2018, the company received on March 12, 2019 about an annual output of 15 million optical fibers The equipment compensation for the kilometer project is 10,500,000.00 yuan; according to the relevant regulations of the "Notice on the Release of Special Funds for Suzhou Municipal-Level Construction of Advanced Manufacturing Bases in 2019" (Su Caiqi [2019] No. 16), the company announced on July 12, 2019. Received a subsidy of 300,000.00 yuan for the purchase of productive equipment on the day; according to Sufagai Gaoji [2020] No. 27 - on forwarding the "Provincial Development and Reform Commission and the Provincial Department of Finance on Accelerating the Development of Provincial Strategic Emerging Industries Special Funds Appropriation" Work Notice", the company received a subsidy of RMB 4,500,000.00 from the Finance Bureau of Wujiang Economic and Technological Development Zone on December 2, 2020. According to the estimated useful life of the formed assets, the company apportions the project subsidy and transfers it to the current profit and loss. [Note 5] Economic Development Bureau Transformation and Upgrading Award: According to Wu Cai Qi Zi [2016] No. 43-Notice on the issuance of special guidance funds for the transformation and upgrading of the provincial industry and information industry in 2016, the company received the economic 3,300,000.00 yuan for the transformation and upgrading of the Development Bureau; Wu Cai Qi Zi [2017] No. 61 - Regarding the issuance of the special fund index for the Suzhou Municipal Industrial Economic Upgrade Edition in 2017, the company received the transformation and upgrading of the Economic Development Bureau on December 31, 2017 2,500,000.00 yuan; Wu Cai Qi Zi [2018] No. 11 - Notice on the issuance of the 2017 Wujiang District Industrial Transformation and Upgrading Support Fund, the company received a total of transformation and upgrading support from the Economic Development Bureau in March 2018 due to the implementation of "machine substitution" The reward is 2,414,300.00 yuan; according to Wu Caiqi [2019] No. 17 - Notice on the release of the 2018 Wujiang District Industrial High-quality Development Support Fund, the company received 1,385,900.00 yuan for the transformation and upgrading of the Economic Development Bureau on May 10, 2019. On June 3, 2019, 1,000,000.00 yuan was received for the transformation and upgrading of the Economic Development Bureau; according to Wu Caiqi [2019] No. 5 - District Finance Bureau and District Economic and Information Commission issued the second batch of provincial industrial and information industries in 2018 According to the notice of special funds for transformation and upgrading, the company received 6,846,000.00 yuan in rewards for transformation and upgrading from the Economic Development Bureau on February 27, 2019; According to Su Caiqi [2018] No. 72 - about the release of the second batch of provincial industrial and information in 2018 The notice of provincial special fund indicators for industrial transformation, the company received 1,600,000.00 yuan in incentives for transformation and upgrading from the Economic Development Bureau on February 1, 2019; according to Wu Cai Gong Zi [2019] No. 5 - Suzhou Wujiang District Finance Bureau, Suzhou City Wujiang District Commerce Bureau Regarding the notice on the release of the special funds for business development in 2019 (the fourth batch), the company received a subsidy of RMB 4,551,400.00 from the Finance Bureau of Wujiang Economic and Technological Development Zone on March 9, 2020; according to Su Caigong [2020] No. 15 - About the release Notice of Suzhou Municipal Special Fund for Building Advanced Manufacturing Bases in 2020, the company received a subsidy of 400,000.00 yuan from the Finance Bureau of Wujiang Economic and Technological Development Zone on May 1, 2020; According to Wu Cai Gong Zi [2020] No. 12 - District Finance Bureau The notice of the District Bureau of Industry and Information Technology on the issuance of support funds for high-quality industrial development in Wujiang District in 2019, the company received a subsidy of 2,959,600.00 yuan from the Finance Bureau of Wujiang Economic and Technological Development Zone on July 2, 2020. According to the estimated useful life of the formed assets, the company apportions the project subsidy and transfers it to the current profit and loss. [Note 6] In June 2021, Tongding Internet Information Co., Ltd. (Party B) signed an agreement with the People's Government of Zhenze Town, Wujiang District, Suzhou City (Party A), and Suzhou Wujiang New Urbanization Construction Development Co., Ltd. (Party C) The agreement stipulates that Party A entrusts Party C to repurchase Party B's real estate located on the west side of Xiaoping Avenue and the north side of Tongding Road in Badu Community, Zhenze Town, Wujiang District, and the balance of deferred income corresponding to the disposed assets is amortized and transferred to Other income; In November 2021, Jiangsu Tongding Light Bar Co., Ltd. (Party B) signed an agreement with the Management Committee of Wujiang Economic and Technological Development Zone (Party A), stipulating that Party A will repurchase Party B's location in Caizi Road, Wujiang Economic and Technological Development Zone For assets such as No. 555 real estate, the balance of deferred income corresponding to the disposed assets is amortized and transferred to other income. [Note 7] Other changes: 3 million yuan is the project of Tongding Co., Ltd. "Application and Research of New Model of Optical Cable Manufacturing Intelligent Improvement Project". The project target originally planned to be completed in December 2020 cannot be achieved now, and the Suzhou Municipal Finance will be assigned The reward of 3 million yuan was returned to the District Finance Bureau; 1.6031 million yuan is the return of Tongding Broadband land transfer fee. The land will be repurchased by the government in 2021, but the relocation work has not been completed by the end of 2021, and the balance will be transferred out to the holding company. Assets for sale: RMB 816,700 is due to the disposal of subsidiary Suzhou Ruiyi in December 2021, and the book balance of the subsidiary was transferred out at the time of disposal, of which RMB 666,700 was awarded for transformation and upgrading of the Economic Development Bureau, and RMB 150,000 was paid for infrastructure compensation.

52. Other non-current liabilities

unit: yuan

project	Ending balance	Opening Balance
government support funds		400,000,000.00
total		400,000,000.00

53. Share capital

unit: yuan

	Opening Balance	This change increases or decreases (+, -)					Ending balance
		Issuance of new shares	Bonus stock conversion	of reserve fund to other	shares	Subtotal	
Total number of shares	1,250,463,090.00				-9,781,690.00	-9,781,690.00	1,240,681,400.00

other instructions:

Note: The company will hold the eleventh meeting of the fifth board of directors of the company on November 12, 2021, and will hold the company's 2021 first meeting on November 29, 2021.

The second extraordinary general meeting of shareholders reviewed and approved the "Proposal on Repurchase and Cancellation of Performance Compensation Shares". The company pays RMB 2.00 to the counterparty

Targeted repurchase of performance-compensated shares and cancellations in accordance with the law. The company has been listed in China Securities Depository and Clearing Corporation Limited on December 27, 2021.

Shenzhen Branch completed the repurchase and cancellation procedures for 9,781,690 performance compensation shares.

54. Other equity instruments

(1) Basic information on other financial instruments such as preferred shares and perpetual bonds issued at the end of the period

(2) Statement of changes in financial instruments such as preferred shares and perpetual bonds issued at the end of the period

55. Capital reserve

unit: yuan

project	Opening Balance	Increase in this period	Decrease in this period	Ending balance
capital premium (equity premium)	1,217,902,598.88	1,129,527.47	31,594,860.70	1,187,437,265.65
Other capital reserves	74,818,873.73	-227,421.61		74,591,452.12
total	1,292,721,472.61	902,105.86	31,594,860.70	1,262,028,717.77

Other explanations, including the increase or decrease in the current period, and explanation of the reasons for the changes:

[Note 1]: The increase in the current period is due to accounting for other changes in the owner's equity of the investee based on the equity method;

[Note 2]: The decrease in this period is due to the fact that the company has completed the business operation in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on December 27, 2021.

The procedures for repurchase and cancellation of 9,781,690 performance compensation shares shall be in accordance with the cancellation procedures registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

The difference between the current share price and the book share price offset the capital reserve of RMB 31,594,860.70.

56. Treasury stock

unit: yuan

project	Opening Balance	Increase in this period	Decrease in this period	Ending balance
share capital	10,686,900.00			10,686,900.00
capital reserve	65,315,000.54			65,315,000.54
total	76,001,900.54			76,001,900.54

57. Other comprehensive income

unit: yuan

project	Opening Balance	Amount for this period						Closing balance
		Income for this period occurs before tax	Less: Included in the previous period Other comprehensive income Benefit transferred in the current period profit and loss	Less: upfront include other Comprehensive income Transfer in the current period retained earnings	minus: income tax	attribution after tax at the parent company	attribution after tax in minority shares East	
2. Other comprehensive reclassification into profit and loss income	-4,674,888.9 0	-15,189,07 5.99				-15,189,07 5.99		-19,863, 964.89
Translation differences of foreign currency financial statements	-4,674,888.9 0	-15,189,07 5.99				-15,189,07 5.99		-19,863, 964.89
Total other comprehensive income	-4,674,888.9 0	-15,189,07 5.99				-15,189,07 5.99		-19,863, 964.89

58. Special Reserve

59. Surplus reserve

unit: yuan

project	Opening Balance	Increase in this period	Decrease in this period	Ending balance
statutory surplus reserve	193,508,394.20			193,508,394.20
total	193,508,394.20			193,508,394.20

60. Undistributed profits

unit: yuan

project	This period	Previous period
Undistributed profit at the end of last period before adjustment	180,145,239.10	125,193,968.31
Adjustment of the total amount of undistributed profits at the beginning of the period (increase +, decrease -)		11,362,698.91

Undistributed profit at the beginning of the adjustment period	180,145,239.10	136,556,667.22
Plus: Net profit attributable to owners of the parent company for the current period	-646,708,420.06	43,588,571.88
Undistributed profit at the end of the period	-466,563,180.96	180,145,239.10

Adjustment of undistributed profits at the beginning of the period:

- 1), due to the retrospective adjustment of the "Accounting Standards for Business Enterprises" and related new regulations, the undistributed profit at the beginning of the period is affected by 0.00 yuan.
- 2) Due to the change of accounting policy, the undistributed profit at the beginning of the period is affected by RMB 0.00.
- 3) Due to the correction of major accounting errors, the undistributed profit at the beginning of the period is affected by RMB 0.00.
- 4) The change in the scope of consolidation due to the same control will affect the undistributed profit of RMB 0.00 at the beginning of the period.
- 5) Other adjustments will affect the undistributed profit at the beginning of the period by RMB 0.00.

