



HARBIN BOSHI AUTOMATION CO.,LTD.

2024 SUMMARY OF INTERIM REPORT
FOR THE FIRST QUARTER

April 2024

HARBIN BOSHI AUTOMATION CO., LTD. Interim Report for The First Quarter 2024

The Company and whole members of the Board of Directors guarantee that the information disclosed is factual, accurate and complete, and there is no false record, misleading statement or material omission.

Important content reminder:

1.The Board of Directors, the Board of Supervisors as well as all the directors, supervisors and senior managers of HARBIN BOSHI AUTOMATION CO., LTD. (hereinafter referred to as “the Company”) warrant the factuality, accuracy and completeness of this Report and there is no false record, misleading statement or material omission. And they will be severally and jointly liable for this Report.

2.The person in charge of the Company, the person in charge of accounting work of the Company, and the person in charge of accounting department of the Company warrant that the financial information in this Report is factual, accurate and complete.

3. Whether this First Interim Report has been audited by auditing firm or not?

Yes No

I. Main financial data**1. Main accounting data and financial indicators**

Indicate by check mark if there is any retrospectively restated accounting data of previous years.

Yes No

	Jan 1 to Mar 31, 2024	Jan 1 to Mar 31, 2023	Increase/Decrease over the same period of previous year
Operating Revenue (RMB)	661,556,066.08	729,710,396.08	-9.34%
Net profit attributable to parent company's shareholders (RMB)	105,613,101.50	210,214,585.50	-49.76%
Net profit after deducting non-recurring profit or loss attributable to shareholders of the parent company (RMB)	96,268,409.94	198,069,179.12	-51.40%
Net cash flow from operating activities (RMB)	-49,813,273.29	-53,800,397.01	7.41%
Basic earnings per share (RMB/share)	0.1038	0.2056	-49.51%
Diluted earnings per share (RMB/share)	0.1038	0.2025	-48.74%
Weighted average return on equity	2.98%	6.42%	-3.44%
	Mar 31, 2024	Dec 31, 2023	Increase/decrease of Mar 31, 2024 over Dec 31, 2023
Total assets (RMB)	6,678,790,779.21	6,648,692,787.99	0.45%
Total equity attributable to shareholders of the parent company (RMB)	3,579,448,876.16	3,450,338,131.69	3.74%

2. Non-recurring gains and losses

Applicable Not applicable

Unit: RMB

Item	Jan 1 to Mar 31, 2024	Note
Profit or loss from disposal of non-current assets (including the write-off of accrued for impairment of assets)	160.84	
Governmental subsidy reckoned into current gains or losses (excluding the subsidy enjoyed in quota or ration according to the unified national standards, which are closely relevant to enterprise's business)	5,200,243.32	
Except for effectively hedging business related to normal business operations of the	5,689,597.01	Income from cash

Company, the profit or loss of fair value changes arising from the holding of financial assets and financial liabilities by non-financial enterprises and the loss or gain arising from the disposal of financial assets and financial liabilities		management
Other non-operating income and expenses other than the above	-59,279.51	
Other gain/loss items that qualified the definition of non-recurring profit (gains)/losses	103,049.27	
Less: Impact on income tax	1,182,030.42	
Impact on minority shareholders' equity (after tax)	407,048.95	
Total	9,344,691.56	--

Other gain/loss items that qualified the definition of non-recurring profit (gains)/losses:

Applicable Not applicable

Other gain/loss items that qualified the definition of non-recurring profit (gains)/losses: Income from treasury reverse repos (cash management).

Explanation on those non-recurring gain/loss listed in the “*Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*” defined as recurring gain/loss.

Applicable Not applicable

The Company does not have the non-recurring gain/loss listed in the “*Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*” defined as recurring gain/loss.

3. Particulars about changes in items of main accounting data and financial index and explanations of reasons.

Consolidated Balance Sheet items	Mar 31,2024	Dec 31,2023	Change	Reasons for the changes
	(RMB)	(RMB)		
Cash and cash equivalent	570,754,889.70	332,216,413.35	71.80%	Mainly due to cash management activities.
Financing receivable	112,337,215.57	72,533,260.37	54.88%	Due to the increase in the amount of bank acceptance bills with higher credit rating.
Other current assets	41,300,833.58	615,166,444.19	-93.29%	Due to cash management activities.
Other non-current assets	49,653,721.77	23,114,349.36	114.82%	Mainly affected by the prepayment of real estate purchases for industrial service business.
Short-term loans	34,086,265.01	23,872,075.01	42.79%	Increased in bank short-term borrowings of holding subsidiary.

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Employee benefits payable	21,340,597.62	76,649,155.81	-72.16%	The year-end bonus accrued at the end of the 2023, which was paid this period, and the balance decreased.
Capital reserve	355,508,873.67	236,467,353.62	50.34%	Mainly affected by the capital reserve formed by the IPO capital premium of the associated company Bloom Technology.
Treasury shares	100,134,294.12	8,865,506.80	1,029.48%	Due to Company shares buy-back.
Consolidated Income Statement items from the beginning of the year to the end of the reporting period	Jan 1 to Mar 31, 2024	Jan 1 to Mar 31, 2023	Change	Reasons for the changes
	(RMB)	(RMB)		
Investment income (loss is stated with “-”)	-10,438,879.79	14,813,438.64	-170.47%	The investment income accrued in associates and income from cash management activities decreased this period.
Thereof: Income from investment in associates and joint ventures	-11,058,454.75	8,194,553.90	-234.95%	The investment income accrued in associates decreased this period.
Gains from changes in fair value (loss is stated with “-”)	5,173,071.32	1,797,823.96	187.74%	Due to cash management activities.
Asset impairment losses (loss is stated with “-”)	-3,500,078.35	-573,795.00	509.99%	Due to the increase of the provision for inventories and contract asset accrued compared with which of the same period of last year.
Income tax expenses	18,568,651.77	31,903,311.42	-41.80%	Taxable income decreased and income tax expenses decreased.
Net profit attributable to parent company’s shareholders	105,613,101.50	210,214,585.50	-49.76%	Mainly due to the delivery and revenue recognition of intelligent manufacturing equipment decreased compared with last period, meanwhile, due to the joint influence of lower gross profit rate of projects revenue recognized and higher level of base period, please refer notes for details.
Consolidated Cash Flow Statement items from the beginning of the year to the end of the reporting period	Jan 1 to Mar 31, 2024	Jan 1 to Mar 31, 2023	Change	Reasons for the changes
	(RMB)	(RMB)		
Net cash flows from investing activities	370,494,696.11	-352,046,143.89	205.24%	Mainly due to the impact of cash management activities.
Net cash flows from financing activities	-82,525,837.15	-26,673,490.85	-209.39%	Mainly due to the Company shares buy-back.

Note:

(1) Affected by delivery and acceptance progress of intelligent manufacturing equipment, the revenue recognized this period decreased year-on-year;

(2) The products of environmental protection process and equipment were delivered and accepted, recognized revenue of RMB 160 million this period, the gross profit rate of revenue components was comparatively lower, which pulled down the overall gross profit rate level.

(3) Lower level of performance of associates and joint ventures this period compared with the same period last year, and this period, investment income recognized of the Company decreased by RMB 19.253 million year-on-year;

(4) Due to relatively higher level in base period index, the operating revenue and net profit attributable to parent company's shareholders of the first quarter of 2023, were both at extreme quarterly level;

(5) From the perspective of quarterly data, the operating revenue of this period was the best in the last four quarters as the end of the reporting period, net profit attributable to parent company's shareholders was the best in the last three quarters as the end of the reporting period.

(6) From the perspective of the Company's business characteristics, quarterly data may be affected by the progress of product delivery and acceptance, it is better to grasp the overall Company's operation performance from the perspective of the whole year.