61. Operating income and operating costs

unit: yuan

project	Amount for this period		Amount in the previous period	
	income	cost	income	cost
Main business	2,938,023,052.92	2,525,040,918.67	3,556,339,436.79	3,014,907,527.30
Other business	39,240,131.27	30,571,539.95	30,131,632.44	22,373,230.90
total	2,977,263,184.19	2,555,612,458.62	3,586,471,069.23	3,037,280,758.20

Whether the lower of the net profit before and after deducting non-recurring gains and losses is negative after audit

Yes No

unit: yuan

project	This year (10,000 yuan)	Specific deductions Last year (10,000 yuan)	Specific deductions	
Amount of operating income	2,977,263,184.19	Total for the year	3,586,471,069.23	Total for the year
Total amount of deduction items from operating income	39,240,131.27	unrelated to the main business Business Income (Sales Original material, waste, processing bills, electricity, rent enter)	30,131,632.44	unrelated to the main business Business Income (Sales Original material, waste, processing bills, electricity, rent enter)
1. Business income unrelated to the main business	-	-	-	-
1. Income from other businesses other than normal operations. such as renting out fixed assets production, intangible assets, packaging, sales materials, and materials Non-monetary asset exchange, operating entrusted management business, etc. Income, and although included in the main business income, but belonging to the listed company Income outside of the company's normal operations.	39,240,131.27	Sales of raw materials, waste, Processing fee, electricity fee, room rental income	30,131,632.44	Sales of raw materials, waste, Processing fee, electricity fee, room rental income
Subtotal of business income not related to main business	39,240,131.27	Sales of raw materials, waste, Processing fee, electricity fee, room rental income	30,131,632.44	Sales of raw materials, waste, Processing fee, electricity fee, room rental income
2. Income without commercial substance	-	-	-	-

Subtotal of income without commercial substance	0.00 None	0.00 None
Amount after deduction of operating income	2,938,023,052.92 Operating income after deduction	3,556,339,436.79 Operating income after deduction

Information related to performance obligations:

none

Information related to the transaction price allocated to the remaining performance obligations:

none

62. Taxes and surcharges

unit: yuan

project	Amount for this period	Amount in the previous period
Urban maintenance and construction tax	2,869,213.15	3,457,115.99
Education fee surcharge	2,686,912.97	3,307,605.19
property tax	13,337,095.22	8,792,426.71
land holding tax	1,153,119.82	1,333,053.86
vehicle usage tax	41,110.77	43,404.68
stamp duty	1,159,863.05	1,375,819.42
other	206,201.30	243,396.59
total	21,453,516.28	18,552,822.44

63. Sales expenses

unit: yuan

project	Amount for this period	Amount in the previous period
Salary and Extras	60,549,834.67	72,593,800.66
travel expenses	12,515,697.16	12,414,220.11
Office expenses	3,211,020.21	2,099,145.58
social entertainment fee	32,077,585.78	29,710,114.30
Bidding fee	9,133,522.20	3,162,259.99
other	13,017,038.89	16,397,566.79
total	130,504,698.91	136,377,107.43

64. Administrative expenses

unit: yuan

project	Amount for this period	Amount in the previous period
Salary and Extras	62,294,024.55	63,788,959.36

Depreciation	94,633,129.86	57,244,097.89
Office expenses	5,838,146.35	4,857,046.21
social entertainment fee	16,629,116.44	10,532,864.51
travel expenses	5,622,092.96	3,077,548.00
Amortization of intangible assets and long-term deferred expenses	10,421,056.03	12,385,681.98
repair fee	4,015,645.34	3,491,818.13
utility bill	3,574,803.16	9,196,464.69
Intermediary fees	8,825,745.23	19,208,112.64
other	26,707,428.65	32,450,778.87
total	238,561,188.57	216,233,372.28

65. Research and development expenses

unit: yuan

project	Amount for this period	Amount in the previous period
Salary and Extras	76,696,953.04	86,029,137.70
Material consumption	97,027,772.17	114,518,535.17
Depreciation	6,346,299.82	8,697,611.92
Accumulated depreciation of right-of-use assets	1,276,688.92	
Office expenses	107,122.51	292,125.99
travel expenses	135,073.87	246,451.20
Technology outsourcing	3,896,997.13	7,867,923.03
other	1,560,069.43	2,126,050.58
total	187,046,976.89	219,777,835.59

66. Financial expenses

unit: yuan

project	Amount for this period	Amount in the previous period
interest expense	184,859,251.01	186,520,098.24
Less: Interest income	13,560,994.61	15,277,820.56
Exchange gains and losses	-565,022.64	-14,245,764.95
Financial institution fees	1,698,237.92	4,125,796.86
Cash Discount	-91,030.82	267,445.65
discounted interest	16,938,984.59	14,025,407.11
Unrecognized financing charges	1,486,752.90	

total	190,766,178.35	175,415,162.35
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67. Other income

unit: yuan

other sources of income	Amount for this period	Amount in the previous period
Software business tax rebate	696,682.85	1,784,137.21
government subsidy	75,754,227.72	46,992,102.72
tax refund	258,366.26	831,354.85
VAT super deduction	732,204.03	1,039,653.66
total	77,441,480.86	50,647,248.44

68. Investment income

unit: yuan

project	Amount for this period	Amount in the previous period
Long-term equity investment income accounted for by the equity method	5,706,456.48	-50,196,322.44
Investment income from disposal of long-term equity investment	96,940,073.97	3,174,787.50
Investment income from disposal of held-for-trading financial assets	41,376,548.70	345,310,865.14
Investment income from wealth management products	2,410.96	370,835.61
Futures Trading Investment Income	511,681.56	-5,776,564.44
Forward foreign exchange investment income		-4,165,996.50
Investment income from disposal of other equity instruments	6,295,727.90	
total	150,832,899.57	288,717,604.87

other instructions:

69. Net exposure hedging income

70. Income from changes in fair value

unit: yuan

Source of income from changes in fair value	Amount for this period	Amount in the previous period
Tradable financial assets	-40,075,727.49	-60,043,477.34
Of which: fair value generated by derivative financial instruments	52,141.98	-77,293,013.99
change in value		
total	-40,075,727.49	-60,043,477.34

71. Credit impairment losses

unit: yuan

project	Amount for this period	Amount in the previous period
Bad debt losses of other receivables	-66,917,050.98	-3,640,766.17
Bad debt loss on notes receivable	-1,831,043.44	-343,010.57
Bad debt loss of accounts receivable	-86,049,945.02	-53,056,673.98
total	-154,798,039.44	-57,040,450.72

72. Asset impairment loss

unit: yuan

project	Amount for this period	Amount in the previous period
2. Inventory depreciation loss and contract performance cost impairment loss	-81,385,984.02	-56,170,153.50
3. Impairment losses on long-term equity investments	-213,247,136.92	
V. Impairment loss of fixed assets	-41,725,817.08	
7. Impairment losses of construction in progress	-44,441,579.99	
X. Impairment loss of intangible assets	-46,867,073.02	
12. Impairment loss of contract assets	-450,828.53	-378,009.48
total	-428,118,419.56	-56,548,162.98

73. Income from asset disposal

unit: yuan

Sources of Asset Disposal Gains	Amount for this period	Amount in the previous period
Income from disposal of fixed assets	35,372,562.43	22,806,290.32
Income from disposal of intangible assets	113,656,464.77	46,520,430.16
Income from disposal of long-term deferred expenses	25,374.84	
total	149,054,402.04	69,326,720.48

74. Non-operating income

unit: yuan

project	Amount for this period	Amount in the previous period	Funds included in non-recurring gains and losses for the current period Forward
Byzoo performance gambling compensation	5,816,979.42	75,510,000.00	5,816,979.42
other	2,002,305.56	1,387,984.25	2,002,305.56

total	7,819,284.98	76,897,984.25	7,819,284.98
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Government subsidies included in the current profit and loss:

unit: yuan

Type of reason for granting subsidy projects			Does the subsidy affect Profit and loss of the year	Is it special paste	Cash in this period Forecast	last period cash Forecast	related to assets/ related to earnings
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other instructions:

75. Non-operating expenses

unit: yuan

project	Amount for this period	Amount in the previous period	Funds included in non-recurring gains and losses for the current period Forecast
Donate	9,093,300.00	6,200,000.00	9,093,300.00
Loss on retirement of non-current assets	68,555.00	163,922.72	68,555.00
Indemnity [Note]	6,262,400.56		6,262,400.56
other expenses	2,520,291.68	606,251.46	2,520,291.68
total	17,944,547.24	6,970,174.18	17,944,547.24

other instructions:

Note: According to the Suzhou Arbitration Commission's Award (2020) Su Zhuzhu Zi No. 0252, the company needs to pay Shenzhen Nanhai Cargill Financial Holdings Co., Ltd. liquidated damages 6,262,400.56 yuan.

76. Income tax expenses

(1) Income tax expense table

unit: yuan

project	Amount for this period	Amount in the previous period
Current income tax expense	4,233,639.53	19,635,311.38
Deferred tax expense	40,215,612.80	26,602,097.50
total	44,449,252.33	46,237,408.88

(2) Adjustment process of accounting profits and income tax expenses

unit: yuan

project	Amount for this period
Total profit	-602,470,499.71
Income tax expense at statutory/applicable rates	-90,370,574.94
The impact of different tax rates applied to subsidiaries	14,415,484.84

Adjusting the effect of prior period income tax	-357,341.97
The impact of non-taxable income	-28,313,581.33
Effects of non-deductible costs, expenses and losses	20,456,735.09
Deductible temporary differences or deductible losses for unrecognized deferred tax assets in the current period impact of damage	146,541,008.18
Technology development fee plus deduction	-17,922,477.54
Income tax expense	44,449,252.33

77. Other comprehensive income

See Note 57 for details.