Looking forward to 2024, in the direction of industrial digitalization, on the basis of the existing market demand for intelligent manufacturing equipment and industrial services, superimposed the favorable factors of the national policy of *Action Plan to Promote Large-scale Equipment Renewal and Consumer Goods for New Ones*, combined with the scale of orders on hand, the Company has the foundation, ability and confidence to achieve the growth of business performance.

II. Shareholders Information

1. Total number of common shareholders and preference shareholders with voting rights recovered and top ten common shareholders

Unit: Share

Total number of shareholders of common stocks at the end of the reporting period	33,596	Total preference shareholders with voting rights recovered at end of reporting period	0			
Top 10 shareholders(Excluding shares lent in refinancing)						
Name	Nature	Ownership	Amount of shares held	Amount of restricted shares held	Pledged, marked or frozen stocks	
					Status	Amount
Unicom Kaixing Equity Investment Management (Zhuhai Hengqin) Limited - Lianchuang Weilai (Wuhan) Intelligent Manufacturing Industrial Investment Partnership (Limited Partnership)	Others	14.20%	145,176,676	0	Not applicable	0
Deng Xijun	Domestic natural person	9.41%	96,181,562	72,136,172	Not applicable	0
Zhang Yuchun	Domestic natural person	8.09%	82,696,357	62,022,268	Not applicable	0
Wang Chungang	Domestic natural person	5.61%	57,394,047	43,045,535	Not applicable	0
Cai Zhihong	Domestic natural person	4.96%	50,677,029	0	Not applicable	0
Cai Hegao	Domestic natural person	4.89%	50,000,000	0	Not applicable	0
Harbin Institute of Technology Asset Management Co. Ltd	Domestic state-owned corporate	3.00%	30,678,500	0	Not applicable	0
Cheng Fang	Domestic natural person	1.51%	15,488,896	0	Not applicable	0
Tan Jianxun	Domestic natural person	1.32%	13,463,438	0	Not applicable	0
Liu Meixia	Domestic natural person	1.04%	10,639,500	0	Not applicable	0
Top 10 shareholders with unrestricted shares held						
Name	Amount of unrestricted shares held	Type of shares				
		Type	Amount			
Unicom Kaixing Equity Investment Management (Zhuhai Hengqin) Limited - Lianchuang Weilai (Wuhan) Intelligent Manufacturing Industrial Investment Partnership (Limited Partnership)	145,176,676	RMB ordinary shares	145,176,676			
Cai Zhihong	50,677,029	RMB ordinary shares	50,677,029			
Cai Hegao	50,000,000	RMB ordinary shares	50,000,000			
Harbin Institute of Technology Asset Management Co. Ltd	30,678,500	RMB ordinary shares	30,678,500			

Deng Xijun	24,045,390	RMB ordinary shares	24,045,390
Zhang Yuchun	20,674,089	RMB ordinary shares	20,674,089
Cheng Fang	15,488,896	RMB ordinary shares	15,488,896
Wang Chungang	14,348,512	RMB ordinary shares	14,348,512
Tan Jianxun	13,463,438	RMB ordinary shares	13,463,438
Liu Meixia	10,639,500	RMB ordinary shares	10,639,500

Shareholders holding more than 5% of the shares, the top 10 shareholders, and the top 10 shareholders of unrestricted tradable shares participate in the lending of shares in the refinancing business.

Applicable Not applicable

The top 10 shareholders and the top 10 shareholders of unrestricted tradable shares have changed compared with the previous period due to the refinancing, lending/repayment.

Applicable Not applicable

2.The total number of preferred shareholders and the top 10 preferred shareholders' shareholdings of the Company

Applicable Not applicable

III. Other Significant Events

The Company held the sixth meeting of the fifth Board of Directors on November 1st, 2023, reviewed and passed *the Proposal on the Plan to Buy back Part of the Company's Shares*. As of March 15th, 2024, the Company confirmed that this share buy-back plan has been completed, and the Company has done 7,203,019 shares buy-back of the Company in total, accounting for 0.70% of the total share capital, with the highest transaction price of RMB 17.88 per share and the lowest transaction price of RMB 10.58 per share. The total transaction amount is RMB 100,125,282.85 (excluding transaction fees).