78. Cash flow statement items

(1) Other cash received related to operating activities

unit: yuan

project	Amount for this period	Amount in the previous period
Returned Bank Guarantee Security Deposit Received	29,017,768.99	35,440,485.66
Government subsidy income received	44,195,871.75	44,554,214.89
Received interest income on bank deposits	10,443,132.64	17,373,445.56
Received security deposit, deposit, reserve fund	9,417,839.77	
VAT credits refunded		39,792,603.49
Other non-operating income received, etc.	4,112,785.95	3,884,984.30
total	97,187,399.10	141,045,733.90

(2) Other cash paid related to operating activities

unit: yuan

project	Amount for this period	Amount in the previous period
Sales agency related fees paid	64,435,095.81	58,901,755.16
Management agency related fees paid	67,178,632.39	86,194,392.03
security deposit etc.	1,263,699.80	112,799,505.88
Judicial Freeze Payments	8,000,000.00	63,702,376.83
Shipping costs paid	51,331,994.19	62,272,580.61
Bank charges paid	1,698,237.92	4,125,796.86
Donation Expenses Paid	9,093,300.00	6,200,000.00
total	203,000,960.11	394,196,407.37

(3) Other cash received related to investment activities

unit: yuan

project	Amount for this period	Amount in the previous period
Compensation for performance betting	5,816,979.42	510,000.00
Redemption of wealth management products	5,000,000.00	18,000,000.00
Cash back from disposal of trading financial assets		27,490,380.70
total	10,816,979.42	46,000,380.70

(4) Other cash paid related to investment activities

unit: yuan

project	Amount for this period	Amount in the previous period
Futures investment income		5,314,638.44
Pay liquidated damages	6,262,400.56	
buy wealth management products	9,000,002.00	
total	15,262,402.56	5,314,638.44

(5) Other cash received related to financing activities

unit: yuan

project	Amount for this period	Amount in the previous period
Pledged loan deposit	124,300,000.00	58,585,000.00
government support funds		400,000,000.00
total	124,300,000.00	458,585,000.00

(6) Other cash paid related to financing activities

unit: yuan

project	Amount for this period	Amount in the previous period
house lease	10,120,651.42	
government support funds	400,000,000.00	
total	410,120,651.42	

79. Supplementary information on cash flow statement

(1) Supplementary information on cash flow statement

unit: yuan

additional materials	Current Amount	Amount of the previous period
1. Reconciling net profit to cash flow from operating activities:	-	-
net profit	-646,919,752.04	41,583,894.88
Plus: Provision for asset impairment	491,784,478.36	-5,678,048.18
Depreciation of fixed assets, depletion of oil and gas properties, Depreciation of productive biological assets	152,050,061.67	159,980,914.45
Depreciation of right-of-use assets	10,658,227.02	
Amortization of intangible assets	32,206,834.20	27,180,690.27
Amortization of long-term deferred expenses	17,566,209.92	1,709,373.43
Disposal of fixed assets, intangible assets and others Losses of long-term assets (returns are listed with "-")	-149,054,402.04	-69,162,797.76
Loss on retirement of fixed assets (income with "-" number)	68,555.00	
Losses from changes in fair value (gains are marked with "-" number)	40,075,727.49	60,043,477.34
Financial expenses (revenues are listed with "-")	185,780,981.27	177,459,127.34
Investment losses (returns are listed with "-")	-150,387,478.43	-364,227,604.87
Deferred tax assets decrease (increase by Fill in with "-")	47,488,004.81	-6,844,583.71
Deferred tax liability increases (decreases by Fill in with "-")	-7,272,392.01	33,446,681.21
Decrease in inventory (increase is listed with "-")	25,101,189.07	368,334,493.36
Decrease in operating receivables (increase by Fill in with "-")	-83,036,794.21	-348,859,841.67
Increase in operating payables (decrease by Fill in with "-")	59,786,258.81	262,158,806.52
other		
Net cash flow from operating activities	25,895,708.89	337,124,582.61
2. Significant investments and financing activities that do not involve cash receipts and payments Note: none	-	-
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Financing leased fixed assets		
3. Net change in cash and cash equivalents:	-	-
Closing balance of cash	176,375,699.97	602,826,953.77
Less: Opening balance of cash	602,826,953.77	454,075,734.65

Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-426,451,253.80	148,751,219.12

(2) Net cash paid in the current period to acquire subsidiaries

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

unit: yuan

	amount
Disposal of cash or cash equivalents received by subsidiaries in the current period	61,460,000.00
in:	
Shanghai Weiye Chuangxing Electromechanical Equipment Co., Ltd.	5,100,000.00
Suzhou Ruixiaoyun Information Technology Co., Ltd.	16,360,000.00
Suzhou Ruiyi Information Technology Co., Ltd.	40,000,000.00
Shenzhen Huazhen Information Technology Co., Ltd.	
Less: Cash and cash equivalents held by the company on the date of loss of control	61,088,682.34
in:	
Shanghai Weiye Chuangxing Electromechanical Equipment Co., Ltd.	7,282,109.48
Suzhou Ruiyi Information Technology Co., Ltd.	50,141,547.85
Shenzhen Huazhen Information Technology Co., Ltd.	3,665,025.01
in:	
Net cash received from disposal of subsidiaries	371,317.66

(4) Composition of cash and cash equivalents

unit: yuan

project	Ending balance	Opening Balance
1. Cash	176,375,699.97	602,826,953.77
Of which: Cash on hand	3,211.41	95,992.69
Bank deposits ready for payment	165,852,816.91	594,205,634.24
Funds in other currencies readily available for payment	10,519,671.65	8,525,326.84
3. Balance of cash and cash equivalents at the end of the period	176,375,699.97	602,826,953.77

80. Notes to items in the Statement of Changes in Owner's Equity

Explain the item names and adjusted amounts of "other" items that adjusted the closing balance of the previous year:

81. Assets with restricted ownership or right to use

unit: yuan

project	Book value at the end of the period	Restricted Reason
Money funds	656,022,434.08	Various margin deposits
fixed assets	197,303,117.29	Mortgage for bank loans, etc.
intangible assets	16,818,406.84	Mortgage for bank loans, etc.
Money funds	8,000,000.00	Frozen Funds
Money funds	50,150,000.00	deposit certificate pledge
total	928,293,958.21	

82. Foreign currency monetary items

(1) Foreign currency monetary items

unit: yuan

project	Closing foreign currency balance	Converted exchange rate	Converted RMB balance at the end of the period
Money funds	-	-	
Of which: US dollars	2,182,864.93	6.3757	13,917,291.95
EUR	0.61	7.2197	4.40
Hong Kong dollar	52,518.75	0.8176	42,939.33
accounts receivable	-	-	
Of which: US dollars	1,731,307.47	6.3757	11,038,297.03
EUR			
Hong Kong dollar			
Long term loan	-	-	
Of which: US dollars			
EUR			
Hong Kong dollar			
Other receivables			
Of which: US dollars	4,130.00	6.3757	26,331.64
accounts payable			
Of which: US dollars	4,771,840.00	6.3757	30,423,820.29

(2) Description of overseas business entities, including for important overseas business entities, disclosure of their main overseas business locations, functional currency and selection

Based on this, the reasons for changes in the functional currency of the bookkeeping shall also be disclosed.

✓ Applicable ✗ Not applicable

83. Hedging

Disclose qualitative and quantitative information on hedging items, related hedging instruments, and hedged risks according to the type of hedging:

84. Government subsidies

(1) Basic information on government subsidies

unit: yuan

type	amount	presentation items	Amount included in current profit and loss
related to assets	26,146,681.65	Infrastructure compensation	19,802,259.15
related to assets	7,525,860.15	Land transfer fee rebate	2,767,080.96
related to assets	12,410,000.00	Optical fiber and communication cable industrialization projects	380,020.00
related to assets	25,510,000.00	Equipment compensation	12,480,141.86
related to assets	49,096,900.00	Transformation and Upgrade Rewards	10,832,703.99
related to assets	120,689,441.80	Relocation funds	4,370,946.40
related to earnings	69,826.29	Job stabilization subsidies	69,826.29
related to earnings	314,000.00	Zhenze Town Industrial Economic Commendation Award	314,000.00
related to earnings	1,100,000.00	Suzhou City to build advanced manufacturing industry Base special fund	1,100,000.00
related to earnings	182,100.00	Business Development Incentive Fund	182,100.00
related to earnings	150,000.00	Industrial Enterprise Intelligent Technology Transformation Award supplementary funds	150,000.00
related to earnings	37,450.00	Wujiang District supporting funds	37,450.00
related to earnings	76,620.00	The second batch of patent funding	76,620.00
related to earnings	77,000.00	Import and Export Credit Insurance Award	77,000.00
related to earnings	158,000.00	Subsidy for core technology products	158,000.00
related to earnings	856,000.00	Implement trademark strategy and technical standards battle Briefly and the awards for construction projects in high-quality areas funds	856,000.00
related to earnings	17,889,700.00	Wujiang Economic and Technological Development Zone Enterprise High Rewards for economic work such as quality development	17,889,700.00
related to earnings	392,740.00	The first batch of special grants for patents in Wujiang District funding	392,740.00

related to earnings	26,000.00	Subsidy for work-for-work training	26,000.00
related to earnings	630,000.00	Intellectual property special fund	630,000.00
related to earnings	333,138.47	Recognition awards for R&D institutions	333,138.47
related to earnings	100,000.00	Provincial high-tech enterprise cultivation funds	100,000.00
related to earnings	577,700.00	Haidian District Intellectual Property Pledge Financing this subsidy	577,700.00
related to earnings	17,280.00	The 30th batch of scientific and technological development in Suzhou Program (Technical Standards Funding) Project Manager fee	17,280.00
related to earnings	500,000.00	Financial support from Zhenze government	500,000.00
related to earnings	340,000.00	The tenth batch of science and technology development plans in Suzhou Plan (Key Industrial Technology Innovation) Project Acceptance of the final payment	340,000.00
related to earnings	86,500.00	2021 Suzhou Technical Standard Fund Project funding	86,500.00
related to earnings	400,000.00	22nd China Patent Award	400,000.00
related to earnings	60,000.00	Suzhou Municipal Intellectual Property Operation Subsidy, The enterprise has passed the certification of intellectual property standard implementation Three-year review award, high-value patent training education program funding	60,000.00
related to earnings	20,000.00	Demonstration Enterprise of Safety Production "Hundreds and Tens of Thousands" Project industry reward	20,000.00
related to earnings	300,000.00	2019 provincial high-level innovation and innovation Special funds for industry introduction plan	300,000.00
related to earnings	5,760.00	The first batch of patents in Wujiang District in 2021 special funding	5,760.00
related to earnings	8,000.00	Science and Technology Bureau of Wujiang Economic and Technological Development Zone	8,000.00
related to earnings	60,000.00	Economic Development Bureau Suzhou Social Credit System construction funds	60,000.00
related to earnings	86,000.00	Intellectual Property of Wujiang Economic and Technological Development Zone special award	86,000.00
related to earnings	6,480.00	Science and Technology Bureau, Suzhou City, the 30th batch of divisions Technology Development Program Funds	6,480.00
related to earnings	30,000.00	Technological transformation and doubling investment in special technological transformation funding	30,000.00
related to earnings	50,000.00	E-commerce demonstration enterprise subsidy	50,000.00
related to earnings	780.60	Disability allowance	780.60
related to earnings	180,000.00	2019 provincial special fund for production safety	180,000.00

		subsidy	
total	266,499,958.96		75,754,227.72

(2) Return of government subsidies

ÿ Applicable ÿ Not applicable

unit: yuan

project	amount	reason
Deferred Earnings - Smart Manufacturing	3,000,000.00	Deferred Income - Smart Manufacturing

85. Others

8. Changes in the scope of consolidation

1. Business combination not under common control

During the reporting period, the company did not have business combination not under the same control.

2. Business combination under the same control

There was no business combination under the same control in the reporting period.

3. Reverse purchase

During the reporting period, the company did not have reverse purchases.

4. Disposal of subsidiaries

Whether there is a situation in which the control right is lost after a single disposal of the investment in the subsidiary

ÿ Yes ÿ No

unit: yuan

Subsidiary name	Equity Office purchase price	Equity Office set ratio	Equity Office setting method	out of control authoritarian time	out of control when in power point of determination	Disposal price Payment and place investment corresponding Consolidated finance business report level enjoyment have the son Company's net assets difference in amount	out of control of control Day remaining Equity Proportion	out of control of control Day remaining Equity book value value	out of control of control Day remaining Equity fair value value	Recalculated at fair value amount remaining Equity property profit gain or loss	out of control of control Day remaining Equity company fair value sure method and main assumptions	with atoms company shares right investment related other comprehensive combined income transfer input Amount of capital gains and losses
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						Footnote						
Shanghai Wei Industry Chongxing Electromechanical equipment Limited equipment company [note 1]	5,100,00 0.00	51.00% Sale	Cash out	2021 June 30 and get Day	Equity transfer let agreement Equity transfer Concession	-527,947 .58	0	0	0	0	not applicable	
Suzhou Rui Wing Information Technology has limited company [Note 2]	270,100, 000.00	100.00% sale	cash out	December 30, 2021 and business Day	Equity transfer let agreement change registration amendment	89,016,4 50.15	0	0	0	0	not applicable	
Shenzhen Hua Zhen Information Technology Co., Ltd. [Note 3]	16,000,0 00.00	16.00% Sale	Cash out	2021 04/30 Day	Equity transfer let agreement and business change registration amendment	-15,200, 044.77	35.00%	11,348,335,000.00 83.83	23,651,6 00.00	Transactions 16.17	refer to Sale of shares Price is correct Currency	

other instructions:

Note 1: On June 28, 2021, Tongding Internet Information Co., Ltd. and Zhang Xiurong signed an equity transfer agreement to transfer the Shanghai Weiye Chuangxing Electromechanical Equipment Co., Ltd. held by the company.

All 51% of the company's equity will be transferred, and the industrial and commercial change will be completed in July 2021. The entire equity transfer consideration will be paid on June 30, 2021, and will no longer be included in the scope of consolidation after payment.

Note 2: In December 2021, Tongding Internet Information Co., Ltd. and Suzhou Yunchetong Information Technology Co., Ltd. (hereinafter referred to as "Party A") signed an equity transfer agreement.

The agreement stipulates that the company (hereinafter referred to as "Party B") will transfer its 100% equity of Suzhou Ruiyi Information Technology Co., Ltd., and the two parties have negotiated and determined that the total transaction price of the 100% equity of Ruiyi Information is 270.1 million yuan. Both parties confirm that this time The total purchase price shall be paid by Party A to Party B in five installments, as follows: Party A shall pay Party B the first installment purchase price before December 25, 2021. The first installment purchase price is RMB 40 million. To change Party A's capital contribution, shareholding ratio and other information in the shareholder register of Ruiyi Information within five days from the date of the first phase of the purchase price paid by Party A, Party A shall hold 100% of the equity of Ruiyi Information and handle the change. Completed the information of Ruiyi

Procedures for amendment of articles of association and related industrial and commercial change registration and filing. Tongding Internet Information Co., Ltd. obtained the first purchase price on December 24, 2021, Suzhou Ruiyi Information Technology Co., Ltd. completed the industrial and commercial change on December 30, 2021, and will no longer be included in the scope of consolidation since the date of completing the industrial and commercial change.

Note 3: In April 2021, Tongding Internet Information Co., Ltd., Zhuhai Jinjuzhuo Equity Investment Enterprise (Limited Partnership), Shenzhen Zhiqin No. 1 Investment Partnership (with Co., Ltd.) and Yan Liang signed an equity transfer agreement. The agreement stipulates that the company will transfer its 16% equity in Shenzhen Huazhen Information Technology Co., Ltd., and complete the industrial and commercial change in April 2021. After the change, the company will lose control and will no longer be included in the scope of consolidation. .

Whether there is a situation in which the investment in the subsidiary is disposed of in stages through multiple transactions and the control is lost in the current period

ÿ Yes ÿ No

5. Changes in the scope of consolidation due to other reasons

Explain the changes in the scope of consolidation caused by other reasons (such as the establishment of new subsidiaries, liquidation of subsidiaries, etc.) and related circumstances:

During the reporting period, the Company did not have any changes in the scope of consolidation due to other reasons.

6. Other

9. Rights and interests in other entities

1. Interests in subsidiaries

(1) The composition of the enterprise group

Subsidiary name Main business place of registration		business nature	Shareholding ratio		How to get
			direct	indirect	
Suzhou Dingyu Material Technology Co., Ltd.	Suzhou City, Jiangsu Province, Suzhou City, Jiang District	Jiangsu Province, Suzhou City, Jiangsu Province, Wu production and sales Jiang District	60.00%		set up
Jiangsu Tongding Light Bar is produced and sold by Suzhou Wu, Jiangsu Province, Suzhou City, Jiangsu Province.	Jiang District	Jiang District	100.00%		set up
Jiangsu Tongding Optoelectronics Technology Co., Ltd.	Production and sales Jiang District	Jiang District	100.00%		Enterprises under the same control merge
Shanghai Weiye Chuangxing Machine Electrical Equipment Co., Ltd. [Note]	Production and sales in Fengxian District, Shanghai, Fengxian District, Shanghai		51.00%		set up
Suzhou Ruiyi Information Technology Co., Ltd. [Note]	Suzhou City, Jiangsu Province, Suzhou City, Industrial Park	Jiangsu Province, Suzhou City, Jiangsu Province, R&D and Sales Industrial Park	100.00%		Enterprises not under the same control business merger
Jiangsu Tongding Broadband Co., Ltd. limited company	Suzhou City, Jiangsu Province, Suzhou City, Jiang District	Jiangsu Province, Suzhou City, Jiangsu Province, Wu production and sales Jiang District	98.73%		Enterprises under the same control merge
Suzhou Ruiyi Electronic Commerce Technology Co., Ltd.	Jiangsu Province, Suzhou City, Industrial Park	Jiangsu Province, Suzhou City, Jiangsu Province, R&D, Sales Industrial Park		100.00%	Establishment
Beijing Baizhuo Network Technology Co., Ltd.	R&D and sales in Haidian District, Beijing, Haidian District, Beijing		100.00%		Enterprises not under the same control business merger
Horgos Byro Network Network Technology Co., Ltd.	Xinjiang Ili State Hall R&D and sales of Xinjiang Ili State Hall Goss	Goss		100.00%	Establishment
Tonghao Information Technology (Shanghai) Co., Ltd. Free Trade zone	China (Shanghai) Self Pilot Zone	China (Shanghai) independent research and development, consulting, service by trade pilot zone	100.00%		Buy
Tonghao Cayman Co., Ltd.	Cayman Islands Cayman Islands Investment			100.00%	buy
Shenzhen Huazhen Information Technology Co., Ltd. [Note]	R&D and sales in Longhua District, Shenzhen, Shenzhen		51.00%		Enterprises not under the same control business merger

Explanation of the shareholding ratio in the subsidiary being different from the voting rights ratio:

Note: For details, please refer to VIII.4 Disposal of Subsidiaries above.

Basis for holding half or less of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:

The proportion of shares held by the company in the subsidiary is the same as the proportion of voting rights.

(2) Important non-wholly owned subsidiaries

unit: yuan

Subsidiary name	Minority Shareholding Ratio	Attributable to minority shareholders in the current period profit and loss	Announce the balance of minority shareholders' equity at the end of the instalment to minority shareholders in this period dividends	
Jiangsu Tongding Broadband Co., Ltd.	1.27%	-115,551.00		6,085,790.15

(3) Main financial information of important non-wholly-owned subsidiaries

unit: yuan

Subsidiary name	Ending balance						Opening Balance					
	Liquidity	non-current	assets	flow negative	non-current	Liability	Liquidity	non-current	assets	flow negative	non-current	Liability
	Produce	assets	count	debt	debt	count	Produce	assets	count	debt	debt	count
Jiangsu Tong Ding Broadband limited	709,752, 001.12	94,721,3 30.52	804,473, 331.64	322,414, 181.03	67,763.2 1	322,481, 944.24	661,362, 999.59	162,322, 505.40	823,685, 504.99	330,885, 216.31	1,706,63 3.69	332,591, 850.00

unit: yuan

Subsidiary name	Amount for this period				Amount in the previous period			
	Operating income and net profit		Total comprehensive income	current business activities	Operating income and net profit		Total comprehensive income	current business activities
	Forecast		cash flow		Forecast		cash flow	
Jiangsu Tongding Broadband Co., Ltd.	448,435,273.	-226,485,317.	-9,102,267.58	-9102,267.58 41		432,447,999.	49,537,083.7	49,537,083.7
					92	48	4	4
								87

(4) Significant restrictions on using the assets of the enterprise group and paying off the debts of the enterprise group

none

(5) Financial support or other support provided to structured entities included in the scope of consolidated financial statements

none

2. Changes in the share of the owner's equity in the subsidiary and still control the subsidiary's transactions

none

3. Interests in joint arrangements or associates

(1) Important joint ventures or associates

joint venture or associate Company Name	Main place of business	registration	business nature	Shareholding ratio		For joint ventures or joint ventures business investment meeting counting method
				direct	indirect	
UTStarcomHoldings Corp.[Note]	Hangzhou	Production and sales in the	Cayman Islands		35.17%	Equity method accounting

Explanation of the shareholding ratio in the joint venture or associate company being different from the voting rights ratio:

Note: In September 2019, the company purchased 9.2 million shares of UTStarcom Holdings Corp. in cash and paid \$49.22 million. The shareholding ratio as of December 31, 2021 was 35.17%.