IV. Quarterly Financial Statements**1. Financial statements****(1) Consolidated Balance Sheet**

Prepared by HARBIN BOSHI AUTOMATION CO., LTD.

Unit: RMB

Item	Mar 31 ,2024	Jan 1, 2024
Current assets:		
Cash and cash equivalent	570,754,889.70	332,216,413.35
Financial assets held for trading	973,444,870.45	802,248,744.33
Derivative financial assets		
Notes receivable	286,382,814.92	273,519,045.87
Accounts receivable	1,031,254,915.93	1,004,337,478.08
Financing receivable	112,337,215.57	72,533,260.37
Advance payment	83,425,946.52	77,455,740.98
Other receivables	26,707,142.76	30,774,548.13
Thereof: Interest receivable		
Dividend receivable		2,601,281.28
Inventories	2,354,769,819.83	2,405,309,228.52
Contract assets	135,723,947.68	119,436,138.29
Assets held for sale		
Non-current assets due within one year	4,434,818.92	4,434,380.89
Other current assets	41,300,833.58	615,166,444.19
Total current assets	5,620,537,215.86	5,737,431,423.00
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivable	16,587,264.04	16,425,314.82
Long-term equity investment	502,173,567.71	404,005,942.77
Investment in other equity instruments	61,574,626.74	55,443,728.57
Other non-current financial assets		
Investment real estate	11,596,766.92	11,771,642.38
Fixed assets	225,500,705.03	229,647,272.08

Construction in progress	95,760,861.59	74,985,542.78
Productive biological assets		
Oil and gas assets		
Right-of-use assets	4,744,892.91	4,912,571.51
Intangible assets	52,738,717.73	53,974,953.86
Development expenditure		
Goodwill	401,878.10	401,878.10
Long-term deferred expenses	319,606.71	106,486.62
Deferred income tax assets	37,200,954.10	36,471,682.14
Other non-current assets	49,653,721.77	23,114,349.36
Total non-current assets	1,058,253,563.35	911,261,364.99
Total assets	6,678,790,779.21	6,648,692,787.99
Current liabilities:		
Short-term loans	34,086,265.01	23,872,075.01
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	273,602,284.10	337,812,103.72
Advance from customers	387,000.00	96,750.00
Contract liabilities	1,727,996,228.35	1,763,411,436.97
Employee benefits payable	21,340,597.62	76,649,155.81
Taxes payable	24,014,047.90	20,117,689.42
Other payables	29,788,153.72	30,001,942.32
Thereof: Interest payable		
Dividend payable	24,500,000.00	24,500,000.00
Liabilities held for sale		
Non-current liabilities due within one year	2,868,836.76	2,470,313.79
Other current liabilities	163,014,364.80	163,555,006.18
Total current liabilities	2,277,097,778.26	2,417,986,473.22
Non-current liabilities:		
Long-term loans		
Bonds payable	435,924,995.56	431,953,084.05
Thereof: Preferred stock		
Perpetual debt		
Lease liabilities	1,401,863.58	1,374,283.98

Long-term payables		
Long-term employee benefits payable		
Estimated liabilities	7,352,338.19	7,137,432.08
Deferred income	3,164,011.35	4,023,518.90
Deferred income tax liability	17,916,802.91	16,429,627.86
Other non-current liabilities	192,423,637.52	172,145,404.60
Total non-current liabilities	658,183,649.11	633,063,351.47
Total Liabilities	2,935,281,427.37	3,051,049,824.69
Shareholders' equity:		
Share capital	1,022,558,528.00	1,022,556,602.00
Other equity instruments	32,093,926.85	32,096,067.08
Thereof: Preferred stock		
Perpetual debt		
Capital reserve	355,508,873.67	236,467,353.62
Minus: treasury shares	100,134,294.12	8,865,506.80
Other comprehensive income	27,268,961.24	22,252,223.39
Special reserve	29,129,376.54	28,883,002.75
Surplus reserve	355,000,124.41	355,000,124.41
General risk reserve		
Retained earnings	1,858,023,379.57	1,761,948,265.24
Total equity attributable to shareholders of parent company	3,579,448,876.16	3,450,338,131.69
Minority shareholder equity	164,060,475.68	147,304,831.61
Total shareholders' equity	3,743,509,351.84	3,597,642,963.30
Total liabilities and shareholders' equity	6,678,790,779.21	6,648,692,787.99