(2) Main financial information of important joint ventures

(3) Main financial information of important associates

unit: yuan

	Closing balance / current period	Beginning Balance/Last Period Amount
	UTStarcom Holdings Corp.	UTStarcom Holdings Corp.
current assets	623,497,015.45	717,119,831.49
Non-current assets	66,860,232.73	57,537,609.12
Total assets	690,357,248.18	774,657,440.61
Current liabilities	225,874,770.71	261,269,833.68
Non-current liabilities	28,697,061.02	8,353,629.03
Total Liabilities	254,571,831.73	269,623,462.70
Minority interests		
Equity attributable to parent company shareholders	435,785,416.44	505,033,977.91
Share of net assets by shareholding ratio	153,265,730.96	180,549,647.10
Adjustments		
--Goodwill		223,671,765.34
--Unrealized profit from insider transactions		
--other		
Book value of equity investments in associates	163,690,359.37	404,221,412.43
There are publicly quoted equity investments in joint ventures		
fair value		
Operating income	102,715,683.54	167,683,627.56

net profit	-37,601,272.74	-163,308,323.09
Net profit from discontinued operations		
Other comprehensive income	-34,858,910.78	-25,626,496.30
Total comprehensive income	-72,460,183.52	-188,934,819.39
Dividends received from associates during the year		

(4) Aggregated financial information of unimportant joint ventures and associates

unit: yuan

	Closing balance / current period	Beginning Balance/Last Period Amount
Joint ventures:	-	-
The total number of the following items based on shareholding ratio	-	-
Associates:	-	-
Total book value of investments	547,890,537.07	494,187,134.58
The total number of the following items based on shareholding ratio	-	-
--Net profit	5,706,456.48	8,186,402.97
--Total comprehensive income	5,706,456.48	8,186,402.97

(5) Explanation on significant restrictions on the ability of joint ventures or associates to transfer funds to the Company

(6) Excess losses incurred by joint ventures or associates

(7) Unrecognized commitments related to investment in joint ventures

(8) Contingent liabilities related to investment in joint ventures or associates

4. Important joint operations

5. Interests in structured entities not included in the scope of consolidated financial statements

6. Other

X. Risks associated with financial instruments

The main financial instruments of the Company include borrowings, receivables and other receivables, accounts payable, other payables and bank deposits. The relevant financial instruments are detailed in each Notes to Disclosures. The risks associated with these financial instruments and the risk management policies adopted by the Company to reduce these risks are described below. The management of the company has Risk exposures are managed and monitored to ensure that the above risks are controlled within defined limits.

The company adopts sensitivity analysis techniques to analyze the possible impact of reasonable and possible changes in risk variables on current profit and loss or shareholders' equity. due to any risk The amount rarely changes in isolation, and the correlation between variables will have a significant impact on the final impact amount of a change in a risk variable, so the following is Changes in each variable are assumed to be independent.

1. Market risk

(1) Foreign exchange risk:

Foreign exchange risk refers to the risk of changes in foreign exchange rates that affect the Company's financial results and cash flow. The company's exposure to foreign exchange risks is mainly related to its holdings of US dollars or euros.

The company is exposed to foreign exchange risk due to the exchange rate changes between the US dollar or the euro and the company's functional currency. But the company manages

The management believes that such accounts receivable and bank deposits in USD or EUR account for a relatively small proportion of the company's total assets. In addition, the company's main operating activities are settled in RMB.

Therefore, the foreign exchange risk faced by the Company is not significant.

On the balance sheet date, the balances of the Company's foreign currency monetary assets and foreign currency monetary liabilities are as follows:

project	assets		debt	
	Ending balance	Opening Balance	Ending balance	Opening Balance
Dollar	3,918,302.40	4,390,146.18	4,771,840.00	55,844,910.02
EUR	0.61	0.61	-	213,000.00
Hong Kong dollar	52,518.75	52,446.64	-	49,909,252.00

Sensitivity analysis The company's exposure to foreign exchange risk is mainly related to the exchange rate changes between the US dollar or the euro and the RMB. The following table lists the relevant foreign currency and RMB exchange rate of the company

Sensitivity analysis under the assumption of 1% change in rate. In management's sensitivity analysis, a 1% increase or decrease is considered to reasonably reflect the possible range of exchange rate changes. exchange rate

The impact of possible reasonable changes on the current net profit is as follows:

Increase in profit for the year/ reduce	dollar impact		Euro influence	
	Ending balance	Opening Balance	Ending balance	Opening Balance
RMB depreciation	-54,419.00	-3,357,371.89	0.04	-17,093.20
RMB appreciation	54,419.00	3,357,371.89	-0.04	17,093.20

(continued)

Profit increase/decrease for the year	HKD impact	
	Ending balance	Opening Balance
RMB depreciation	429.39	-419,614.82
RMB appreciation	-429.39	419,614.82

(2) Interest rate risk - risk of changes in fair value, the company's risk of changes in the fair value of financial instruments due to changes in interest rates is mainly due to short-term changes in fixed interest rates.

and other borrowings (see Note VII.32 for details). As fixed-rate loans are mainly short-term and long-term loans, the company has established good bank-enterprise relationships to

Reasonable design of credit line, credit type and credit period to ensure sufficient bank credit line to meet various short-term financing needs of the company, and to shorten the single transaction

The term of the loan and the terms of early repayment are specially agreed to reasonably reduce the risk of interest rate fluctuations. The Company currently does not have an interest rate hedging policy, so the management of the Company believes that it is beneficial to

Rate risk is not significant.

(3) Other price risks: The investments classified as trading financial assets held by the Company are listed at their fair value on the balance sheet date. Therefore, the company

subject to price risk. The company has established an investment management department within the company, and designated members closely monitor the price changes of investment products. Therefore, the directors of the company believe that the company

The exposure to price risk has been mitigated.

2. Credit risk

On December 31, 2021, the largest credit risk exposure that may cause the company's financial losses is mainly from the failure of the other party to the contract to perform its obligations, resulting in the company's financial losses.

Losses arising from financial assets, including:

The book value of financial assets recognized in the consolidated balance sheet; for financial instruments measured at fair value, the book value reflects its risk exposure,

However, it is not the maximum risk exposure, and its maximum risk exposure will change with future changes in fair value.

To reduce credit risk, the Company controls credit limits, conducts credit approvals, and implements other monitoring procedures to ensure that necessary measures are taken to recover overdue claims.

In addition, the company makes adequate provision for bad debts on each balance sheet date based on the recovery of receivables. Therefore, the management of the company believes that the credit

Risk has been greatly reduced.

In addition, the Company's liquid funds are deposited in banks with higher credit ratings, so the credit risk of liquid funds is low.

3. Liquidity risk

Liquidity risk refers to the risk of a shortage of funds when a company fulfills its obligation to settle by delivering cash or other financial assets. When managing liquidity risk,

The Company maintains a balance between continuity of funds and flexibility by using bank borrowings, discounted bills and debt, etc., and maintains sufficient cash and cash that the management considers sufficient.

Equivalents and monitor them to meet the company's operating needs, to ensure that the company has sufficient funds to repay debt and reduce cash under all reasonable forecasts

The effect of traffic fluctuations. For details of the Company's financial liabilities, please refer to the disclosure of relevant items in Note VII.

Approaches to managing the liquidity of financial liabilities:

When managing liquidity risk, the Company maintains and monitors cash and cash equivalents deemed sufficient by the management to meet the Company's operating needs and reduce costs.

The impact of cash flow fluctuations. The management of the Company monitors the use of bank borrowings and ensures compliance with loan agreements.

The Company regards bank borrowings as an important source of funds. As of December 31, 2021, the company and the bank have signed a credit contract that has not yet been used

The loan amount is RMB 122,000,000, of which the loan amount for more than one year is RMB 20,000,000.

The management is confident that the due borrowings will be repaid on schedule and new revolving borrowings will be obtained.

To sum up, the management of the company believes that the liquidity risk borne by the company has been greatly reduced and does not have a significant impact on the company's operations and financial statements.

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

11. Disclosure of fair value

1. Closing fair value of assets and liabilities measured at fair value

unit: yuan

project	Fair value at the end of the period			
	Level 1 fair value quantity	Level 2 fair value quantity	Level 3 fair value quantity	total
1. Continuous fair value measurement	-	-	-	-
(1) Trading financial assets	335,919,605.43		121,165,463.45 457,085,068.88	
1. Measured at fair value and its changes included in current profit and loss of financial assets	335,919,605.43		121,165,463.45 457,085,068.88	
(2) Equity instrument investment	335,730,455.43		121,165,463.45 456,895,918.88	
(3) Derivative financial assets	189,150.00			189,150.00
(2) Receivables financing		3,496,049.14		3,496,049.14
Total assets continuously measured at fair value	335,919,605.43	3,496,049.14	121,165,463.45 460,581,118.02	
2. Non-continuous fair value measurement	-	-	-	-

2. Determination basis for the market price of continuous and non-continuous first-level fair value measurement items

The company uses the market method to estimate the fair value of related assets or liabilities. Year-end fair value based on its closing price on the last trading day in December 2021 (data

Source: Shanghai and Shenzhen stock exchanges, fund companies, securities companies) and banks to provide valuation notices and other determinations.

3. Continuous and non-continuous second-level fair value measurement items, the valuation techniques used and qualitative and quantitative information on important parameters

The company's second-level fair value measurement project is receivables financing. Due to the short remaining period of receivables financing, the book balance is close to the fair value.

Book balance as fair value.

4. For continuous and non-continuous third-level fair value measurement items, the valuation techniques used and qualitative and quantitative information on important parameters

The company's third-level fair value measurement items are bank wealth management products and equity instrument investments in financial assets that are measured at fair value and whose changes are included in current profits and losses.

At the end of the period, the financial products are based on the type of financial products and the expected rate of return to predict the future cash flow as the fair value. For those measured at fair value through profit or loss

The investment in equity instruments of financial assets of the Company, due to the operating environment and operating conditions of the investee (excluding the investee Mileage Insurance (Beijing) Technology Co., Ltd.),

The financial status has not changed significantly, so the company adopts the book investment cost as a reasonable estimate of the fair value for measurement.