Legal representative: Deng Xijun

Director of Finance: Sun Zhiqiang

Prepared by: Wang Peihua

(2) Consolidated Income Statement

Unit: RMB

Item	Current period	Last period
1. Total revenue	661,556,066.08	729,710,396.08
Thereof : Operating revenue	661,556,066.08	729,710,396.08
2. Total cost	538,442,856.96	528,536,727.87
Thereof: Cost of sales	447,156,999.57	438,999,834.77

Taxes and surcharges	4,519,845.54	3,824,169.65
Selling expenses	34,362,768.71	27,408,242.78
General and administrative expenses	24,010,192.48	19,973,449.70
Research and development expenses	28,161,575.45	38,345,817.26
Financial expenses	231,475.21	-14,786.29
Thereof : Interest expenses	3,315,708.11	2,792,694.99
Interest income	3,488,426.46	3,144,024.38
Add: Other income	30,481,463.69	39,246,555.78
Investment income (loss is stated with “-”)	-10,438,879.79	14,813,438.64
Thereof: Investment income from associates and joint ventures	-11,058,454.75	8,194,553.90
Gain from the derecognition of the financial assets measured at amortized cost		
Exchange income (Loss is listed with “-”)		
Net exposure hedging gains (“-” for losses)		
Gains from changes in fair value (loss is stated with “-”)	5,173,071.32	1,797,823.96
Credit impairment losses (loss is stated with “-”)	-4,023,799.88	-5,699,807.43
Asset impairment losses (loss is stated with “-”)	-3,500,078.35	-573,795.00
Gains from disposal of assets (loss is stated with “-”)	160.84	-16,327.02
3. Operating profit (loss is stated with “-”)	140,805,146.95	250,741,557.14
Add: Non-operating income	0.47	3.15
Less: Non-operating expenses	59,279.98	374,087.72
4. Total profit (loss is stated with “-”)	140,745,867.44	250,367,472.57
Less: Income tax expenses	18,568,651.77	31,903,311.42
5. Net profit (loss is stated with “-”)	122,177,215.67	218,464,161.15
(1) Classified by continuity of operations		
1)Net profit from continuing operations(loss is stated with “-”)	122,177,215.67	218,464,161.15
2)Net profit from discontinued operations(loss is stated with “-”)		
(2) Classified by ownership of the equity		
1)Attributable to shareholders of the Parent Company	105,613,101.50	210,214,585.50
2)Minority interests	16,564,114.17	8,249,575.65
6. Other comprehensive income, net of tax	5,016,737.85	-161,251.24
Other comprehensive income attributable to shareholders of the Parent Company, net of tax	5,016,737.85	-161,251.24
(1) Other comprehensive income items which will not be reclassified subsequently to profit or loss	5,211,263.44	

1) Changes arising from re-measurement of defined benefit plan		
2) Other comprehensive income that will not be transferred subsequently to profit or loss under the equity method		
3) Changes in the fair value of the investment in other equity instruments	5,211,263.44	
4) Changes in the fair value of the Company's own credit risk		
5) Others		
(2) Other comprehensive income items which will be reclassified subsequently to profit or loss	-194,525.59	-161,251.24
1) Other comprehensive income that will be transferred subsequently to profit or loss under the equity method	-194,525.59	-161,251.24
2) Changes in the fair value of other debt investments		
3) Amount of financial assets reclassified and included in other comprehensive income		
4) Credit impairment reserves for other debt investment		
5) Cash flow hedging reserve		
6) Translation differences arising from translation of foreign currency financial statements		
7) Others		
Other comprehensive income attributable to minority shareholders, net of tax		
7. Total comprehensive income	127,193,953.52	218,302,909.91
Attributable to shareholders of the Parent Company	110,629,839.35	210,053,334.26
Minority interests	16,564,114.17	8,249,575.65
8. Earnings per share		
(1) Basic earnings per share	0.1038	0.2056
(2) Diluted earnings per share	0.1038	0.2025