5. Continuous third-level fair value measurement items, adjustment information between the opening and closing book values and sensitivity analysis of unobservable parameters

6. Continued fair value measurement items, if there is a transfer between different levels in the current period, the reason for the transfer and the policy for determining the time point of the transfer

7. Changes in valuation techniques during the current period and the reasons for the changes

8. The fair value of financial assets and financial liabilities not measured at fair value

9. Others

XII. Related parties and related transactions

1. The parent company of the company

Parent company name	Registration	business nature	Registered capital	parent company's Shareholding ratio	parent company's Proportion of voting rights
Tongding Group Co., Ltd.	Wujiang, Suzhou City, Jiangsu Province Area	Production and sales of RMB 219.68 million		31.23%	31.23%

Description of the parent company of the company:

The ultimate controller of the enterprise is Shen Xiaoping.

2. Subsidiaries of the company

Please refer to Note IX.1 for details of the subsidiaries of the Company.

3. Information on joint ventures and joint ventures of the company

For the important joint ventures or associates of the company, please refer to Note IX.2.

Other joint ventures or associates that have related party transactions with the company in the current period, or have related party transactions with the company in the previous period and formed a balance are as follows:

Joint venture or joint venture name	Relationship with this company
Nanjing Diweipu Optoelectronics Technology Co., Ltd.	The company holds 35% of the shares
Jiangsu Histar Power Co., Ltd.	The company's shareholding ratio is 17.76%
Nanjing Anxun Technology Co., Ltd.	The company's shareholding ratio is 20.00%

4. Other related parties

Other related party names	Relationship between other related parties and the company
Qian Huiyang, a natural person	Spouse of the actual controller

Suzhou Tongding Real Estate Co., Ltd.	same parent company
Hangzhou Yiyi Tiidi Information Technology Co., Ltd.	Same parent company [Note]
Jiangsu Wu Jiangsu Zhouwan Hotel Co., Ltd.	same parent company
Nanjing Anxun Property Management Co., Ltd.	A wholly-owned subsidiary of Nanjing Anxun Technology Co., Ltd., an associate of the company
Nantong Longli Electronic Technology Co., Ltd.	A wholly-owned subsidiary of Jiangsu Histar Power Co., Ltd., an associate company of the company

other instructions

Note: At the beginning of the reporting period, Tongding Group Co., Ltd. held 64.60% equity of Hangzhou Yiyi Tiidi Information Technology Co., Ltd., and Suzhou Tongding Internet Investment Center (Co., Ltd. Partner) holds a 12.75% stake in Hangzhou Yiyi Tiidi Information Technology Co., Ltd. On March 11, 2021, Tongding Group Co., Ltd., Suzhou Tongding Internet Investment Center (with Limited Partnership) and Ningbo Netstar Information Technology Partnership (Limited Partnership), Ningbo Free Trade Zone Houyuan Technology Partnership (Limited Partnership), Jiaxing Hanli Hanzhang Investment Partnership The three transferees of the enterprise (limited partnership) signed an equity transfer agreement, Tongding Group Co., Ltd. and Suzhou Tongding Internet Investment Center (Limited Partnership) The equity of Zhou Yiyi Tiidi Information Technology Co., Ltd. was all transferred to the above three transferees. On April 25, 2021, the industrial and commercial change of this equity transfer was completed. Tongding Group has Co., Ltd. and Suzhou Tongding Internet Investment Center (Limited Partnership) no longer hold the equity of Hangzhou Yiyi Tiidi Information Technology Co., Ltd., Hangzhou Yiyi Tiidi Information Technology Co., Ltd.

There is no associated relationship between the company and Tongding Internet.

5. Related transactions

(1) Affiliated transactions of purchasing and selling commodities, providing and accepting labor services

Procurement of goods/acceptance of labor services

unit: yuan

Related party	Contents of related-party transactions	Whether the approved transaction quota for the current period exceeds the transaction quota for the previous period	0.00	no	2,811,167.71
Hangzhou Yiyi Tiidi Information Technology Co., Ltd. purchases goods			0.00	no	2,811,167.71
Jiangsu Wu Jiangsu Zhouwan Hotel Co., Ltd. purchases goods		4,483,607.69	7,000,000.00 No		127,929.44
Jiangsu Haistar Power Co., Ltd. purchases goods		17,840.72		no	52,932.76

Sales of goods / provision of labor services

unit: yuan

Related party	Related party transaction content	Amount for this period	Amount in the previous period
Tongding Group Co., Ltd.	sale of goods	62,726.52	323,427.04
Jiangsu Wu Jiangsu Zhouwan Hotel Co., Ltd.	sale of goods	210,929.53	133,486.09
Nantong Longli Electronic Technology Co., Ltd.	sale of goods	3,381,153.99	3,012,271.68

(2) Related entrusted management/contracting and entrusted management/outsourcing

none

(3) Related leases

The company as lessor:

unit: yuan

lessee name	Types of leased assets	Lease income recognized in the current period	Lease income recognized in the previous period
Jiangsu Wu Jiangsu Zhouwan Hotel Co., Ltd.	houses and buildings	714,285.75	1,428,571.43
Nanjing Anxun Technology Co., Ltd.	houses and buildings	607,318.86	2,635,223.74

The company as a lessee:

unit: yuan

lessor name	Types of leased assets	Rental fee confirmed in the current period	Rental fee confirmed in the previous period
Tongding Group Co., Ltd.	houses and buildings	4,415,555.60	1,170,642.20

(4) Related guarantees

The company as the guarantor

unit: yuan

guaranteed party	Guaranteed amount	Guarantee start date	Whether the guarantee has been fulfilled on the guarantee expiry date
Jiangsu Tongding Photoelectric Technology Co., Ltd.	55,000,000.00	March 5, 2020 March 4, 2028 No	
Jiangsu Tongding Photoelectric Technology Co., Ltd.	100,000,000.00	January 14, 2016 January 13, 2026 No	
Jiangsu Tongding Light Bar Co., Ltd.	5,000,000.00	March 31, 2021 June 30, 2022 No	
Jiangsu Tongding Light Bar Co., Ltd.	300,000,000.00	February 22, 2018 February 22, 2023 Yes	
Beijing Baizhuo Network Technology Co., Ltd.	50,000,000.00	February 2, 2019 February 2, 2024 No	
Jiangsu Tongding Broadband Co., Ltd.	50,000,000.00	August 31, 2020 August 30, 2022 No	
Jiangsu Tongding Broadband Co., Ltd.	100,000,000.00	May 08, 2021 May 08, 2031 No	

The company as the guaranteed party

unit: yuan

guarantor	Guaranteed amount	Guarantee start date	Whether the guarantee has been fulfilled on the guarantee expiry date
Tongding Group Co., Ltd.; Shen Xiaoping; Qian Huifang	168,300,000.00	December 28, 2020	December 28, 2020 No
Tongding Group Co., Ltd.; Shen Xiaoping; Qian Huifang	190,000,000.00	February 11, 2020	February 11, 2021 is
Shen Xiaoping, Qian Huifang; Tong Ding Group Co., Ltd.; Jiangsu Wu Jiangsu Zhouwan Hotel Co., Ltd.	100,000,000.00	November 12, 2021 November 12, 2026 No	
Tongding Group Co., Ltd.; Shen Xiaoping; Qian Huifang	194,000,000.00	February 07, 2021	December 07, 2021 No
Tongding Group Co., Ltd.; Shen Xiaoping; Qian Huifang	195,000,000.00	January 14, 2021	January 13, 2022 No
Tongding Group Co., Ltd.; Shen Xiaoping; Qian Huifang	150,000,000.00	April 25, 2021	April 25, 2022 No

Tongding Group Co., Ltd.	409,500,000.00	October 12, 2020	October 11, 2023 No	
Shen Xiaoping; Qian Huifang	409,500,000.00	April 28, 2021 April 27, 2024 No		
Tongding Group Co., Ltd.; Shen Xiaoping; Qian Huifang	130,000,000.00	November 11, 2021	November 10, 2022 No	
Tongding Group Co., Ltd.; Shen Xiaoping; Qian Huifang	130,000,000.00	September 25, 2020	September 24, 2021 is	
Tongding Group Co., Ltd.; Shen Xiaoping; Qian Huifang	227,000,000.00	August 20, 2021 August 19, 2022 No		
Tongding Group Co., Ltd.; Shen Xiaoping; Qian Huifang	300,000,000.00	September 4, 2020	September 3, 2021 is	
Tongding Group Co., Ltd.	190,000,000.00	July 3, 2017 July 3, 2027 No		
Tongding Group Co., Ltd.	90,000,000.00	July 03, 2017	July 3, 2022 No	
Tongding Group Co., Ltd.; Shen Xiaoping; Qian Huifang	160,000,000.00	January 20, 2022 January 19, 2024 No		
Tongding Group Co., Ltd.; Shen Xiaoping; Qian Huifang	160,000,000.00	November 02, 2020	November 02, 2021 is	
Tongding Group Co., Ltd.	50,000,000.00	September 18, 2020	September 17, 2023 No	
Tongding Group Co., Ltd.; Shen Xiaoping; Qian Huifang	750,000,000.00	January 14, 2019	January 13, 2024 No	
Tongding Group Co., Ltd.; Shen Xiaoping; Qian Huifang	220,000,000.00	October 19, 2020 November 19, 2030 No		
Tongding Group Co., Ltd.; Shen Xiaoping; Qian Huifang	720,000,000.00	April 3, 2020	April 3, 2022 No	
Tongding Group Co., Ltd.; Shen Xiaoping; Qian Huifang	288,000,000.00	December 22, 2020	December 22, 2021 No	
Tongding Group Co., Ltd.; Shen Xiaoping; Qian Huifang	77,000,000.00	April 16, 2021 April 30, 2024 No		

Description of related guarantees

(5) Fund borrowing from related parties

(6) Asset transfer and debt restructuring of related parties

unit: yuan

Related party	Related party transaction content	Amount for this period	Amount in the previous period
Tongding Group Co., Ltd.	Procurement of long-term assets	19,773,691.15	0.00

(7) Remuneration of key management personnel

unit: yuan

project	Amount for this period	Amount in the previous period
Remuneration of key management personnel	9,023,005.83	12,357,703.38

(8) Other related transactions

6. Accounts receivable and payables of related parties

(1) Items receivable

unit: yuan

project name	Related party	Ending balance		Opening Balance	
		Book balance	bad debt provision	Book balance	bad debt provision
accounts receivable	Tongding Group Co., Ltd.	3,629,860.66	2,407,582.97	3,560,512.28	1,658,293.26
accounts receivable	Nantong Longli Electronic Technology limited company	2,523,951.00	126,197.55	2,703,867.00	135,193.35
Other receivables	Jiangsu Haistar Power Supply Co., Ltd. limited company	89,292.61	8,929.26	89,292.61	8,929.26
Other receivables	Jiangsu Wujiang State Bay University Hotels Ltd	1,514,812.85	151,481.29	750,000.00	75,000.00

(2) Items payable

unit: yuan

project name	Related party	Closing book balance	Opening book balance
accounts payable	Jiangsu Histar Power Co., Ltd.	17,840.72	39,876.00
Other payables	Tongding Group Co., Ltd.		1,276,000.00
Other payables	Jiangsu Wu Jiangsu Zhouwan Hotel Co., Ltd.	459,951.30	
Other payables	Nanjing Anxun Technology Co., Ltd.		2,872,393.88

7. Related party commitments

8. Others

13. Share-based payment

1. General situation of share-based payment

☐ Applicable
 ☐ Not applicable

2. Equity-settled share-based payment

√ Applicable √ Not applicable

3. Cash-settled share-based payment

√ Applicable √ Not applicable

4. Modification and termination of share-based payment

5. Others

14. Commitments and Contingencies

1. Important commitments

Important commitments that exist on the balance sheet date:

1. As of December 31, 2021, the company has endorsed or discounted commercial acceptance bills of RMB 138,340,091.50.

2. As of December 31, 2021, the company has no other major commitments and major contingencies that need to be disclosed.

2. Contingencies

(1) Important contingencies existing on the balance sheet date

(2) The company has no important contingencies that need to be disclosed, which should also be explained

The company has no material contingencies that need to be disclosed.

3. Other

15. Events after the balance sheet date

1. Important non-adjustment matters

none

2. Profit distribution

none

3. Sales return

4. Other events after the balance sheet date

16. Other important matters

1. Correction of previous accounting errors

(1) Retrospective restatement method

(2) Future applicable law

2. Debt restructuring

3. Asset replacement

(1) Non-monetary asset exchange

(2) Replacement of other assets

4. Annuity plan

5. Termination of operation

6. Branch information

(1) Determination basis and accounting policies of reportable segments

(2) Financial information of reportable segments

(3) If the company has no reporting segment, or cannot disclose the total assets and liabilities of each reporting segment, it shall explain the reasons.

(4) Other instructions

7. Other important transactions and matters affecting investors' decision-making

8. Other

1. Classification of main business income:

project	Amount for this period		Amount in the previous period	
	income	cost	income	cost
Communication Cable	904,534,354.17	747,260,686.57	752,312,065.95	581,360,895.17
fiber optic cable	350,182,028.72	341,857,033.27	1,072,174,507.76	977,280,790.55

power cable	964,124,290.73	832,249,370.24	934,807,723.26	832,537,316.48
communication device	420,081,069.28	355,286,648.04	430,712,416.28	362,095,951.80
Traffic and data marketing	188,873,217.88	173,573,109.79	220,909,422.44	156,340,558.56
cyber security	110,228,092.14	74,814,070.76	144,433,743.65	104,425,786.69
other			989,557.45	866,228.05
total	2,938,023,052.92	2,525,040,918.67	3,556,339,436.79	3,014,907,527.30

2. According to the "Agreement on Issuance of Shares and Cash Payment to Purchase Assets and Performance Commitment and Profit Compensation Agreement" signed by the company and 6 transaction objects including Chen Haibin and

In its supplementary agreement, Chen Haibin and other 6 transaction partners promised that the net profit attributable to shareholders of the parent company realized by Byzone Networks during the profit commitment period from 2016 to 2019

The lower of the net profit attributable to shareholders of the parent company after deducting non-recurring gains and losses shall not be less than RMB 70,000,000, RMB 99,000,000, and RMB 137,000,000, respectively

Yuan and 155,000,000 Yuan. Since the transaction was actually completed in 2017, the performance commitment period is 2017, 2018, 2019, and the actual performance in any year is

If the profit does not reach the promised profit for the current year, Chen Haibin and other 6 transaction objects will provide stock compensation and cash compensation to the company. Byzone Networks Performance Commitment in 2019

The actual completed amount was -421,706,200 yuan, which was less than the performance commitment amount of 155,000,000 yuan. The performance commitment was not completed in 2019. 2017-2019 Industry

The actual completion of performance commitments amounted to -181,944,800 yuan, and the difference from the cumulative net profit of performance commitments of 391,000,000 yuan was -572,944,800 yuan. According to public

The "Agreement on Issuing Shares and Paying Cash to Purchase Assets and the Agreement on Performance Commitment and Profit Compensation" and its supplementary agreements signed by the company and 6 transaction partners including Chen Haibin,

Chen Haibin and other 6 transaction objects need to compensate 42,050,616 shares, 934,558,300 yuan in cash, and return 6,307,600 yuan in stock dividends. due to performance

The amount of compensation is relatively large. According to the communication with 6 transaction partners including Chen Haibin, the company expects that the recovery of performance compensation will have significant uncertainty. At the end of 2019, according to

It is estimated that the 11,070,154 shares that can be repurchased will be recognized as a performance compensation income of RMB 73,173,717.94. The actual repurchase of 11,090,054 shares in 2020 will be

Received Cui Zepeng's performance compensation and returned cash dividends of 510,000.00 yuan, and obtained Chen Haibin's real estate compensation in Haidian District, Beijing. According to Su Tianyuan's Real Estate Appraisal (2020)

No. 841 was assessed at a price of RMB 75,000,000. As of the end of 2020, there were still 30,960,562.00 shares, RMB 859,558,300 in cash and shares to be returned.

The ticket dividend of RMB 5.7976 million has not been confirmed.

On April 26, 2021, the Suzhou Arbitration Commission made a final award on the performance compensation arbitration matter ((2020) Su Ju Chu Zi No. 0395), requiring the defendant

The applicant shall deliver Tongding Internet shares, compensation cash, and return cash dividends to the applicant. The details are as follows:

Unit: ten thousand yuan

Respondent	Number of shares to be delivered (shares) [Note]	cash compensation	Need to return cash dividends
Chen Haibin	16,029,500	10,574.88	263.91
Nanhai Financial Holdings	13,546,186	13,916.45	203.19
Cui Zepeng	957,221	7,938.43	64.91
Song Yu		2,391.55	34.92
Chen Yuzhen	427,655	439.34	6.41
Liu Meimei		439.34	6.41
total	30,960,562	35,700.00	579.76

Note: If the actual number of shares available for repurchase and cancellation of the counterparty is less than the number of shares to be compensated, the compensation for the shortage of shares will be compensated in cash, and the cash compensation needs to be adjusted accordingly.

The total consideration for cash compensation is RMB 15.41 per share.

The company obtained 299,359 compensation shares of Chen Yuzhen and 9,482,331 compensation shares of Nanhai Financial Holdings through compulsory execution by the Suzhou Intermediate People's Court.

9,781,690 shares. The company has recovered a total of 5.817 million yuan in cash compensation through compulsory execution. The company held the fifth session of directors of the company on November 12, 2021

The eleventh meeting of the meeting, and the company's second extraordinary general meeting in 2021 was held on November 29, 2021, at which the "Repurchase and Cancellation Performance Compensation" was reviewed and approved.

Share Proposal. The cancellation of the company's performance compensation shares has been completed on December 27, 2021. As of the end of 2021, there are still 21,178,872.00 Shares, cash of 351,182,900 yuan and stock dividends to be returned of 5,797,600 yuan have not been confirmed.

17. Notes to the main items of the parent company's financial statements

1. Accounts receivable

(1) Classified disclosure of accounts receivable

unit: yuan

category	Ending balance					Opening Balance				
	Book balance		bad debt provision		Book value	Book balance		bad debt provision		Book value
	Amount	Proportion	Amount	accrual ratio		Amount	Proportion	Amount	Withdrawal Proportion	
in:										
Provision for bad debts by portfolio	719,503,		63,480,5	8.82%	656,023,3	834,725,4		62,611,73	7.50%	772,113,75
Prepared accounts receivable	826.64	100.00%	03.44		23.20	92.57	100.00%	5.58		6.99
in:										
Provision for bad debts according to portfolio 1	719,503,		63,480,5	8.82%	656,023,3	834,725,4		62,611,73	7.50%	772,113,75
prepare	826.64	100.00%	03.44		23.20	92.57	100.00%	5.58		6.99
total	719,503,		63,480,5	8.82%	656,023,3	834,725,4		62,611,73	7.50%	772,113,75
	826.64	100.00%	03.44		23.20	92.57	100.00%	5.58		6.99

Provision for bad debts by individual item: none

Provision for bad debts by combination: combination 1

unit: yuan

name	Ending balance		
	Book balance	bad debt provision	Provision ratio
Within a year	588,532,472.03	29,426,623.60	5.00%
One to two years	87,065,743.21	8,706,574.32	10.00%
two to three years	19,637,272.03	5,891,181.61	30.00%
Three to four years	7,271,561.11	3,635,780.56	50.00%
Four to five years	5,882,174.53	4,705,739.62	80.00%
five years and above	11,114,603.73	11,114,603.73	100.00%
total	719,503,826.64	63,480,503.44	-

Instructions for determining the basis for this combination:

Recognition standard and description of bad debt provision according to portfolio 1: Receivables with the same age have similar credit risk characteristics.

If the bad debt provision for accounts receivable is accrued according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information of bad debt provision:

☑ Applicable ☑ Not applicable

Disclosure by age

unit: yuan

aging	Book balance
Within 1 year (including 1 year)	588,532,472.03
1 to 2 years	87,065,743.21
2 to 3 years	19,637,272.03
over 3 years	24,268,339.37
3 to 4 years	7,271,561.11
4 to 5 years	5,882,174.53
5+ years	11,114,603.73
total	719,503,826.64

(2) Provisions for bad debts accrued, recovered or reversed in the current period

Provision for bad debts in the current period:

unit: yuan

category	Opening Balance	Amount of change in the current period				Ending balance
		accrual	take back or turn back	write off	other	
Bad debt provision for accounts receivable	62,611,735.58	868,767.86				63,480,503.44
total	62,611,735.58	868,767.86				63,480,503.44

The amount of bad debt provision accrued in this period is RMB 868,767.86, and no bad debt provision was recovered or reversed in this period.

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

unit: yuan

project	Write-off amount
Accounts receivable actually written off	0.00

(4) Accounts receivable with top five ending balances collected by debtors

unit: yuan

company name	Closing balance of accounts receivable	Accounts receivable ending balance total proportion	Ending balance of bad debt provision
first place	221,509,774.80	30.79%	12,280,087.17

2nd place	112,528,802.85	15.64%	5,949,717.52
3rd place	81,712,542.67	11.36%	7,286,512.75
fourth place	41,734,665.78	5.80%	2,086,733.29
the fifth place	23,534,658.94	3.27%	1,176,732.95
total	481,020,445.04	66.86%	-

(5) Amount of assets and liabilities formed by transferring accounts receivable and continuing to be involved

At the end of the period, the company did not transfer receivables and continued to be involved.