Legal representative: Deng Xijun

Director of Finance: Sun Zhiqiang

Prepared by: Wang Peihua

(3) Consolidated Cash Flow Statement

Unit: RMB

Item	Current period	Last period
1. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	510,985,323.62	497,741,596.66
Refund of taxes and surcharges	24,889,930.40	37,419,572.33
Other cash receipts relating to operating activities	9,526,021.45	9,530,482.55
Sub-total of cash inflows from operating activities	545,401,275.47	544,691,651.54
Cash paid for goods and services	336,423,772.87	323,324,192.97
Cash paid to employees and paid on behalf of employees	180,222,032.08	156,344,892.59
Payments of taxes and surcharges	49,622,314.14	88,271,570.01
Other cash payments relating to operating activities	28,946,429.67	30,551,392.98
Sub-total of cash outflows from operating activities	595,214,548.76	598,492,048.55
Net cash flows from operating activities	-49,813,273.29	-53,800,397.01
2. Cash flows from investing activities		
Cash received from withdrawing investments	1,017,788,000.00	1,316,610,000.00
Cash received from investment income	6,255,768.14	6,707,398.11
Net cash received from disposal of fixed assets, intangible assets and other long term assets	2,122.11	47,787.61
Net cash received from disposal of subsidiaries and other operating units		
Other cash receipts relating to investing activities	164,265.00	
Sub-total of cash inflows from investing activities	1,024,210,155.25	1,323,365,185.72
Cash paid to acquire fixed assets, intangible assets and other long-term assets	48,632,630.64	4,644,029.61
Cash paid to acquire investments	604,740,000.00	1,670,457,000.00
Net increase of mortgaged loans		
Net cash paid to acquire subsidiaries and other operating units		
Other cash payments relating to investing activities	342,828.50	310,300.00
Sub-total of cash outflows from investing activities	653,715,459.14	1,675,411,329.61
Net cash flows from investing activities	370,494,696.11	-352,046,143.89
3. Cash flows from financing activities		
Cash received from capital contributions	100,000.00	700,000.00
Thereof: Cash received by subsidiaries from minority shareholders' capital contributions	100,000.00	700,000.00

Cash received from borrowings	20,220,222.77	8,130,000.00
Other cash receipts from financing activities	200,000.00	460,000.00
Sub-total of cash inflows from financing activities	20,520,222.77	9,290,000.00
Cash repayments of borrowings	10,000,000.00	22,130,000.00
Distribution of dividends or profits and payments for interest expenses	809,131.65	205,494.50
Thereof: Cash payments for dividends or profit to minority shareholders by subsidiaries	612,500.00	
Other cash payments relating to financing activities	92,236,928.27	13,627,996.35
Sub-total of cash outflows from financing activities	103,046,059.92	35,963,490.85
Net cash flows from financing activities	-82,525,837.15	-26,673,490.85
4. Effect of foreign exchange rate changes on cash and cash equivalents	-7,797.34	82,688.27
5. Net increase in cash and cash equivalents	238,147,788.33	-432,437,343.48
Add: Cash and cash equivalents at the beginning of period	330,325,705.08	656,593,226.15
6. Cash and cash equivalents at the end of period	568,473,493.41	224,155,882.67

2. Information about the implementation of new accounting standards for the first time to adjust the relevant items in the financial statements at the beginning of the period since 2024

Applicable Not applicable

3. Auditor's report

Whether this First Interim Report has been audited by auditing firm or not?

Yes No

The First Interim Report has not been audited by auditing firm.

Board of Directors of HARBIN BOSHI AUTOMATION CO., LTD.

April 27th, 2024