(6) Accounts receivable derecognized due to transfer of financial assets

At the end of the period, the company has no receivables derecognized due to the transfer of financial assets.

2. Other receivables

unit: yuan

project	Ending balance	Opening Balance
Other receivables	143,723,190.81	211,750,165.62
total	143,723,190.81	211,750,165.62

(1) Interest receivable

1) Classification of interest receivable

2) Important overdue interest

3) Provision for bad debts

(2) Dividends receivable

1) Classification of dividends receivable

2) Important dividends receivable aged over 1 year

3) Provision for bad debts

(3) Other receivables

1) Classification of other receivables according to the nature of the payment

unit: yuan

nature of payment	Closing book balance	Opening book balance
Security deposit and deposit	25,620,445.87	26,385,682.23
Association	109,695,412.74	167,883,652.00
reserve	4,323,508.40	3,509,396.51
other	12,295,324.61	26,511,523.80
total	151,934,691.62	224,290,254.54

2) Provision for bad debts

unit: yuan

bad debt provision	The first stage	second stage	The third phase	total
	Lifetime expected credit losses with loss	for the next 12 months (No credit impairment occurred)	lifetime expected credit losses (credit-impaired)	
January 1, 2021 Balance	12,540,088.92			12,540,088.92
January 1, 2021 balance at This period	-	-	-	-
Provision for this period	-4,328,588.11			-4,328,588.11
December 31, 2021 balance	8,211,500.81			8,211,500.81

Changes in book balances with significant changes in loss provisions in the current period

✓ Applicable ✓ Not applicable

Disclosure by age

unit: yuan

aging	Book balance
Within 1 year (including 1 year)	131,528,226.63
1 to 2 years	2,963,926.07
2 to 3 years	7,250,502.09
over 3 years	10,192,036.83
3 to 4 years	4,682,818.26
4 to 5 years	1,961,069.41
5+ years	3,548,149.16
total	151,934,691.62

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

Provision for bad debts in the current period:

unit: yuan

category	Opening Balance	Amount of change in the current period	Ending balance
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		Withdrawal or reversal of write-off		other	
Provision for bad debts of other receivables	12,540,088.92	-4,328,588.11			8,211,500.81
total	12,540,088.92	-4,328,588.11			8,211,500.81

Among them, the amount of bad debt provision reversed or recovered in the current period is important: none

4) Other receivables actually written off in the current period

none

5) Other receivables with top five ending balances collected by debtors

unit: yuan

company name	The nature of the payment	Closing balance	aging	Ending balance of other receivables ratio of total	Ending balance of bad debt provision Provision
Contacts with Beijing Baizhuo Network Technology Co., Ltd.		109,695,412.74	Within 1 year	72.20%	5,484,770.64
China Mobile Communications Group Co., Ltd. deposit and deposit		9,397,632.95	1-5 years	6.19%	469,881.65
Corning (Hainan) Optical Communication Co., Ltd. Others		4,695,156.26	Within 1 year	3.09%	469,515.63
China Tower Co., Ltd. deposit and deposit		2,376,110.97	1-5 years	1.56%	118,805.55
China Railway Corporation Limited Deposit and Deposit		1,806,824.84	1-4 years	1.19%	90,341.24
total		127,971,137.76		84.23%	6,633,314.71

6) Receivables involving government subsidies

7) Other receivables derecognized due to transfer of financial assets

8) Amount of assets and liabilities formed by transferring other receivables and continuing to be involved

3. Long-term equity investment

unit: yuan

project	Ending balance			Opening Balance		
	Provision for impairment of book balance	Book value of provision for impairment of book balance	Book value of provision for impairment of book balance	Provision for impairment of book balance	Book value of provision for impairment of book balance	Book value of provision for impairment of book balance
Investment in subsidiary						
For associates and joint ventures	538,343,977.44		538,343,977.44	494,187,134.58		494,187,134.58
industry investment						
total	4,618,026,318.44	1,853,148,151.56	2,764,878,166.88	4,533,233,591.16	1,739,318,237.97	2,793,915,353.19

(1) Investment in subsidiaries

unit: yuan

investee	Opening balance (book value)	Changes in this period				Closing balance (end value of book impairment provision)	balance
		Additional investment	Reduced investment	provision for impairment	Others		
Jiangsu Tongding Optoelectronics Technology Co., Ltd	90,644,714.64					90,644,714.64	
Suzhou Dingyu Materials Technology Co., Ltd	4,800,000.00					4,800,000.00	
Shanghai Weiye Chuangxing Electromechanical equipment is limited company	5,100,000.00		5,100,000.00				
Jiangsu Tongding Light Bar limited company	715,211,485.36	400,000,000.00				1,115,211,485.36	604,788,514.64
Suzhou Ruiyi Information Technology Co., Ltd.	309,611,376.67		309,611,376.67				
Jiangsu Tongding Broadband limited company	335,497,843.36					335,497,843.36	
Beijing Baizhuo Network Technology Co., Ltd	334,287,500.00	95,034,783.00				429,322,283.00	1,035,112,500.00
Tonghao Information Technology (Shanghai) Co., Ltd.	464,305,000.00			213,247,136.92		251,057,863.08	213,247,136.92
Shenzhen Huazhen Information Technology Co., Ltd	40,270,298.58		40,270,298.58				
total	2,299,728,218.61	495,034,783.00	354,981,675.25	213,247,136.92		2,226,534,189.44	1,853,148,151.56

(2) Investment in associates and joint ventures

unit: yuan

investment unit	Opening balance (book value)	Changes in this period								Ending balance (book price ending balance value)	impairment provision (ending balance value)
				Under the equity method, other comprehensive income, other equity announced to be released for impairment, additional investments, or profit	changes in net assets	disposal of investments	dividend recognized	Prepare	other		
1. Joint ventures											
2. Joint ventures											
Jiangsu Haisi power supply unit Co., Ltd.	183,775,498.17			14,439,282.02		-227,421.61				197,987,358.58	
Nanjing Diwei 89	915,71			4,479,093						94,394,80	

Puguang Technology	3.74			.62						7.36	
Technology shares have											
limited company											
Nanjing Anxun	49,590,63			-2,105,45						47,485,18	
Technology is limited	2.97			2.46						0.51	
Responsible company											
Beijing Guotong											
United Media	10,327,96			-2,834.65						10,325,13	
Technology is limited	9.28									4.63	
company											
Jiangsu Baowang											
Dasoft Technology	160,577,3			2,313,880						162,891,2	
Technology Co., Ltd.	20.42			.38						00.80	
company											
Shenzhen Huazhen				-193,144.					25,453,44	25,260,29	
information Technology				81					0.37	5.56	
limited company											
Subtotal	494,187,1			18,930,82		-227,421.			25,453,44	538,343,9	
	34.58			4.10		61			0.37	77.44	
total	494,187,1			18,930,82		-227,421.			25,453,44	538,343,9	
	34.58			4.10		61			0.37	77.44	

(3) Other instructions

4. Operating income and operating costs

unit: yuan

project	Amount for this period		Amount in the previous period	
	income	cost	income	cost
Main business	2,085,975,686.66	1,857,823,999.00	2,645,935,281.08	2,399,009,261.78
Other business	61,784,910.33	53,918,184.37	69,276,608.64	68,589,811.44
total	2,147,760,596.99	1,911,742,183.37	2,715,211,889.72	2,467,599,073.22

Information related to performance obligations:

none

5. Investment income

unit: yuan

project	Amount for this period	Amount in the previous period
Long-term equity investment income accounted for by cost method	79,000,000.00	

Long-term equity investment income accounted for by the equity method	18,930,824.10	8,186,403.07
Investment income from disposal of long-term equity investment	-59,131,583.76	345,310,865.14
Investment income from disposal of other debt investments	6,295,727.90	
Futures Investment Income and Forward Foreign Exchange Income	246,796.95	-9,480,631.03
The difference between the market price and the repurchase price when the repurchased shares are cancelled	41,376,548.70	
total	86,718,313.89	344,016,637.18

6. Other

18. Supplementary information

1. Current non-recurring profit and loss statement

☑ Applicable ☐ Not applicable

unit: yuan

project	amount	illustrate
Gains and losses on disposal of non-current assets	148,985,847.04	
Government subsidies included in the current profit and loss (with the company's normal business operations are closely related, in line with national policies and regulations, according to Government subsidies that are continuously enjoyed in a fixed or quantitative manner according to a certain standard except for assistance)	75,754,227.72	
Except for the effective hedging related to the normal operation of the company In addition to the value-added business, holding financial assets for trading, trading Gains and losses on changes in fair value arising from financial liabilities, and Disposal of held-for-trading financial assets held-for-trading financial liabilities and Investment income from available-for-sale financial assets	105,050,715.60	
Other non-operating income and expenses other than the above	-9,798,341.00	
Less: Income tax impact	27,603,606.94	
Amount of influence of minority shareholders' equity	26,625.83	
total	292,362,216.59	

Details of other profit and loss items that meet the definition of non-recurring profit and loss:

☑ Applicable ☐ Not applicable

The company has no specific circumstances of other profit and loss items that meet the definition of non-recurring profit and loss.

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

Description of the situation

☑ Applicable ☐ Not applicable

2. Return on equity and earnings per share

Profit during the reporting period	weighted average return on equity	EPS	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to common stockholders of the company	-25.81%	-0.5172	-0.5172
Attributable to the company after deducting non-recurring gains and losses			
Net profit for common stockholders	-37.48%	-0.7510	-0.7510

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

(1) Differences in net profit and net assets in the financial report disclosed in accordance with both the International Accounting Standards and the Chinese Accounting Standards

☐ Applicable
 ☐ Not applicable

(2) Differences in net profit and net assets in the financial report disclosed in accordance with both foreign accounting standards and Chinese accounting standards

☐ Applicable
 ☐ Not applicable

(3) Explanation of the reasons for the discrepancies in accounting data under the domestic and overseas accounting standards. If the discrepancy adjustment is made to the data that has been audited by an overseas audit institution, note should be made.

Specify the name of the overseas institution

4. Other

Tongding Internet Information Co., Ltd.

Legal representative: Wang Jiaxin

April 27, 2022